

Specification of Competency Standards
for the Logistics Industry
Unit of Competency

Functional Area - Insurance, Legal Matters and Compliance

Title	Arrange for air cargo liabilities insurance contract
Code	LOAFLC503B
Range	This unit of competency is applicable to air freight and relevant operators. Practitioners should be capable to understand operating risks; to consider different factors and use the knowledge of insurance law to arrange for air cargo liabilities 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 operating risks and the basic principles of insurance law and insurance terms</p> <ul style="list-style-type: none"> • Understand the operation of the company • Understand the services of the company, and its operating risks and responsibilities • Understand the details of the contracts signed between the company and customers, including the rights and obligations of both parties • Understand the international conventions relevant to air freight transport • Understand the business law • 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 terms of air cargo liabilities insurance, including cargo liabilities, aviation liabilities and exclusions, etc. • Understand the current situation and trend of air cargo liabilities insurance market <p>2. Arrange for air cargo liabilities insurance contracts</p> <ul style="list-style-type: none"> • Consider different factors, such as the content of the contracts signed with customers, and the international conventions relevant to air freight transport, etc.; understand the company's exposure to risks and liabilities in relation to the customers; set limitation of liability, deductible and coverage • Select and provide the insurance company with useful information for consideration, including information on cargo and flight detail, claim records, etc.; present the enterprise's requirements for insurance products clearly to the insurance company or intermediary • Analyse past records of litigation and claims • Select appropriate insurance companies or intermediaries according to their background, financial position, reputation and underwriting capacity • Apply the knowledge of contract terms for air cargo liabilities insurance and relevant insurance market to fight for the most appropriate coverage and the most reasonable premium 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 air cargo liabilities insurance contracts</p> <ul style="list-style-type: none"> • Handle insurance issues according to insurance law and other relevant legislations • Avoid conflict of interests • Act in a cautious manner to protect the interests of the company when deciding a coverage

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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 liabilities insurance contracts according to different factors, including cargo information, current situation of relevant insurance market, past compensation records 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 LOAFIL503A to LOAFLC503B