



SOCIETY OF ACTUARIES

Article from:

The Actuary Magazine

August/September 2012 – Volume 9 Issue 4

ERM Courseware Document

BY MAX RUDOLPH

When studying to earn my actuarial designation many years ago, one challenge was combining multiple sources of material into my learning plan. The SOA examination committees have made great improvements since then, stating specific learning objectives and outcomes and including case studies in the syllabus material. I was very pleased to be allowed to write the first courseware document, covering enterprise risk management (ERM).

The ERM courseware document is designed to put the material into context and I hope my efforts help candidates both better grasp the material for the exam process as well as make it useful in their career. No matter which practice area your career focuses on, I believe that the tools and processes you develop for ERM will help you make better decisions.

The courseware does not cover the material in the practice area extensions or the case study but does provide a suggested order of reading for the core reading. The courseware

is a study note and so is required reading, including highlights of some of the syllabus required readings. Supplemental material is also included to expand on some of the material in support of specific learning outcomes.

As someone who works in the ERM practice area, one of my goals in writing the courseware was to make comments about the varying ways tools are used in the real world. The syllabus itself does a good job of this, reflected in the current debate over banks' regulatory use of the value at risk (Var) metric versus conditional tail expectation (CTE). ERM is an evolving practice area, but one that can add value to your career. Earning the CERA credential in addition to completing the fellowship requirements can do nothing but expand your career possibilities.

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candidate to apply risk management principles and techniques within the selected extension, using the assigned readings and often the context of the case study. While the core reading will not be the focus of these questions, material from those readings may be needed to provide complete solutions.

COURSEWARE

A common concern raised by fellowship exam candidates is that we hand them a (really large) stack of readings and ask them to make sense of it all and then respond to questions with a high cognitive level in a short time period under stressful conditions. We aren't going to reduce the cognitive level of our questions or expand the time period. We also suspect that there is little that can be done to lower the stress level at the exam. However, we have developed a new course-

ware component designed to help candidates navigate the syllabus. It presents a reading plan and explains how the readings fit with the instructional objectives and learning outcomes. The courseware also provides commentary and additional insights that can help candidates put the material into context. The courseware for the ERM exam was written by Max Rudolph, who explains in the sidebar his goals in writing courseware.

Candidates can anticipate a superior learning experience guided by the courseware. The SOA will be adding similar courseware to the study notes packages for the redesigned fellowship exams, with some being produced in Fall 2013 and others to follow.

SOA volunteers and staff have worked hard to implement the new CERA pathway and

believe it provides a significantly improved learning and testing experience for candidates with a final outcome of better preparing actuaries to serve employers and the public. **A**

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ENDNOTES

- ¹ An article by Kathy Wong and Bob Sanford in the February/March 2012 issue of *The Actuary* outlined the changes coming to the FSA pathway. Link to article: www.soa.org/fsa-restructuring.
- ² The launch of the CERA credential as a global risk management designation was marked by the signing of a multilateral treaty (more formally, the Global Enterprise Risk Management Designation Recognition Treaty) in November 2009.
- ³ The ERM module is also available for continuing professional development.