

Specification of Competency Standards
for the Logistics Industry
Unit of Competency

Functional Area - Insurance, Legal Matters and Compliance

Title	Arrange for air cargo insurance contract
Code	LOAFLC502B
Range	This unit of competency is applicable to consignors, air freight forwarders and air freight operators. Practitioners should be capable to understand operating risks; to consider different factors and use the knowledge of insurance law to arrange for air freight insurance contracts so as to transfer the risks.
Level	5
Credit	9 (For Reference Only)
Competency	<p>Performance Requirements</p> <p>1. Understand operating risks and the basic principles of insurance law and insurance terms</p> <ul style="list-style-type: none"> • Understand the operation of the air freight industry • Understand the operation of the company, and the risks for cargoes transported by air • 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 the international conventions relevant to air cargo carriage • Understand the business law • Understand air freight insurance terms, including risks, period, exclusions, obligations of the insured and claims details • Understand the current situation and trend of the air freight insurance market <p>2. Arrange for air cargo insurance contracts</p> <ul style="list-style-type: none"> • Consult different departments and analyse past claims records so as to understand the risks for cargoes transported by air • Provide the insurance company with useful information for consideration, including type, nature, package and quantity of the cargo; number, time and date of the flight; place of departure and arrival; and sum insured; present the enterprise's requirements for insurance products clearly to the insurance company • Select appropriate insurance companies or intermediaries from the market which provide services related to air cargo insurance according to their background, financial position, reputation and underwriting capacity Formulate for the enterprise the appropriate sum insured, deductible and limitation of liability according to different factors; present the enterprise's requirements for insurance products clearly to the insurance company or intermediary • Fight for the most appropriate insurance terms for the enterprise when negotiating quotations with insurance companies or intermediaries • Verify the insurance documents issued by insurance companies or intermediaries • Handle the premium with other departments of the company <p>3. Professionalism in arranging for insurance contracts</p> <ul style="list-style-type: none"> • Handle insurance issues according to insurance law • Avoid conflict of interests • Act in a cautious manner to protect the interests of the company when deciding a coverage for the subject matter insured.

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Assessment Criteria	The integrated outcome requirement of this unit of competency is: <ul style="list-style-type: none">• Capable to handle air cargo insurance contracts according to different factors, including cargo information, the arrangements for freight movement and the needs of the company so as to transfer the risks.
Remark	The functional area “Insurance and Legal Matters” was revised as “Insurance, Legal Matters and Compliance”. This UoC code was changed from LOAFIL502A to LOAFLC502B.