

**Unit of Competency****Functional Area: Sales and Merchandising**

Title	Review insurance policy in international trade
Code	105201L3
Range	This unit of competency is applicable to practitioners in the import and export industry to review and amend insurance policy in international trade to prevent/minimise loss and avoid/transfer risks.
Level	3
Credit	4 (for reference only)
Competency	<p>Performance Requirement</p> <ol style="list-style-type: none"> <li>1. Possess knowledge of the principles of insurance and risk management <ul style="list-style-type: none"> <li>• Describe the definition of risk management including avoid risks, prevent loss, minimise loss, and transfer risks</li> <li>• Describe the fundamental principles of insurance, e.g., insurable interest, utmost good faith, indemnity, subrogation, and effecting good insurance</li> <li>• Describe good insurance policy forms and clauses</li> <li>• Use a range of methods to assessment risks</li> </ul> </li> <li>2.1. Manage risk and liability in international trade <ul style="list-style-type: none"> <li>• Evaluate risks of legal liabilities towards customers and third parties as a direct result of an internal mistake or negligence on the part of the international trade activity by using appropriate risk analysis techniques</li> <li>• Collect historical data and analyse claims record to understand the risks in international trade</li> </ul> </li> <li>2.2. Review insurance policy in international trade <ul style="list-style-type: none"> <li>• Collect historical data and analyse claims record to understand the risks in international trade</li> <li>• Select appropriate insurance companies or intermediaries to provide services related to international trade with reference to such factors as their background, financial position, reputation, and underwriting capacity</li> <li>• Formulate the appropriate sum insured, deductible, exclusions and limitation on certain clauses</li> <li>• Negotiate for the most appropriate insurance terms for the company when obtaining quotations with insurance companies or intermediaries</li> <li>• Verify the insurance documents issued by insurance companies or intermediaries</li> <li>• Verify the insurance policy or related documents according to the documents exchanged with the intermediary or insurance company</li> <li>• Keep records and file documents</li> </ul> </li> </ol>
Assessment Criteria	<p>The integrated outcome requirements of this unit of competency are:</p> <ul style="list-style-type: none"> <li>• Capable of managing risk and liability in international trade</li> <li>• Capable of reviewing insurance in international trade</li> </ul>
Remark	