

Specification of Competency Standards for the Logistics Industry

Unit of Competency

1. Title	Arrange for hull and machinery insurance (including war and strike) contract
2. Code	LOSGIL503A
3. Range	This unit of competency is applicable to shipping companies and relevant sea freight operators. Practitioners should be capable to understand the risks for vessels during operation, to consider different factors and use the knowledge of insurance law to arrange for hull and machinery insurance (including war and strike 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 company operation and the risks for the hull and machineries arising from the various types of vessels during operation ◆ 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 hull and machinery insurance terms, including navigation, breach of warranty, perils, 3/4ths collision liability, sister ship, general average, salvage and deductible ◆ Understand the clauses for war and strike insurance, and the restrictions on navigation

	<p data-bbox="384 344 735 696">6.2 Arrange for hull and machinery insurance (including war and strike insurance) contracts</p> <ul style="list-style-type: none"> <li data-bbox="767 226 1390 309">◆ Understand the current situation and trend of hull insurance market <li data-bbox="767 344 1469 696">◆ Consult different departments (including an analysis of claims record) on the risks for the hull and machines during the operation and various types of vessels, and decide on the appropriate sum insured, deductible, exclusions and coverage <li data-bbox="767 719 1469 1070">◆ Provide the insurance company with relevant information for consideration, including the type, year of manufacture, tonnage, flag, classification society, sum insured and voyage of the vessel; present the company's requirements for insurance products clearly <li data-bbox="767 1093 1453 1332">◆ Select appropriate insurance companies or intermediaries for the enterprise according to their background, financial position, reputation and underwriting capacity <li data-bbox="767 1355 1469 1706">◆ Master the hull and machinery insurance (including war and strike insurance) terms and insurance market conditions to fight for the most appropriate coverage and the most reasonable premium when negotiating with insurance companies or intermediaries <li data-bbox="767 1729 1469 1812">◆ Verify the insurance documents issued by insurance companies or intermediaries <li data-bbox="767 1834 1310 1917">◆ Handle the premium with other departments of the company
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	<p>6.3 Professionalism</p> <ul style="list-style-type: none"> ◆ Handle insurance issues according to insurance law ◆ Avoid conflict of interests ◆ Act cautiously to protect the interests of the company
<p>7. Assessment Criteria</p>	<p>The integrated outcome requirements of this unit of competency is:</p> <ul style="list-style-type: none"> (i) Capable to handle matters related to hull and machinery insurance (including war and strike insurance) according to various factors, including the nature of cargoes, transportation arrangements, and the needs of the company so as to transfer the risks; and (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</p>	