

Specification of Competency Standards for the Logistics Industry

Unit of Competency

1. Title	Arrange for public liability insurance contract
2. Code	LOCUIL508A
3. 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 public liability insurance contracts for the company so as to transfer the risks.
4. Level	5
5. Credit	6 (for reference only)
6. Competency	<p style="text-align: center;"><u>Performance Requirements</u></p> <p>6.1 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 definition of third party through the study of law ◆ Understand the nature and working environment of logistic operation, and possible risks and liabilities related to the third party ◆ Understand the impact of business law and relevant legislations on the operation of the company ◆ 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

	<p data-bbox="384 712 667 853">6.2 Arrange for insurance contracts</p> <ul style="list-style-type: none"> <li data-bbox="767 226 1442 517">◆ Understand the terms of public liability insurance, including the provision of legal protection for the company whose operation may have caused damage to persons and property, exclusions and maximum benefits <li data-bbox="767 544 1469 629">◆ Understand the current situation and trend of public liability insurance market <li data-bbox="767 719 1474 1066">◆ Understand the company's possible exposure to third party liabilities according to the contract entered with customers and the standard trading terms; formulate appropriate maximum limit of liability, deductible exclusion and coverage <li data-bbox="767 1093 1474 1440">◆ Select and provide the insurance company with useful information for consideration, including business nature and scope, data and information related to operation, and claim records; present the enterprise's requirements for insurance products clearly <li data-bbox="767 1467 1410 1552">◆ Analyze past records of litigation and claims <li data-bbox="767 1579 1442 1760">◆ Select appropriate insurance companies or intermediaries according to their background, financial position, reputation and underwriting capacity
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	<ul style="list-style-type: none"> ◆ Apply the knowledge of public liability insurance terms 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>6.3 Professionalism in arranging for 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
7. Assessment Criteria	<p>The integrated outcome requirement of this unit of competency is:</p> <p>(i) Capable to handle public liability insurance contracts according to different factors, including the nature of jobs, past compensation records and the needs of the company so as to transfer the risks ; and</p> <p>(ii) Capable to select appropriate insurance companies or intermediaries to handle insurance matters according to company’s requirements and different factors of consideration</p>
8. Remarks	