

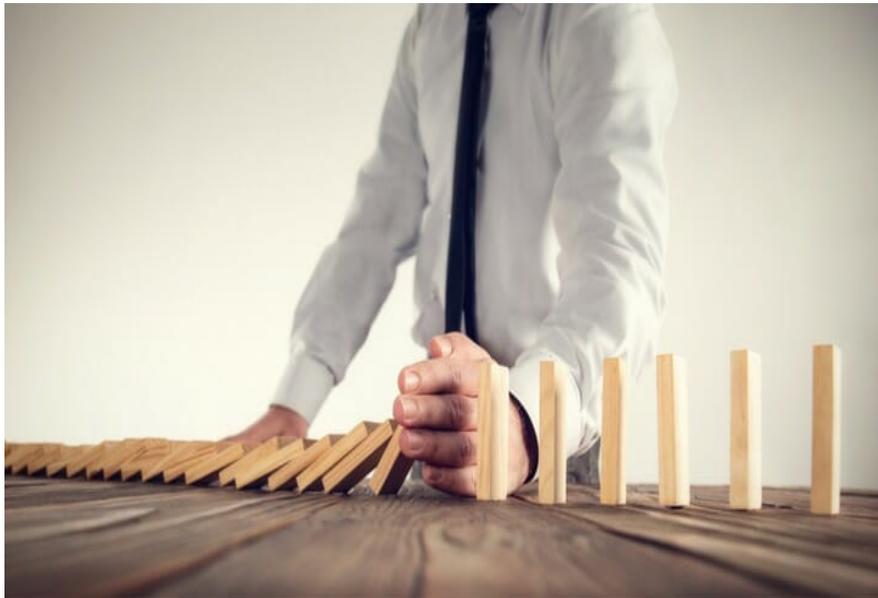


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What Does a Certified Risk Manager (CRM) Do?

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Certified Risk Managers (CRMs) are [financial professionals](#) with training in risk management, which comes in handy when helping clients chart a financial future. The CRM designation is one of the most important designations for risk managers working in the finance, insurance, accounting and legal fields. The CRM designation isn't required for a risk management career, but it can make risk managers more marketable to employers, especially in fields like insurance and finance. Here's how to become a CRM, why it may be important and how it stacks up against [other certifications](#).

How Do You Become a Certified Risk Manager?

You can become a CRM through the National Alliance for Insurance Education and Research. The program is open to professionals from many backgrounds, but is mainly for those who are currently working in risk management, as well as other professionals whose careers involve risk management, such as [legal experts](#), insurance agents, [accountants](#) and loss control professionals. The National Alliance recommends at least two years of professional experience before beginning the certification process.

There are five courses you need to take to get the certification. Each course lasts two and a half days. At the end of each course, you have the option to take the two-hour exam associate with that course. The cost tends to be between \$430 and \$440 per course. The courses include:

- **Principles of Risk Management:** Tests participants on the overall knowledge of risk management
- **Analysis of Risk:** Addresses measuring and analyzing risk, as well as possible loss of data
- **Control of Risk:** Covers safety proficiency, managing risks with crisis management policies, employment practices liability and dispute

resolution

- **Financing of Risk:** Addresses how to find financing options to ensure minimization of operational losses
- **Practice of Risk Management:** Covers strategizing and implementing risk management processes within an organization

You must take all five courses and pass all five exams within five calendar years of completing your first CRM exam. The National Alliance does not charge any additional fees for you to take the exams. In order to maintain the certification, you have to take an annual 2.5-day course online or in person.

How Important Is the Certification?



The job of a risk manager is to mitigate potential risks for companies. The risks could be legal, natural, credit or financial risks or something else. Risk managers identify and assess risks and figure out the best way to help their companies and clients limit these risks or avoid them if possible. Risk management courses build upon the existing risk management skills that professional risk managers already have.

The designation proves that the risk manager in question is well-versed in the various elements of risk management. The designation can also help to prove your expertise. This may give you more credibility with your organization and in the risk management community. The CRM designation is well suited for enterprise risk managers, or those who work with risk issues across companies, rather than just risk issues in finance.

If a professional is able to master all five of the CRM courses, their client or the company they work for will know that the risk manager has a proven and complete understanding of risk management. In addition, having to take a yearly course to maintain the certification means that a CRM stays up to date on new industry knowledge and risk management information. Some companies prefer CRMs because they have a professional stamp that shows they have the knowledge to handle difficult situations. Although one could theoretically do the same job without the certification, the certification lets clients and companies know that the person they are hiring or working with is qualified by an objective metric.

Other Risk Management Certifications Associate Risk Management Professional (ARMP)

This is a certification for individuals who are new to risk management, or have less than two years of risk management experience. It supports entry-level proficiency with knowledge in risk management. Getting the certification can help individuals demonstrate how serious they are about a career in the industry. DRI International is the certifier.

An individual has to pass the DRI Risk Management Continuity course and the Risk Management Examination in order to qualify for the certification. As of 2019, the ARMP certification is \$200, while the annual fee to maintain it is \$175.

Certified Risk Management Professional (CRMP)

The CRMP requires more than two years of experience, where the CRM suggests two years of experience. It's designed for individuals with a more specialized background in risk management than the CRM. The CRMP validates that the professional has the experience and knowledge necessary to put in place and manage a business risk management program. DRI International is the certifier.

Individuals who want the CRMP certification have to demonstrate specific and practical knowledge in two of four risk management areas. First they must take the Risk Management Continuity course. Then, they need to pass the Risk Management Examination with a score of 75% or higher. After that, they must complete the Online Application for Professional Certification on DRI International's website. They also have to have references confirm their experience. As of 2019, the CRMP certification costs \$400, while the annual fee to maintain it is \$200. Professionals must also have 80 Continuing Education Activity Points every two years in order to maintain their certification. There is a list of ways to get those points on DRI International's website.

Professional Risk Manager (PRM)

The PRM is useful for professionals who need their skill in risk management techniques, theories, tools and principles recognized. The certification is designed for every kind of risk manager, as well as financial analysts and CEOs. A variety of organizations employ individuals who hold the PRM certification including major financial institutions, government agencies and universities.

If an individual's PRM application is approved, they can get the designation by passing all required examinations within a two-year period. The entire enrollment period is three years, which includes a study period before sitting for the exams. As of 2019, it costs about \$1,200 to \$1,500 to get the certification. The Professional Risk Managers' International Association (PRMIA) is the certifier.

To be an eligible candidate, applicants must have a current PRMIA membership, as well as one of the following:

- A graduate school degree or current CFA Charter Holder designation
- A bachelor's degree and two years of full-time work experience
- Four years of full-time work experience

To maintain the designation, the individual must maintain their PRMIA membership, and complete 20 Continuing Risk Learning (CRL) credits each year.

The Bottom Line



People who usually get the CRM certification have prior risk management experience. The certification is an objective measure that they have the necessary skills to be a good risk manager. Someone with a CRM certification is also valuable because they've proved that they have a thorough understanding of risk management. It shows that they know how to measure and analyze risk, minimize operational risks and potential losses and implement risk management processes within an organization.

If you see a future in the risk management industry, a CRM designation may be right for you. However, it's wise to research all of the available certifications in your field to ensure you work toward the one that's best for your career. And if you're in need of a risk manager, keep an eye out for one with the CRM certification to ensure you get the right kind of help.

Tips for Finding the Right Financial Planner

- There are many different types of risk managers, including CRMs. Take the time to research the various designations to ensure you're working with the right one to manage the level of risk you're working with.
- A financial advisor can help you plan for a stable financial future. Finding the right financial advisor that fits your needs doesn't have to be hard. [SmartAsset's free tool](#) matches you with financial advisors in your area in five minutes. If you're ready to be matched with local advisors that will help you achieve your financial goals, [get started now](#).

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