

Specification of Competency Standards
for the Logistics Industry
Unit of Competency

Functional Area - Insurance, Legal Matters and Compliance

Title	Apply basic principles of insurance law to handle insurance matters
Code	LOCULC416B
Range	This unit of competency is applicable to all sea freight, air freight and express operators. Practitioners should be capable to handle insurance matters by applying the basic principles of insurance contract and base on the understanding of the transport procedures as well as the characteristics of the goods.
Level	4
Credit	6 (For Reference Only)
Competency	<p>Performance Requirements</p> <p>1. Basic principles of insurance contract</p> <ul style="list-style-type: none"> • Understand the structure of the Office of the Commissioner of Insurance • Understand the monitor of insurance companies or intermediaries by the Office of the Commissioner of Insurance • Understand the application of relevant insurance legislations in Hong Kong and other countries • 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 legal responsibilities and impact by violation of law • Understand the criminal and civil liabilities for business in general • Understand the characteristics of the industry, the operation procedure, and the cooperation and relationship with customers <p>2. Handle insurance matters by applying the basic principles of insurance contract</p> <ul style="list-style-type: none"> • Understand the impact on the validity of the insurance contract by violation of the principle of utmost good faith • Capable to distinguish material and immaterial circumstances so as to decide whether to inform the insurance company or not on any changes in business operation, insurance standards, etc. • Apply the definition of insurable interest to define whether the company possess legally-recognised interests in the subject matter insured so as to arrange a valid insurance contract • Insure for the subject matter insured at suitable time • Understand the principle of contract of indemnity so as to decide the appropriate sum insured and make claims for it • Understand insurer in the situation of underinsurance and how to assess the compensation amount • Apply relevant basic principles of insurance law to handle claims
Assessment Criteria	<p>The integrated outcome requirements of this unit of competency are:</p> <ul style="list-style-type: none"> • Capable to make appropriate insurance decisions according to insurance principles
Remark	The functional area "Insurance and Legal Matters" was revised as "Insurance, Legal Matters and Compliance". This UoC code was changed from LOCUIL412A to LOCULC416B