

Specification of Competency Standards
for the Logistics Industry
Unit of Competency

Functional Area - Insurance, Legal Matters and Compliance

Title	Arrange cargo insurance (including war and strikes) contracts
Code	LOSALC501B
Range	This unit of competency is applicable logistics service providers. Practitioners should be capable of understanding operating risks; considering different factors and using knowledge of insurance law to arrange for cargo insurance so as to transfer the risks.
Level	5
Credit	6 (For Reference Only)
Competency	<p>Performance Requirements</p> <p>1. Understand operating risks and the basic principles of insurance law and insurance terms</p> <ul style="list-style-type: none"> • Understand the operations of the logistics industry • Understand the operations of the company, and the risks of carrying cargoes by different transport modes • 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 international conventions relevant to sea and air carriage • Understand different types of cargo freight insurance and their terms, including coverage of risks, covering period, and the exclusions • Understand the insurance terms of war and strikes • Understand the current situation and trend of the cargo insurance market <p>2. Arrange for cargo insurance (including war and strikes risks) contracts</p> <ul style="list-style-type: none"> • Consult different departments and analyse claims record so as to understand the risks for carrying cargoes by different transport modes • Select appropriate insurance companies or intermediaries which provide services related to cargo insurance (including war and strikes risks) according to their background, financial position, reputation and underwriting capacity • Formulate for the company the appropriate sum insured, deductible, exclusions and limitation on certain clauses 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>3. Professionalism in arranging for insurance contracts</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
Assessment Criteria	<p>The integrated outcome requirement of this unit of competency are:</p> <ul style="list-style-type: none"> • Capable of handling 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

Specification of Competency Standards
for the Logistics Industry
Unit of Competency

Functional Area - Insurance, Legal Matters and Compliance

	<ul style="list-style-type: none">• Capable of selecting appropriate insurance companies or intermediaries to handle insurance matters according to company's requirements and different factors of consideration concerning the cargo insurance contracts
Remark	This UoC is adapted from the Logistics UoC LOSGIL508A