

## Specification of Competency Standards for the Logistics Industry

### Unit of Competency

1. Title	Review freight transport contracts, insurance, and liability
2. Code	LOLTLC501A
3. Range	This unit of competency is applicable to logistics service providers. Practitioners should be capable of applying knowledge of business law to review and examine freight transport contracts, insurance, and liability.
4. Level	5
5. Credit	6 (for reference only)
6. Competency	<p style="text-align: center;"><u>Performance Requirements:</u></p> <p>6.1 Relevant knowledge of business laws</p> <ul style="list-style-type: none"> <li>• Possess relevant legal knowledge (e.g., the legal system in Hong Kong, contract law, agency law, sales of goods)</li> <li>• Understand the key features and business procedure of the industry</li> </ul> <p>6.2.1 Examine sales contract</p> <ul style="list-style-type: none"> <li>• Review the sales contract (or evidence of the sales contract) and confirm the relevant terms and conditions as the basis for the apportionment of costs throughout the freight transport activities</li> <li>• Examine respective responsibilities, rights and liabilities between the buyer and seller based on the sales contract</li> </ul> <p>6.2.2 Examine service contract</p> <ul style="list-style-type: none"> <li>• Review and confirm the service contract and supporting documents</li> <li>• Examine respective responsibilities, rights and liabilities between the customer and service provider based on the service contract to identify risk, issues, etc.</li> </ul> <p>6.2.3 Evaluate insurance requirements</p> <ul style="list-style-type: none"> <li>• Evaluate insurance requirements for freight transport from the perspectives of critical risk factors of the freight transport project</li> <li>• Organising appropriate policies with brokers/agents to cover for the freight transport project where required</li> <li>• In the event of loss or damage, assist the customer to make a claim on the insurance as per the policy requirements and standard procedures</li> <li>• Lodge all documentation to support an insurance claim with the insurer as per policy requirements</li> </ul> <p>6.3 Manage legal liability in freight transport project</p> <ul style="list-style-type: none"> <li>• Evaluate risks of legal liabilities towards customers and third parties as a direct result of an internal mistake or negligence on the part of the transport activity by using appropriate risk analysis techniques</li> <li>• Organise appropriate liability insurance to provide the required cover for the risks involved</li> <li>• In the event of loss or damage, make a claim on the insurance as per the policy requirements and standard procedures</li> <li>• Lodge all documentation to support an insurance claim with the insurer as per policy requirements</li> </ul>
7. Assessment Criteria	<p>The integrated outcome requirements of this unit of competency are:</p> <ul style="list-style-type: none"> <li>• Capable of examining on sales contract and service contract</li> <li>• Capable of evaluating insurance requirements</li> <li>• Capable of managing legal liability in freight transport project</li> </ul>
8. Remarks	