

Specification of Competency Standards for the Logistics Industry

Unit of Competency

1. Title	Arrange for charterer's liability insurance
2. Code	LOGGIL504A
3. Range	This unit of competency is applicable to charterers and relevant sea freight operators. Practitioners should be capable to understand possible liabilities of charterers during operation; to consider different factors and use the knowledge of insurance law to arrange for charterer's liability insurance 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 different types of ship chartering, including voyage charter, bareboat charter and time charter◆ Understand the company's relationship with charterers◆ Understand the use and details of charterparty, the rights and obligations of charterers and shipping companies, charterers' exposure to risks of contractual liabilities and third party liabilities during chartering period◆ 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="384 775 663 1016">6.2 Arrange for charterer's liability insurance contracts</p> <ul style="list-style-type: none"> <li data-bbox="767 226 1437 524">◆ Understand the terms of charterer's liability insurance, including liabilities toward cargo, oil pollution, damage to third party property or persons, salvage of ship wreckage, collision, and hull damage <li data-bbox="767 546 1461 680">◆ Understand the liabilities of charterers, and the current situation and trend of the insurance market <li data-bbox="767 775 1461 1234">◆ Consult different departments (including an analysis of litigation and claims record, and details of charterparty) and understand charterers' exposure to risks of contractual liabilities and third party liabilities during chartering period; formulate the appropriate limit of liability, deductible, exclusions and coverage <li data-bbox="767 1256 1430 1659">◆ Provide the insurance company with relevant information for consideration, including information of chartered vessels, types of chartering, chartering period, details of charterparty, limit of liability and voyage; present the company's requirements for insurance products clearly <li data-bbox="767 1682 1437 1872">◆ Select appropriate insurance companies or intermediaries according to their background, financial position, reputation and underwriting capacity
--	--

	<ul style="list-style-type: none"> ◆ Apply the knowledge of terms of charterer’s liability 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 ◆ 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 charterer’s liability insurance according to different factors, including the characteristics of ships, past compensation records, types of ship chartering, details of charterparty 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	