



CERA[®]

International Designation for Risk Managers

GC Summer School in Samos

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Ron Hersmis



Introduction

Ron Hersmis (NL)

- Chairman of the Education Committee of the Groupe Consultatif
- Board of Directors of CERA Global Association
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Groupe Consultatif

- The Groupe was established in 1978 to bring together the actuarial associations in the European Union to represent the actuarial profession in discussion with the European Union institutions on existing and proposed EU legislation which has an impact on the profession.
- The Groupe also now provides a forum for discussion amongst all actuarial associations throughout Europe. Thirty-six actuarial associations from thirty-three European countries are represented on the Groupe



Definition of ERM

“ERM 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 shareholders.”

(Casualty Actuarial Society, USA)



Key points

ERM is an continuous process related to

- Identification – qualification of risk (category)
- Measurement – quantification of (the consequences of) risks
- Management – measurements
- Value creation – by realisation of pre-set targets

Insurers have done this already for years: underwriting, pricing and reserving, reinsurance, profit testing



Actuaries' response to ERM

- Actuarial expertise in exploiting risk
- More needed on
 - External risks not under control of management
 - Interdependent risks
 - Co-ordination of risk management within entity
 - Transparency of risk management system
 - Reputation risk
 - Quantification of risk: especially low frequency, limited data
 - Long term risk: scenario testing, stress testing



Actuarial Education Needs

- Deeper study of risk types
 - Market risk, credit risk, operational risk, etc
- Deeper study of risk analysis methods
 - Many methods are already very actuarial.
- Deeper study of financial markets
 - Asset side without reference to insurance products
- Deeper study of financial economic theory
 - This provides the language for addressing unresolved problems such as valuation in incomplete markets

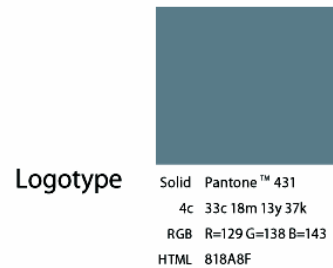


CERA designation

- Internationally recognized additional education in risk management, exclusive for actuaries (!)
- CERA has to be a global mark
- Local actuarial association can become award signatory



COLOR KEY



- Chartered Enterprise Risk Analyst
- Chartered Enterprise Risk Actuary
- Certified Enterprise Risk Analyst
- Certified Enterprise Risk Actuary

- *Gecertificeerd Enterprise Risk Actuaris*



Developments

- On Friday 13th on November 2009 the Treaty was signed (during IAA meetings in Hyderabad, India)
- On 7th of May 2010 CERA Global Association is established (Zürich, Switzerland)
- Administration is processed by UKAP (UK Actuarial Profession, London)
- Review panels for quality assurance
- After SoA, the UKAP is the second award signatory
- Australia, France and the Netherlands already applied for becoming award signatory



How to become CERA?

- Local association has to apply for becoming Accessing Party to the Treaty
- A Party can apply for the status of Award Signatory
- Award Signatory Applicant has to fulfill requirements



Requirements

- Internal governance to meet with all obligations of the Treaty
- Intellectual Property rights (CERA mark)
- Provide education (itself or through an Accredited Education Provider)
 - Covering ERM Syllabus
 - Examination and/or assessment process
- CPD including ERM
- Full member of IAA

How to Promote the CERA Credential

The Chartered Enterprise Risk Analyst (CERA) credential represents a distinct group of enterprise risk management (ERM) professionals who are active in the industry. The CERA credential represents your broad business competency, ERM expertise and commitment to ethical standards.

The Chartered Enterprise Risk Analyst credential will help people recognize you as the expert of enterprise risk management due to the rigorous curriculum of the credential. Earning the CERA credential is an accomplishment worthy of being shared with employers, clients and candidates.

The Society of Actuaries is fully engaged in this campaign, designed to promote the credential. This effort cannot be done without your support. Promote the CERA credential, the greater edge becomes. Ensure you achieve the recognition you deserve.



Below is a list of ways for you to promote the CERA credential

- Refer individuals to www.ceranalyst.org
- Distribute CERA wallet cards

Is a CERA leading your ERM program?

CERA
The ERM Experts

Chartered Enterprise Risk Analysts (CERAs) receive the most rigorous training in enterprise risk management, making CERAs experts on how operational, investment, strategic and reputational risks collectively impact your organization.
www.ceranalyst.org/BestExpert/

(with signature, etc.)



CERA
Chartered Enterprise Risk Analyst
CREDENTIAL

An Enterprising Approach to Risk

The screenshot shows a web browser displaying the CERA Curriculum Overview page. The page features a navigation menu with links for HOME, OVERVIEW, CURRICULUM, RESOURCES, NEWS, ABOUT SOA, and CONTACT US. The main content area is titled 'Curriculum Overview' and includes a 'Quick Links' section with items like 'Curriculum Overview', 'Exams', 'Exam Preparation & Registration', 'FSA & ASA Exam Process', and 'Non-EDA Member Exam Process'. The 'Share This' section is also visible. The footer contains the copyright notice '©2009 Society of Actuaries. All rights reserved.' and the Actuarial logo.