

Subject Consultation Paper/Review of Telecom Unsolicited Commercial Communications Regulations/Comments

Dear Sir,

This refers to the Consultation paper on Review of Telecom Unsolicited Commercial Communication Regulations dated May 11, 2010 (Consultation Paper) wherein the TRAI has recommended replacing the National Do Not Call Registry (NDNC) with the National Do Call Registry (NDCR).

The telecommunication revolution has been a boon to the business as well as the customers. Today with the advancement of technology in telephony a lot of transaction can be done with the help of this important mode of communication. In recent years there has been drastic increase in the subscriber base and the telephone penetration has increased from 3 per 100 persons in mid-90s to 45 per 100 persons today out of which there are 95 and 17 phones per 100 individuals in urban and rural India, respectively.

The reach of phone in rural and semi urban areas has resulted in the same becoming an important communication tool both for the consumers as well as for the businesses. Advertising through telephone communication has resulted in reaching out to the potential customers at low cost. The customers also benefit as they get all the information easily and without paying anything. Today's customer is more informed as he has access to the various channels of communication like telephone, TV, DTH, Internet, magazines, newspapers, telephones etc.

The Consultation Paper has also cited the practices adopted by different countries regarding UCC. The opt-in approach has been adopted mostly by countries which are developed, having a high literacy rate and where the customers are aware of the benefits of receiving the commercial calls. These are the countries that have successfully adopted the opt-out approach and have now shifted to opt-in approach. In our country though the telephone penetration has increased the level of awareness among individual of the benefits of telemarketing /telesales is still low. The telemarketing/telesales activity is still in the nascent stage and started with the telephone boon. The Indian customer is not mature enough to adopt the NDCR model. If we are going to implement the NDCR model then it will kill the telemarketing/telesales industry which provides employment to lakhs of people. The telemarketing/telesales activity also provides a low cost platform for new industries like insurance which are manpower intensive.

The Consultation Paper has not taken into account the role played by telemarketing/telesales in the lives of the people living in rural and far flung areas where the telephone provides an effective and low cost method of communication. The insurance companies are required to fulfill the rural and social sector obligations under the Insurance Act, 1938 wherein a certain amount of business is required to come from Rural and Social sector. Since the policies sold to Rural and Social sector are low cost product the insurance companies use innovative methods to keep the operating cost as low as possible. The use of telephone not only helps in reaching out to those customers but also helps in reducing the operating cost. The telemarketing/telesales provides a cost effective model for the insurance companies in reaching out to those customers and in creating the awareness about the importance of insurance and investment option available to them. The uses of telemarketing/telesales activity in such areas have resulted in

increase in insurance penetration and awareness. The people living in such areas may not appreciate the requirement to register to receive telemarketing calls which is their only source of receiving information.

The present model of NDNC has been successful in restricting the Unsolicited Commercial Communication (UCC). The same is also highlighted in the Consultation Paper. We at Aviva have followed the NDNC model in letter and spirit. We have registered all our outbound telecentres. We have a centralized dedicated resource who receives the telephone numbers from our channel partner and individual agents for filtering out the numbers which are registered under the NDNC list before the same are used for telemarketing activities. We also maintain a DNC list in our website.

Insurance Regulatory and Development Authority (IRDA) the insurance regulator has recently come out with the Exposure draft on Guidelines on Distance Marketing and Sales Verification of Insurance Products on June 4, 2010. As per the exposure draft the Insurance companies are required to comply with the provisions of the TRAI Act, 1997 and Telecom Unsolicited Commercial Communications (Amendment) Regulations, 2008 in case of solicitation over the distance mode. The insurance companies have also been directed as not to cause any inconvenience, nuisance or harm to the customers in the course of solicitation or after and have to comply with all requirements of confidentiality, privacy and non-disclosure.

We believe that the present NDNC model should be continued till the time the Indian consumer is aware enough that he/she will apply to the NDCR for receiving UCC. The present NDNC guideline is also evolving and should be made more stringent. The present penalty amount should be enhanced as adopted in US model where the penalty is as high as \$1,20,000/- per violation for common carrier and \$ 11,000/- per violation for all other entities. We also suggest that at the time of taking a phone connection, a separate DNC form can be required to be filled in by the customer, which should be required to be signed by the customers as well as the telephone company employee and a copy of the signed form should be provided to the customer.

Warm Regards,
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