



Why Choose a CPCU?

Thank you so much for this opportunity to speak to you today.

In these topsy-turvy times, I'm sure you would welcome some anchors of reliability in the financial realm. It's a great comfort to know there are still people out there that are certifiably trustworthy! Among the people in that category are those known as CPCUs, which stands for Chartered Property Casualty Underwriters. They're not going to make you rich, and they're not going to invigorate your portfolio — that's not their line of work. But they may be able to help you "big time" if you sustain a significant property loss. Naturally such a loss might devastate you even when the wider economy is booming.

Of course providing financial protection against loss means insurance, and I'm specifically talking about property and casualty insurance. So let's take a moment to define what that is.

Oddly, one of the easiest ways, is to say what it *isn't*. Property and casualty insurance is not life insurance, nor is it health insurance. But it is just about everything else. And it certainly includes things that are near and dear

to your life: your house, your car, your belongings and — if you have one — your business. Depending, of course, on the policies you buy, property and casualty insurance can protect those assets of yours against fire, theft, accidents, floods, earthquakes, hurricanes, tornadoes and a host of other disasters we fervently hope never happen to us. The old saw of hoping for the best but preparing for the worst certainly describes the wise property and casualty insurance consumer.

Of course just because something is needed in everyday life doesn't mean it's simple, and insurance policies are no exception. So wouldn't you want to be sure that your insurance provider is someone who knows what he or she is doing?

Let me offer a comparison. Your health issues aren't simple, so you choose a physician who has proven qualifications in the area of your need. Of course, he or she is licensed by the state, but is that good enough? Wouldn't you want someone who is board certified in his or her discipline — that is, someone who has voluntarily submitted to a rigorous process of examinations and reviews to establish his or her sterling credentials? It's a matter of the consumer having confidence in the provider. Does an accountant not inspire greater confidence if he or she is a Certified Public Accountant?

Standards and credentials are a crucial factor in deciding whom to patronize when a critical element of your life is at stake.

And so it is for property and casualty insurance — or should be. Let's face it, the world is not becoming a safer place. I don't meant to be alarmist, but a daily glance at a good newspaper will tell you that much we may take for granted in daily life is in fact quite vulnerable — and can be in jeopardy in the blink of an eye from any of the disasters I mentioned. This being the case, the question arises — from whom are you going to buy your property and casualty insurance?

Somehow the credential factor for providers of property and casualty insurance has not enmeshed itself into the public consciousness to the degree it has for other areas of professional services. This is especially troublesome because obtaining a license to sell this insurance requires only a few weeks of study followed by one written examination covering the basics. Then — as long as you pass a background check — there you are, out on the street selling sophisticated financial protection instruments.

Fortunately, there is an alternative for consumers, which gives them the level of choice offered by other disciplines. That choice, in the property casualty insurance market, is to select an agent or broker who is a CPCU

— a chartered property casualty underwriter. To be a CPCU is to hold the premier professional designation in the industry. An exact figure is hard to come by, but it's a safe bet that of all the people working in property and casualty insurance, only about five percent are CPCUs. And incidentally, not all of *them* are agents or brokers — their level of professionalism is called upon throughout the industry where they serve in a variety of capacities. So securing one to service your needs is an even more valuable find!

But what is it about CPCUs, which makes them so valuable? First, of course, it's the rigorous academic training, comparable to an MBA. To become a CPCU, a candidate must complete successfully eight rigorous undergraduate and graduate level courses in a broad swath of property and casualty insurance-related areas. On average it takes more than four years to finish this program; and of those who take the first of the exams, only 17 percent actually achieve the designation. So anyone with the letters CPCU after his or her name is a determined, indefatigable, and highly knowledgeable individual.

But academic prowess is not enough. To become a CPCU requires at least three years' experience in the property and casualty insurance industry. So the successful candidate is one who must be able to make practical use of his or her coursework learning.

Finally — and at least as important as the others — is the requirement that every CPCU pledge adherence to a stringent code of ethics, which is enforced by the American Institute for CPCU. We are aware our industry has not always performed optimally in doing right by the customer. But as I've pointed out, only a small percentage of the industry's present workforce carries the CPCU designation. That comprehensive ethics code — which speaks to matters of competence, diligence, trustworthiness, and integrity — sets high standards for the professional conduct of anyone who wishes to achieve and sustain the letters C-P-C-U after his or her name. It's also worth quoting from the Professional Commitment to which CPCUs are dedicated:

“As a Chartered Property Casualty Underwriter:

I shall strive at all times to live by the highest standards of professional conduct;

I shall strive to ascertain and understand the needs of others and place their interests above my own;

I shall strive to maintain and uphold a standard of honor and integrity that will reflect credit on my profession and on the CPCU designation.”

This commitment to ethics goes back at least to 1941 — three years before the first CPCU designations were awarded — and were a major reason for its creation in the first place. Furthermore the CPCU Society — the designation's professional organization — devotes an entire month every year to ethics issues, in addition to articles and other activities in the ethics area during the rest of the year. So CPCUs are constantly reminded of their commitment to the highest levels of ethical service.

It's important to emphasize that when I speak of CPCUs, I'm not selling the products of any particular company or the services of any specific agency or brokerage. What I'm really doing is talking about consumer protection — something that cannot be addressed enough.

I hope I've kindled your interest in CPCUs. But naturally, doing so would be of no value if you couldn't find one. On that score, I'm happy to say I can help you, also.

The CPCU Society maintains a consumer Web site, found at insurancehelp.cpcusociety.org, which features an agent/broker locator. Following the easy prompts, you will be able to find a CPCU near you. In addition, look for the CPCU designation when insurance agencies and brokerages advertise their personnel; or don't be afraid to ask a prospective agent or broker whether he

or she is a CPCU. Those four letters are your assurance of high competency, substantial experience, and strict ethical standards.

Thanks for your time, and I hope what I've had to say today leads you to a greater feeling of security and peace of mind for you and your family.