

# The Global CERA Credential

Joint Regional Seminar

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SOCIETY OF ACTUARIES

# A Global Credential



# CERA as a Global Credential

- Idea emerged from discussions at meetings of the International Actuarial Association and the international Presidents' Forum
- The SOA's CERA credential viewed as a model for a global credential



# History in the Making

- In November 2009, the SOA and 13 actuarial organizations signed a treaty to establish SOA's CERA credential as the globally recognized ERM credential
- First time (we believe) in any profession that multiple organizations have joined to offer a specialized credential!



# Global CERA Treaty



# THE TREATY ORGANIZATIONS

## GERMANY

- DEUTSCHE AKTUARVEREINIGUNG E.V.

## FRANCE

- INSTITUT DES ACTUAIRES

## NETHERLANDS

- HET ACTUARIEEL GENOOTSCHAP

## SWEDEN

- SVENSKA AKTUARIEFÖRENINGEN

## UNITED KINGDOM

- FACULTY OF ACTUARIES
- INSTITUTE OF ACTUARIES

## ISRAEL

- ISRAEL ASSOCIATION OF ACTUARIES

## JAPAN

- INSTITUTE OF ACTUARIES OF JAPAN

## CANADA

- CANADIAN INSTITUTE OF ACTUARIES/  
INSTITUT CANADIEN DES ACTUAIRES

## MEXICO

- COLEGIO NACIONAL DE ACTUARIOS A.C.

## UNITED STATES

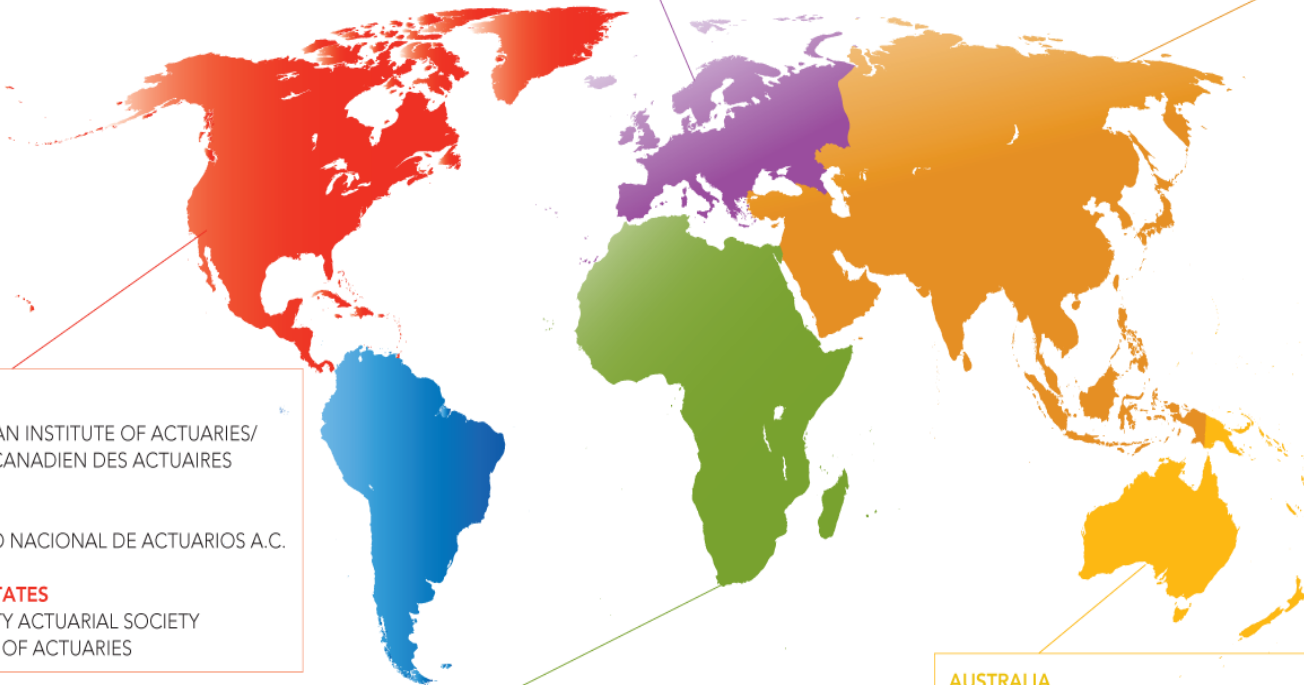
- CASUALTY ACTUARIAL SOCIETY
- SOCIETY OF ACTUARIES

## SOUTH AFRICA

- ACTUARIAL SOCIETY OF SOUTH AFRICA

## AUSTRALIA

- THE INSTITUTE OF ACTUARIES OF AUSTRALIA



# Overview



# ERM Defined

*Enterprise Risk Management is the discipline by which an organization in any industry assesses, controls, exploits, finances and monitors risks from all sources for the purpose of increasing the organization's short- and long-term value to its stakeholders.*





# Enterprise Risk Management

- Growing need for organizations to link their risks across their business units and adopt a more comprehensive framework
- ERM is the process of risk analysis and management across an entire organization
- ERM is a combination of risk models and governance



# A New Risk Credential

- The Society of Actuaries (SOA) identified the need for a new credential to demonstrate ERM competence in the traditional and broader financial services marketplace
- In June 2005 the SOA Board approved the development of new risk credential



# CERA Introduction

- The CERA credential is the first new professional credential to be introduced by the SOA since 1949
- Currently there are 662 CERAs in the workforce



# CERA

The Chartered Enterprise Risk Analyst (CERA) credential encompasses the most comprehensive and rigorous demonstration of enterprise risk management (ERM) expertise available.



# CERA

Chartered Enterprise Risk Analyst  
C R E D E N T I A L



SOCIETY OF ACTUARIES

# Benefits



# Global Marketplace Benefits

- Enables organizations to be transparent
- Helps companies meet financial reporting and control requirements
- Addresses security and technology issues
- Prepares for disaster and business continuity in post-9/11 world
- Helps companies remain competitive in a global marketplace



# Employer Benefits

- Increases value of human capital through ERM expertise
- Helps internal ERM program
- Helps implement clients' ERM programs
- Differentiates firm as ERM experts
- CERAs possess strong quantitative and financial assessment skills





# Candidate Benefits

- The most comprehensive and rigorous ERM training available
- Enhance exposure to the C-suite
- Differentiates them from other risk professionals
- Advances the field of ERM
- Expands professional network



# Significance of CERA Credential

- ERM is a best practice
- Brings consistency and standardization to ERM practice
- Expands actuarial skill set into nontraditional sectors, such as Broader Financial Services



# Curriculum

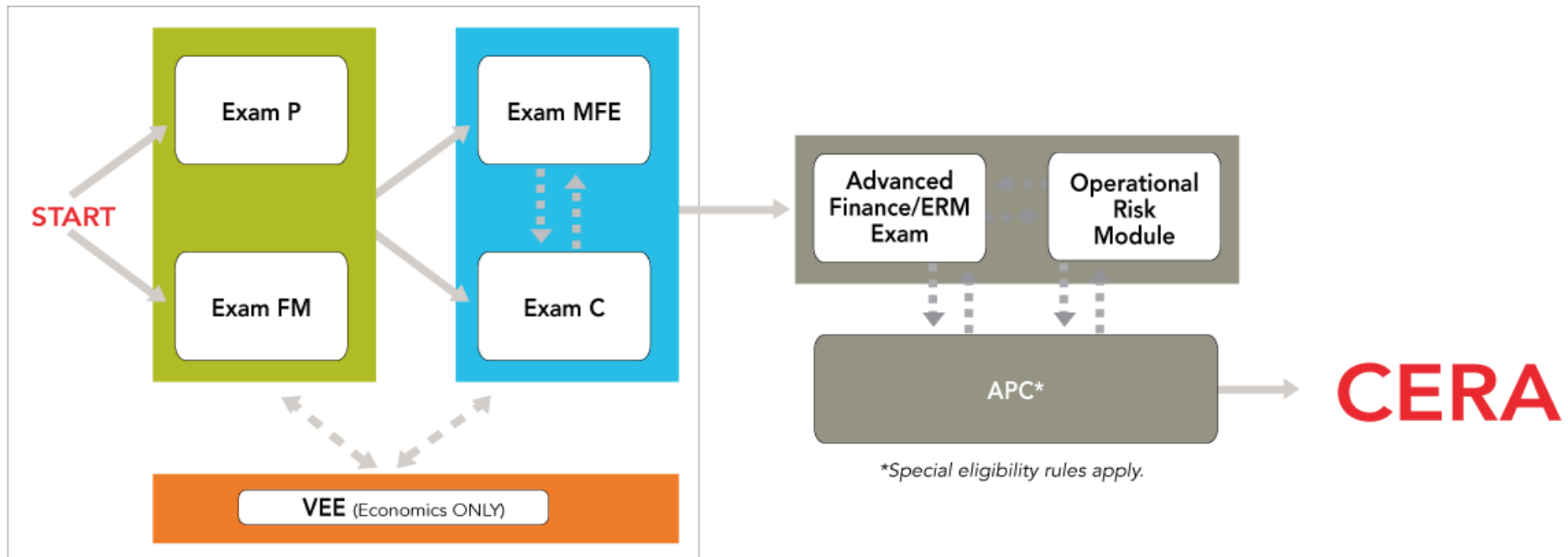


# Curriculum

- Approximately 3-4 years to obtain the CERA credential
- Includes actuarial science, ERM principles and professionalism



# Chartered Enterprise Risk Analyst (CERA) Credential for ERM



\*Must complete any two exams before applying.



# Global CERA Credential Strategy and Operations



# Strategy

- Facilitate free movement of actuaries internationally
- Increase the influence of the actuarial profession in the sphere of enterprise risk management
- Allows CERAs to have an internationally recognized credential



# Operations

- Treaty Board established, meets by conference call twice monthly
- Each participating actuarial organization appoints a member to serve a three-year term
- CERA Global Association (CGA) established using a *verein* model on 7<sup>th</sup> May 2010





# Operations

- Efforts are now underway to complete the transfer of the SOA intellectual property in the CERA to the CGA
- U.K. application was approved for award signatory status
- Four organizations are in queue for review of their applications to be award signatories (Australia, CAS, Netherlands and South Africa)



# Operations

- Website is in development
- Design of a standard certificate is underway
- Forming a PR group to develop a publicity program to promote the CERA global credential



# Quality Assurance

- Review Panel established to ensure strong quality assurance program to maintain the value of the credential
- Will review participating associations' processes used in qualifying candidates for the credential
- Thorough review of learning objectives, syllabus and learning materials



# Quality Assurance

- Annual review to include testing processes, pass rates and quality assurance
- In-depth review every three years



# Resources





# Broader Roles for Actuaries



# Opportunities for Actuaries

- Actuaries' existing skills are underutilized!
  - Cell phone contract
  - Natural gas utility
  - Sports statistics
  - Airline pricing





# Opportunities for Actuaries

- ERM
- Broader industries
- Analytics
- Public voice
- Working with other organizations
- Increased international focus
- Better communication



# SOA Strategic Initiatives

- Improved Communications
- Global CERA
- Intellectual Capital Framework
- Inter-organizational Synergies
- International Membership Strategy
- Leadership Development Program
- Marketing & Market Development Plan
- Professional Development Redesign
- Role of Academia
- Untapped Opportunities in the Health Industry



# SOA Operational Initiatives

- Centers of Actuarial Excellence Program
- Continuing Professional Development: Attestation & Audit
- Enhanced Communications Planning
- Knowledge Management Blueprint
- Fellowship Exams Twice a Year
- Rapid Retirement Research Pilot
- SOA Risk Committee
- Migration to New Database
- PCI Compliance for Credit Card Processing



# Questions



**Thank You!**

