

## Specification of Competency Standards for the Logistics Industry

### Unit of Competency

1. Title	Arrange for cargo insurance (including war and strikes) contracts
2. Code	LOGGIL508A
3. Range	This unit of competency is applicable to shippers, freight forwarders 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 cargo 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"><li>◆ Understand the operation of the sea freight industry</li><li>◆ Understand the operation of the company, and the risks of carrying cargoes by sea</li><li>◆ Understand the basic principles of insurance law, including the principle of utmost good faith, duty of disclosure, insurable interest, contract of indemnity, etc.</li><li>◆ Understand the impact on the validity of insurance contracts by violation of the basic principles of insurance law</li><li>◆ Understand the international conventions relevant to sea carriage</li><li>◆ Understand different types of cargo freight insurance and their terms, including coverage of risks, covering period, and the exclusions</li><li>◆ Understand the insurance terms of war and strikes</li></ul>

	<p>6.2 Arrange for cargo insurance (including war and strikes risks) contracts</p>	<ul style="list-style-type: none"> <li>◆ Understand the current situation and trend of the cargo insurance market</li> <li>◆ Consult different departments and analyze past claims record so as to understand the risks for carrying cargoes by sea</li> <li>◆ Select appropriate insurance companies or intermediaries from the market which provide services related to cargo insurance (including war and strikes risks) according to their background, financial position, reputation and underwriting capacity</li> <li>◆ Formulate for the enterprise the appropriate sum insured, deductible, exclusions and limitation on certain clauses according to different factors; present the company's requirements for insurance products clearly</li> <li>◆ Fight for the most appropriate insurance terms for the company when negotiating quotations with insurance companies or intermediaries</li> <li>◆ Verify the insurance documents issued by insurance companies or intermediaries</li> <li>◆ Handle the premium with other departments of the company</li> </ul>
	<p>6..3 Professionalism in arranging for insurance contracts</p>	<ul style="list-style-type: none"> <li>◆ Handle insurance issues according to insurance law</li> <li>◆ Avoid conflict of interests</li> <li>◆ Act in a cautious manner to protect the interests of the company</li> </ul>

7. Assessment Criteria	<p>The integrated outcome requirement of this unit of competency is:</p> <ul style="list-style-type: none"><li>(i) Capable to handle cargo insurance (including war and strikes risks) contracts according to different factors, including the characteristics of cargoes, the arrangements for freight movement and the needs of the company so as to transfer the risks; and</li><li>(ii) Capable to select appropriate insurance companies or intermediaries to handle insurance matters according to company's requirements and different factors of consideration.</li></ul>
8. Remarks	