



life insurance

10 June 2010

Mr. S.K. Gupta,
Advisor (Quality of service),
Telecom Regulatory Authority of India
Mahanagar Doorsanchar Bhavan,
Jawahar Lal Nehru Marg (Old Minto Road),
New Delhi – 110 001

Dear sir,

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

Kindly refer to the above Consultation paper which has been published by the Authority. It has been proposed in the consultation paper that the Authority would like to move to a regime of "Do Call Registry" from the current "Do not Call Registry". In this connection, we would like to write to you as follows:

Role of Telemarketers in insurance industry

Insurance industry was open to private sector in the year 2000 with the aim of development of the insurance industry and accelerating the extension of the benefits of insurance to the different sections of the society. While insurance companies market their products through various channels, telemarketers have been one of the key partners who help in identifying the potential customers for extending insurance cover. They have significantly contributed to the growth of the industry and in extending the valuable insurance protection to the masses by connecting with potential customers on telephone.

Telemarketers also promote awareness about the products and services among the customers which is quintessential for marketing of products and services.

The Domestic telemarketing (India centric tele-marketing) is approximately a Rs. 10,000 crores (2.36 billion) business in India. An estimated 5.5 lakh people are currently employed by the domestic telemarketing industry. Most of these people are students in their early twenties who study & work & also opt of part time courses. Some of them are also sole bread earners for their families. Further, owing to cost advantages most domestic telemarketing agencies are shifting their operations in smaller towns thus creating new employment opportunities. Further international call centres use the domestic call centres as the recruitment channel. Any impact on the domestic call centres will have its impact on such international call centres.

Existing regulatory framework and measures put in by insurance companies to facilitate compliance

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


Registered Office :

Bharti AXA Life Insurance Co. Ltd., Unit 601 & 602, 6th Floor, Raheja Titanium, Off Western Express Highway, Goregaon (E), Mumbai - 400 063
Tel. : +91 22 4030 6300, Fax : +91 22 4030 6347. Visit us at : www.bharti-axalife.com



life insurance

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 the users of the telemarketing service, had put in place the following controls in place to facilitate compliance with TRAI regulations:

- (1) Notification of the above compliance requirement in the branch offices to ensure that all persons within the company are aware of the above regulatory requirement
- (2) Intimation to telecallers to get themselves registered under the TRAI regulations and ensure compliance.
- (3) Disciplinary action – warning for violations of the TRAI regulations

Additional measures to facilitate NDNC compliance

Keeping the above in mind, our insurance company would be willing to put the following additional processes in places, as “self regulation” measures, to facilitate compliance with the NDNC framework already in place:

- Insisting on compulsory registration of telemarketing companies (both sales and service providers) and Corporate agents under the TRAI Regulations before they are appointed by us
- Insisting on registration of existing telemarketing agencies and corporate agencies – agreeing on a time frame with them to achieve compliance
- Instituting a disciplinary action framework which provides for imposition of penalties for violation of TRAI regulations – on employees of insurance company. In addition we will reserve a right in the agreements with the above service providers for imposition of penalty for violation of TRAI regulations

Benefits of Telemarketing

Telemarketing agencies facilitate customer identification process in a big way. Acquisition of new customers by insurance companies which is critical for extending the valuable insurance cover to the masses is achieved in an efficient manner through telemarketing.

Secondly, all insurance companies have obligations to extend insurance to persons who reside in rural areas and those who are engaged in social sector occupations. Reaching such rural customers is enabled through telemarketing.

Thirdly, telemarketing companies have facilities of recording the conversations which happen during the course of telemarketing. This facilitates audit trail in case there are any customer complaints

Fourthly telemarketing promotes tele density by quicker access to customers

Auth

Impact of the proposed "NDC" regime

Moving towards "National Do Call Registry" would mean a severe restriction of the number of subscribers who register their names – not because they are not interested in being called, but because they do not have time or take serious efforts to get themselves registered – this being the last priority. This results in significant restriction of access to these potential customers who otherwise would have no objection in being called – thus resulting as a major barrier for the growth of the existing businesses served by telemarketers.

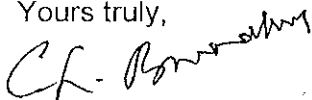
Prayers

In view of the above, we request the Authority to continue with the existing regime of "National Do Not Call Registry" by improving the effective implementation of the compliance with the guidelines.

Before we conclude, we would like to reiterate that insurance industry in general and our company in particular, is fully seized of the importance of adherence to compliance with TRAI regulations and are always available for extending necessary support to the Authority in it's initiatives to enforce compliance with the TRAI regulations.

Thanking you,

Yours truly,

A handwritten signature in black ink, appearing to read "C.L. Baradhvaj".

(C.L. Baradhvaj)

Vice President-Compliance