

**Specification of Competency Standards**  
**for the Logistics Industry**  
**Unit of Competency**

Functional Area - Insurance, Legal Matters and Compliance

Title	Arrange for insurance by tender
Code	LOCULC506B
Range	This unit of competency is applicable to sea freight, air freight, and express operators. Practitioners should be capable to arrange for insurance by tender independently according to the needs of the company.
Level	5
Credit	9 (For Reference Only)
Competency	<p>Performance Requirements</p> <p>1. Understand the risks during operation and insurance terms</p> <ul style="list-style-type: none"> <li>• Understand the basic principles of insurance law, including the principle of utmost good faith, duty of disclosure, insurable interest, contract of indemnity, etc.</li> <li>• Understand the impact on the validity of insurance contracts by violation of the basic principles of insurance law</li> <li>• Fairly understand the characteristics and operation procedure of the industry, and the co-operation and relationship with customers</li> <li>• Understand the risks during operation</li> <li>• Understand relevant insurance terms</li> <li>• Understand the present status and trend of relevant insurance market</li> <li>• Decide on the appropriate sum insured, deductible exclusion or maximum limit of liability for certain clauses according to the company conditions</li> <li>• Have basic knowledge of Hong Kong business law and company law, including the legal system in Hong Kong and its origin, contract law, torts law and agency law</li> <li>• Understand tendering procedures and relevant strategies</li> <li>• Capable to prepare tender conditions in the interests of the company</li> </ul> <p>2. Arrange for insurance by tender</p> <ul style="list-style-type: none"> <li>• Select appropriate insurance companies or intermediaries according to their background, financial position, reputation and underwriting capacity</li> <li>• Handle the relationship with insurance companies or intermediaries legally during the tender period</li> <li>• Compare and analyse the quotations from insurance companies or intermediaries, and choose the most appropriate coverage, sum insured, deductible, premium and maximum limitation of liability for certain clause</li> <li>• Liaise with eligible insurance companies or intermediaries and confirm the details</li> <li>• Inform relevant departments of the progress of the insurance arrangements</li> <li>• Verify the insurance documents issued by insurance companies or intermediaries</li> </ul> <p>3. Professionalism in arranging for insurance by tender</p> <ul style="list-style-type: none"> <li>• Handle insurance issues according to insurance law</li> <li>• Act in a cautious manner to protect the interests of the company when deciding on the subject matter insured</li> <li>• Avoid conflict of interests</li> </ul>
Assessment Criteria	<p>The integrated outcome requirements of this unit of competency is:</p> <ul style="list-style-type: none"> <li>• Capable to arrange for insurance by tender and to decide on the successful tender in the interests of the company.</li> </ul>

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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 LOCUIL503A to LOCULC506B.
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