

Tata AIG Life Insurance Company Limited

Sub.: Consultation paper on review of Telecom Regulatory Authority of India (“TRAI”) Regulations

This refers to the aforesaid Consultation paper published by the Authority seeking inputs of stakeholders. The Authority has, keeping in view the need to secure privacy of subscribers, proposed its desire to move to a regime of “Do Call Registry” from the current “Do not Call Registry”. In this connection, we would like to submit as follows:

Contribution of telecallers in Insurance Industry

The rapid strides that telecom sector has taken under the aegis of TRAI, has opened a slew of marketing options for broad marketers at affordable rates. While enhancing the reach of telecallers, telemarketing has also helped consumers, who hitherto could not be made available benefit of products and services, owing to limited reach the conventional marketing options offered.

Greater penetration through telecalling, achieves the objective of financial inclusion of those classes of society to whom conventional marketing methods have been unable to reach.

Telemarketing agencies play a significant role in screening customers upfront for insurers, thereby reducing their distribution costs, the benefit of which may be passed to consumers.

Compliance with “NDNC”

The Telecom Unsolicited Commercial Communications Regulations were passed in the year 2007 to regulate cold calling of customers for commercial purposes. The regulations paved the way for establishment of a ‘National Do Not Call Registry’, which contain the details of telephone subscribers who do not wish to be called. A framework for registration of telemarketers and compliance with the requirement of checking with the NDNC list before any commercial calls are made was put in place.

Our company, being one of pioneers in use of telecom as a distribution channel, has invested significantly in ensuring adherence with compliance norms prescribed for telecallers. Towards this end, the company has implemented the following controls.

- (1) Drive for proliferation of awareness about paramount need to respect customer’s privacy.
- (2) Tie ups with reputed telecalling vendors having adequate infrastructure to comply with NDNC norms.
- (3) Compulsory “scrubbing” of all references against NDNC list prior to calling.
- (4) Strict disciplinary action against erring callers.

Further measures to strengthen NDNC compliance

While the extant regulations have helped curb the menace of unsolicited calls to an extent, the company recognizes the need to further strengthen the framework to ensure fulfillment of the objective, with which these regulations were promulgated. Some of the measures that insurers may adopt in addition to the current set of controls are enumerated below for your consideration:

- Compulsory registration of telemarketing companies (both sales and service providers) and Corporate agents under the TRAI Regulations before they are appointed by us. This may be a prerequisite for the contract.
- Insisting on registration of existing telemarketing agencies and corporate agencies within a definite timeframe.
- Instituting a disciplinary action framework which provides for imposition of penalties for violation of TRAI regulations. Fines collected may be deposited with TRAI for furtherance of NDNC norms.
- Restricted call timings for telecallers and agents using company's captive network.
- Introduction of necessary statement in the telecalling script making the audience aware of his right to enroll for NDNC program, should he not be interested in receiving solicitation calls.

Detrimental impact of "NDC" on companies and consumers

The proposed "National Do Call Registry", if imposed, would, on one hand unduly enhance the cost of distribution of products and services using this channel, the burden of which would be passed to the consumer, while on other, given the reluctance of customers in signing themselves for the program, a large number of subscribers who are not averse to receiving solicitation calls will be deprived of products and services.

In view of the above, we urge the Authority to continue with the existing regime of "National Do Not Call Registry" with necessary improvement as may be deemed fit to enhance the efficacy of the framework. We also seek to draw the kind attention of the Authority to the detrimental impact that "NDC" will have on insurance industry and

finance sector in general, thereby defeating the objective of “financial inclusion” of the masses, which is of utmost importance for economic development of the country.

Before concluding, we assure you of high standards that our company adopts in ensuring compliance with regulatory and ethical framework applicable to it and would assist the Authority in its endeavor to protect consumer’s interests.

Thanking you,

Yours faithfully,

For Tata AIG Life Insurance Company Limited

Vivek Sood

Chief Operating Officer