

Specification of Competency Standards for the Logistics Industry

Unit of Competency

1. Title	Arrange for protection and indemnity cover
2. Code	LOGGIL507A
3. Range	This unit of competency is applicable to shipping companies and relevant 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 protection and indemnity cover 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, P&I Club and the protection and indemnity risks covered</p> <ul style="list-style-type: none">◆ Understand the operation of the trade◆ Understand the operation of the company and the risks and liabilities for vessels during operation◆ Understand P&I Club , including its purpose, membership, the board of directors, the managers, applications for insurance, calls, policy year and termination of insurance◆ Understand the protection and indemnity risks covered, including injury, illness or death, repatriation and substitute expenses, collision liability, pollution risks, cargo liability, unrecoverable general average contributions, sue and labour and legal costs, fines, loss of or damage to containers◆ Understand the limitation of liability and deductible◆ Understand the practices of different P&I Club

	<p>6.2 Arrange for contracts for protection and indemnity cover</p> <ul style="list-style-type: none"> ◆ Understand the current situation and trend of the insurance market ◆ Consult different departments and analyze past compensation records so as to understand operating risks ◆ Select appropriate P&I Club or intermediaries according to their background, financial position, reputation and underwriting capacity ◆ Fight for the most appropriate terms for the company when negotiating quotations with insurance companies or intermediaries ◆ Verify the insurance documents issued by P&I Club 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 the terms of P&I Club ◆ 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 decide on the appropriate insurance for vessels according to various factors, including the characteristics of vessels, the differences of P&I Club and the needs of the company so as to transfer the risks; and</p> <p>(ii) Capable to select appropriate P&I Club or intermediaries to handle insurance matters according to company's requirements and different factors of consideration.</p>
8. Remarks	