

Specification of Competency Standards
for the Logistics Industry
Unit of Competency

Functional Area - Insurance, Legal Matters and Compliance

Title	Arrange for aviation insurance contracts
Code	LOAFLC501B
Range	This unit of competency is applicable to airlines. Practitioners should be capable to understand the risks for aircrafts during operation, to consider different factors and use the knowledge of insurance law to arrange for aviation insurance contract for the company so as to transfer the risks.
Level	5
Credit	6 (For Reference Only)
Competency	<p>Performance Requirements</p> <p>1. Understand basic principles of insurance law and aviation insurance terms</p> <ul style="list-style-type: none"> • Understand the basic principles of insurance law, including the principle of utmost good faith, duty of disclosure, insurable interest, contract of indemnity, etc. • Understand the impact on the validity of insurance contracts by violation of the basic principles of insurance law • Understand aviation insurance terms, including the risks covered, the exclusions, terms on claims, and terms on dismantlement, transportation and repair, etc. • Understand the risks for the aircraft during operation • Understand the current situation and trend of aviation insurance market <p>2. Arrange for aviation insurance contracts</p> <ul style="list-style-type: none"> • Consult different departments (including an analysis of compensation records) on the risks for the different aircraft types during operation, and decide on the appropriate sum insured, deductible and coverage • Provide the insurance company with useful information for consideration, including the type, model, manufacturer, year of manufacturing, engine information, carrying capacity and voyage of the aircraft; present the enterprise's requirements for insurance products to the insurance company • Select appropriate insurance companies or intermediaries for the enterprise according to their background, financial position, reputation and underwriting capacity • Master the aviation insurance terms and insurance market conditions to fight for the most appropriate coverage and the most reasonable premium when negotiating with insurance companies or intermediaries • Verify the insurance documents issued by insurance companies or intermediaries • Handle the premium with other departments of the enterprise <p>3. Professionalism in handling aircraft insurance contracts</p> <ul style="list-style-type: none"> • Handle insurance issues according to insurance law • Avoid conflict of interests • Act cautiously to protect the interests of the company when deciding coverage for the subject matter insured.
Assessment Criteria	<p>The integrated outcome requirement of this unit of competency is:</p> <ul style="list-style-type: none"> • Capable to handle matters related to aviation insurance according to various factors, including the properties of the aircraft, transportation arrangements, and the needs of the company so as to transfer the risks.

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Remark	The functional area "Insurance and Legal Matters" was revised as "Insurance, Legal Matters and Compliance". This UoC code was changed from LOAFIL501A to LOAFLC501B.
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