

Specification of Competency Standards
for the Logistics Industry
Unit of Competency

Functional Area - Insurance, Legal Matters and Compliance

Title	Arrange for employee compensation insurance contract
Code	LOCULC507B
Range	This unit of competency is applicable to sea freight, air freight, and express operators. Practitioners should be capable to understand operating risks; to consider different factors and use the knowledge of insurance law to arrange for employee compensation insurance contracts 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 and its utilisation of human resources • Understand the process, nature and working conditions of the logistic operation, and possible risks to employee • Understand the importance of purchasing employee compensation insurance to the lawful operation of the company • Understand labour law and other legislations related to compulsory compensation insurance for employees; clearly understand the liabilities of non-compliance • Know about the criteria for verifying employee identity • Understand the company's relationship with subcontractors, and the rights and obligations of both parties • 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 for employee compensation insurance, including medical fees, compensation for permanent disability and death, maximum compensation per claim and restrictions on locations • Understand the current situation and trend of employee compensation insurance market <p>2. Arrange for labour insurance contracts</p> <ul style="list-style-type: none"> • Consult different departments and analyse past compensation records so as to understand operating risks • Select appropriate companies or intermediaries from the market which provide a variety of employee insurance services/products according to their background, financial position, reputation and underwriting capacity • Provide the insurance company with staff information for consideration, including business nature, types and nature of jobs, number of staff, wages and work locations; present the company's requirements for insurance products clearly • Fight for the most appropriate terms when negotiating quotations with insurance companies or intermediaries • Verify the insurance documents issued by insurance companies or intermediaries <p>3. Professionalism in arranging for insurance contacts</p> <ul style="list-style-type: none"> • Handle insurance issues according to labour law and other relevant legislations • Avoid conflict of interests • Act in a cautious manner to protect the interests of the company

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Assessment Criteria	The integrated outcome requirement of this unit of competency are: <ul style="list-style-type: none">• Capable to arrange for employee compensation insurance contracts according to various factors, including the nature of jobs, past compensation records and the needs of the company so as to make the company operate lawfully and transfer the risks• Capable to select appropriate insurance companies or intermediaries to handle insurance matters according to company's requirements and different factors of consideration.
Remark	The functional area "Insurance and Legal Matters" was revised as "Insurance, Legal Matters and Compliance". This UoC code was changed from LOCUIL507A to LOCULC507B