

Specification of Competency Standards for the Logistics Industry

Unit of Competency

1. Title	Apply basic principles of insurance law to handle insurance matters
2. Code	LOCULC302A
3. Range	This unit of competency is applicable to logistics service providers. Practitioners should be capable of handling insurance matters by applying the basic principles of insurance contract and base on the understanding of the transport procedures as well as the characteristics of the goods.
4. Level	3
5. Credit	3 (for reference only)
6. Competency	<p style="text-align: center;"><u>Performance Requirements:</u></p> <p>6.1 Basic principles of insurance contract</p> <ul style="list-style-type: none"> • Understand the structure of the Office of the Commissioner of Insurance • Understand the monitor of insurance companies or intermediaries by the Office of the Commissioner of Insurance • Understand the application of relevant insurance legislations in Hong Kong and other countries • 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 legal responsibilities and impact by violation of law • Understand the criminal and civil liabilities for business in general • Understand the characteristics of the industry, the operating procedure, and the cooperation and relationship with customers <p>6.2 Handle insurance matters by applying the basic principles of insurance contract</p> <ul style="list-style-type: none"> • Understand the impact on the validity of the insurance contract by violation of the principle of utmost good faith • Capable of distinguish material and immaterial circumstances so as to decide whether to inform the insurance company or not on any changes in business operation, insurance standards, etc. • Apply the definition of insurable interest to define whether the company possess legally-recognised interests in the subject matter insured so as to arrange a valid insurance contract • Insure for the subject matter insured at suitable time • Understand the principle of contract of indemnity so as to decide the appropriate sum insured and make claims for it • Understand insurer in the situation of underinsurance and how to assess the compensation amount • Apply relevant basic principles of insurance law to handle claims
7. Assessment Criteria	<p>The integrated outcome requirement of this unit of competency is:</p> <ul style="list-style-type: none"> • Capable of applying principles of insurance law to handle claims
8. Remarks	