

Specification of Competency Standards for the Logistics Industry

Unit of Competency

1. Title	Arrange for multimodal insurance contract
2. Code	LOCUIL509A
3. Range	This unit of competency is applicable to sea freight, 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 multimodal insurance contracts for the company so as to transfer the risks.
4. Level	5
5. Credit	9 (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 services of freight forwarders, and their operating risks and responsibilities ◆ Understand the details of the contracts signed between freight forwarders and customers/consignors, including the rights and obligations of both parties ◆ Understand the standard trading terms agreed between freight forwarders and customers/consignors ◆ 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="384 640 667 831">6.2 Arrange for multimodal insurance contracts</p> <ul style="list-style-type: none"> <li data-bbox="767 226 1410 472">◆ Understand the terms of multimodal insurance, including cargo liabilities, third party liabilities, errors and omissions, fines and duties, costs and expenses, etc. <li data-bbox="767 495 1410 577">◆ Understand the current situation and trend of multimodal insurance market <li data-bbox="767 640 1474 992">◆ Understand the company’s exposure to risks and liabilities in relation to the third party according to the contracts signed with customers/consignors and the standard trading terms; formulate the appropriate sum insured, deductible exclusions and coverage <li data-bbox="767 1014 1474 1525">◆ Select and provide the insurance company with useful information for consideration, including total freight revenue per annum, business scope, cargo volume (in TEU / metric tons) and its regional distribution, cargo types, bills of lading, standard trading terms, services of subcontractors and claim records; present the enterprise’s requirements for insurance products clearly <li data-bbox="767 1547 1410 1630">◆ Analyze past records of litigation and claims <li data-bbox="767 1653 1442 1848">◆ 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 contract terms for multimodal 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>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 multimodal 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	