

Specification of Competency Standards for the Logistics Industry

Unit of Competency

1. Title	Arrange for loss of hire insurance
2. Code	LOGGIL506A
3. Range	This unit of competency is applicable to shipping companies and sea freight operators. Practitioners should be capable to understand operating risks; to consider different factors and use the knowledge of insurance law to arrange for loss of hire insurance 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, and the causes of loss of hire ◆ 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 contract terms of loss of hire insurance, including covering period, coverage of risks and the exclusions ◆ Understand the current situation and trend of the insurance market <p>6.2 Arrange for loss of hire insurance</p> <ul style="list-style-type: none"> ◆ Consult different departments and analyze past claims record so as to understand operating risks

	<ul style="list-style-type: none"> ◆ Select appropriate companies or intermediaries from the market which provide services/products related to loss of hire insurance according to their background, financial position, reputation and underwriting capacity ◆ Formulate for the company the appropriate sum insured, deductible exclusion and limitation on certain clauses limitation of liability according to different factors; present the company’s requirements for insurance products clearly ◆ Fight for the most appropriate insurance terms for the company 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 contacts</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 loss of hire insurance according to different factors so as to transfer the risks.</p>
8. Remarks	