COURSE STRATEGY GUIDE

CFE 101 – Enterprise Risk Management

Nov 2026/Mar 2027/Jul 2027

This Course Strategy Guide is intended to help candidates prepare for CFE 101: Enterprise Risk Management. The guide explains the purpose of the course and provides a suggested approach to studying for the exam. While this guide can be a valuable aid in preparation, the material in it will not be tested.

I. Purpose of this Course

The purpose of course CFE 101 is to provide a comprehensive education covering current enterprise risk management topics. In addition to being a course option under the SOA's flexible FSA pathway, CFE 101 is a key requirement to earn the Charted Enterprise Risk Analyst (CERA) credential from the SOA.

CFE 101 can be taken along with CFE 201: Corporate Finance, to complete the Corporate Finance and ERM two-course sequence. Together, the Corporate Finance and ERM (CFE) specialty sequence provides a body of study to prepare actuaries to work within the offices of the Chief Risk Officer and Chief Financial Officer in any industry. Candidates might note that this necessarily means the syllabus will cover some topics that do not directly apply to their current work but may prove useful in the future as they undertake new roles.

CFE 101 can also be chosen by candidates completing FSA pathways involving other two-course sequences. A foundation in ERM can improve skills in assessing and managing all of the risks of an organization and can increase career flexibility.

II. CERA Credential

To receive the CERA credential from the SOA, a candidate must complete most of the ASA requirements, pass the ERM exam (CFE 101), and complete the ERM module. The CERA credential is unique because it is governed globally by the CERA Global Association (CGA) but managed locally. What this means is that the SOA and other actuarial associations around the world may have different approaches to their CERA education requirements, but the CERA credential is the same. For individual CERA holders, this brings a level of portability to the credential.

III. The Case Study

A Case Study has been developed for this course. The purpose of having a Case Study as an integral part of the syllabus is to provide a context from which the candidates can internalize the

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study materials and apply some of the underlying concepts embedded in the study materials within the context of the Case Study companies.

The Case Study is purposely constructed to include businesses in various financial and non-financial industries. This allows candidates to gain insights into how enterprise risk management practices used in financial industries can also be applied in other industries and vice versa.

The Case Study also provides a platform to facilitate multi-dimensional ERM problems for candidates to demonstrate their analysis and knowledge utilization skills. Exam questions using the Case Study may not have all the pertinent intelligence, may have conflicting intelligence, or different managers may be advocating different courses of action. This mirrors reality. But the managers must still make decisions. The Case Study creates a realistic view of what an enterprise risk manager may face on a day-to-day basis and helps to prepare candidates to develop strategic and critical thinking skills in analyzing the different situations presented in the Case Study.

The Case Study consists of a narrative pdf file and an Excel spreadsheet with financial data for several of the companies included in the case study. The pdf and the spreadsheet will be available to candidates when they sit for the exam.

IV. Exam Syllabus Learning Objectives and Readings

The Learning Objectives and Learning Outcomes of CFE 101 are part of the common syllabus established by the CGA to reflect current ERM standards, tools, and techniques, and the risk environment currently faced by organizations. However, ERM practice continuously evolves in a rapidly changing world. Candidates are expected to be able to apply their knowledge of risk management to new and unfamiliar scenarios. The remainder of the CGA's common syllabus is covered by the SOA's ERM Module.

The Learning Objectives are organized into three major sections:

Section 1: Enterprise Risk Management Foundations

- 1.1: Fundamentals of ERM
- 1.2: The Internal Environment
- 1.3: The External Environment

Section 2: Risk Analysis and Evaluation

- 2.1: Risk Identification
- 2.2: Risk Assessment

Section 3: Embedding ERM into Decision-Making

- 3.1 Making Decisions
- 3.2 Responding to Risks
- 3.3 Risk Capital

The candidate should be familiar with the Learning Objectives and Learning Outcomes as described in the syllabus. These Learning Outcomes represent the knowledge candidates are expected to be able to perform after completing this course and will guide the assessment committee when developing questions. Details of the Learning Objectives and Learning Outcomes and syllabus study materials associated with the Learning Outcomes for each of the three sections can be found in the Syllabus.

The recommended approach to studying for this course is to start with the Section 1 readings and the readings for Section 3.1 (Making Decisions), then move on to Section 2, and finish with the remainder of Section 3. Within each section, certain readings are more general or cover a range of topics. We recommend reading those first and then tackling the readings covering more specific topics. One caveat to this general approach is that some readings relate to the Learning Objectives for more than one section. In this case, we generally recommend reading the entire source in the section where it first applies. Of course, candidates are not required to follow this approach and are free to study the readings in whatever way is best for them.

The following table shows each of the readings in recommended order as well as the primary Learning Outcomes associated with each one. For some of the readings, notes are included to clarify the purpose of the reading or to specify what the candidate will be responsible for learning.

	Sources in Recommended Order	**Learning Outcome(s)**
1	CFE101-100-25: Placing a Value on Enterprise Risk Management	1.1a
2	CFE101-101-25: IAA Note on ERM for Capital and Solvency Purposes in the Insurance Industry, section 1.5, 2, 3 and 5	1.1a, 1.2a, 1.2b 1.2d, 1.3a
3	CFE101-102-25: Leveraging COSO Across the Three Lines of Defense	1.2a, 1.2b, 1.2c, 1.2d 1.3a
4	CFE101-103-25: ORSA and the Regulator	1.2a, 1.2d, 1.3a, 2.1a, 2.2h, 3.1a, 3.3b, 3.3c
5	CFE101-122-26: The Changing Nature of Conduct Risk (slides 1-10)	1.2c, 2.1a
6	CFE101-105-25: Agency Theory and Asymmetric Information	1.2c
7	*Financial Enterprise Risk Management*, Chapter 14: Quantifying Particular Risks	1.3a
8	CFE101-123-26: The Complete Guide to Strategic Risk Management	1.3a, 2.1a, 2.2h, 3.2f

	Sources in Recommended Order	Learning Outcome(s)
9	CIA Practice Resource Document: Risk Appetite	1.1a, 1.2a, 1.2b, 1.2d, 2.2h, 3.1a, 3.1b, 3.3c
10	CFE101-124-26: Design, Calibration & Reporting of Effective Key Risk Indicators	1.3a, 2.1c, 2.2h
11	Rating Agency Perspectives on Insurance Company Capital (excluding Appendices)	1.3a, 2.2c, 3.3b
12	*Financial Enterprise Risk Management*, Chapter 8: Risk Identification	1.3a, 2.1a, 2.1b
13	*Quantitative Enterprise Risk Management*, Chapter 13: Liquidity Risk	1.3a, 2.1a, 2.2h, 3.1a
14	Regulatory Risk and North American Insurance Organizations, sections 6.1-6.14 & 7	1.3a, 2.1a, 3.2f
15	CFE101-108-25: Managing Environmental, Social and Governance Risks in Life & Health Insurance Business	1.3a, 2.1a, 2.2h
16	CFE101-125-26: How to Strategize in an Out-of-Control World	1.3a, 2.1a, 2.2h, 3.2f
17	CFE101-110-25: IAA Paper: Importance of Climate-Related Risks for Actuaries, pp. 2-14	1.3a, 2.1a, 2.2h, 3.2f
18	CFE101-126-26: Cyber Risk Management: Theories, Frameworks, Models, and Practice (excluding tables 5 & 6) *This source is intended to introduce candidates to current risk practices used by cyber-security professionals. Candidates are not expected to memorize the acronyms or technical jargons but should understand well enough to discuss the concepts laid out in the paper and compare with other risk frameworks in the CFE 101 syllabus.*	1.3a, 2.1a, 2.1b, 2.2h, 3.2f
19	CFE101-127-26: Artificial Intelligence Risk and Governance	1.2c, 2.1a, 2.1b, 2.1c, 2.2h, 3.2f
20	CFE101-113-25: Identifying and Evaluating Emerging Risks	2.1a, 2.1b, 2.1c
21	*Quantitative Enterprise Risk Management*, Chapter 2: Risk Taxonomy	1.2c, 2.1a
22	*Quantitative Enterprise Risk Management*, Chapter 14: Model Risk and Governance	2.1a, 2.2f, 2.2g
23	*Quantitative Enterprise Risk Management*, Chapter 3: Risk Measures	2.2b, 3.3c
24	CFE101-111-25: *IAA Risk Book,* Appropriate Applications of Stress and Scenario Testing	1.3a, 2.2d

	Sources in Recommended Order	Learning Outcome(s)
25	SOA Monograph - A New Approach to Managing Operational Risk, Chapter 8	2.2h, 3.2f
26	CFE101-114-25: Measurement and Modeling of Dependencies in Economic Capital, Chapter 4 & 7	2.2c, 2.2e, 2.2g, 3.3a, 3.3b
27	CFE101-115-25: How CEOs Can Mitigate Compounding Risks	2.2e
28	Reviewing Systemic Risk within the Insurance Industry (excluding pp. 27-29), SOA 2017	2.2h
29	CFE101-116-25: Western Australian Public Sector Financial Statements – Better Practice Guide - Tool 1 Example: Risk Analysis for Financial Statements *This source is intended to teach candidates how to establish a risk analysis framework for how to determine the implications of risk on financial statements. Candidates will not be tested on any specifics of Western Australian public sector financial statements.*	2.2a
30	*Financial Enterprise Risk Management*, Chapter 16: Responses to Risk	3.1b, 3.2a, 3.2c
31	CFE101-112-25: Internal Controls Toolkit, Doxey, Chapter 1 pp.11-17 & 27-35	1.2c, 3.2b, 3.2f
32	*Quantitative Enterprise Risk Management*, Chapter 15: Risk Mitigation Using Options and Derivatives	3.2a, 3.2c
33	CFE101-118-25: What is Basis Risk? Definition and Types of Basis Risk, Examples	3.2c
34	CFE101-119-25: IAA Risk Book, Reinsurance	3.2a, 3.2d
35	CFE101-120-25: IAA Risk Book –Asset Liability Management	3.2e
36	CFE101-117-26: Economic Capital Modeling-Practical Considerations	2.2b, 2.2c, 2.2g, 3.3a, 3.3b, 3.3c
37	*Quantitative Enterprise Risk Management*, Chapter 10: Economic Scenario Generators	2.2g
38	Regulatory Capital Adequacy for Life Insurance Companies- 2025 update (excluding Appendices) *This paper is included to give students a broad understanding of mechanics of key regulatory frameworks. Since these frameworks frequently change due to evolving regulations, this paper may not reflect the most current regulatory environment.*	2.2d, 3.3b, 3.3c
39	Corporate Pension Risk Management and Corporate Finance: Bridging the Gap between Theory and Practice in Pension Risk Management (Introduction, sections 1 & 2)	3.3b, 3.3c

	Sources in Recommended Order	Learning Outcome(s)
40	Embedded Value Calculation for a Life Insurance Company, 2006	3.3b
41	*Quantitative Enterprise Risk Management*, Chapter 18 Risk-Adjusted Measures of Profit and Capital Allocation (excluding section 18.6) *The candidate will not be responsible for proving whether or how the fair allocation criteria are met for any of the capital allocation methods in section 18.4.*	3.3b, 3.3c, 3.3d, 3.3e