

Specification of Competency Standards
for the Logistics Industry
Unit of Competency

Functional Area - Insurance, Legal Matters and Compliance

Title	Arrange for transport operator's liability insurance contracts
Code	LOCULC509B
Range	This unit of competency is applicable to sea freight, air freight, and relevant operators. Practitioners should be capable to understand operating risks; to consider different factors and use the knowledge of insurance law to arrange for multimodal insurance contracts for the company so as to transfer the risks.
Level	5
Credit	9 (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 operation of the company • Understand the services of freight forwarders, and their operating risks and responsibilities • Understand the details of the contracts signed between freight forwarders and customers/consignors, including the rights and obligations of both parties • Understand the standard trading terms agreed between freight forwarders and customers/consignors • 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 terms of multimodal insurance, including cargo liabilities, third party liabilities, errors and omissions, fines and duties, costs and expenses, etc. • Understand the current situation and trend of multimodal insurance market <p>2. Arrange for transport operator's liability insurance contracts</p> <ul style="list-style-type: none"> • Understand the company's exposure to risks and liabilities in relation to the third party according to the contracts signed with customers/consignors and the standard trading terms; formulate the appropriate sum insured, deductible exclusions and coverage • Select and provide the insurance company with useful information for consideration, including total freight revenue per annum, business scope, cargo volume (in TEU / metric tons) and its regional distribution, cargo types, bills of lading, standard trading terms, services of subcontractors and claim records; present the enterprise's requirements for insurance products clearly • Analyse past records of litigation and claims • Select appropriate insurance companies or intermediaries according to their background, financial position, reputation and underwriting capacity • Apply the knowledge of contract terms for multimodal insurance and relevant insurance market to fight for the most appropriate coverage and the most reasonable premium 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 cautious manner to protect the interests of the company • Avoid conflicts of interest • Make appropriate insurance decision to protect the company's interest

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Assessment Criteria	The integrated outcome requirement of this unit of competency are: <ul style="list-style-type: none">• Capable to handle multimodal insurance contracts according to different factors, including the nature of jobs, past compensation records and the needs of the company so as to transfer the risks; and• Capable to select appropriate insurance companies or intermediaries to handle logistics and transport service providers' insurance responsibilities obligation matters according to company's requirements and different factors of consideration
Remark	This UoC is adopted from the Logistics UoCs LOCUIL509A and LOSALC502A.