

We refer to the above-mentioned Consultation paper which was published by the TRAI. It has been proposed in the consultation paper that the Authority would like to replace the existing “National Do Not Call Registry” (“NDNCR”) with a “National Do Call Registry” (“NDCR”). In this regard, we wish to make the following submissions :

**Existing Framework:**

1. We believe that the steps taken by your good office in introducing the NDNCR were welcome and much required steps towards addressing the issue of Unsolicited Commercial Communication (“UCC”). The NDNCR is a very effective mechanism for consumers to ‘opt out’ of UCC and provides for a simple process for those consumers who do not want to be solicited.
2. Max New York Life Insurance Company Limited, on its part has taken the following steps to ensure compliance to the above requirement:
  - a. Notification of the above compliance requirement to all concerned to ensure that persons within the company are aware of the above regulatory requirement and the consequences of non-compliance.
  - b. Intimation to third party telecallers to get themselves registered under the TRAI regulations and ensure compliance.
  - c. Process for ensuring scrubbing of calling lists has been put in place along with system checks that ensure that the 15-day timeline is adhered to.

**Effectiveness of a Registry:**

3. The success of an initiative such as NDNCR is, dependent upon the extent of usage by consumers as well as the effectiveness of implementation by service providers, tele-marketers and by the players across various industries who use tele-marketing for solicitation.
4. One of the concerns expressed in your covering letter to the consultation paper is that the number of subscribers to the NDNCR has been lower than expected. This could be a combination of several reasons such as lack of awareness, general apathy, reluctance to make an effort towards using an available option, desire to receive certain categories of commercial communication concerning certain products (even though the consumer may be disinterested in several other categories/products).
5. It is therefore unlikely that the introduction of NDCR, as proposed by your good office, would result in a larger number of subscribers due to similar reasons. There is a huge customer segment that is not savvy enough or aware enough to use an option to ‘opt in’, yet would want to know and be made aware of product offerings that the market has to offer.

**Potential impact of NDCR:**

6. The result of the introduction of NDCR would be severe under-subscription for the reasons quoted above. This would also be driven by the fear of becoming part of a database that would be available to all tele-marketers.
7. This would severely impact the potential of businesses like ours to reach out to potential customers and create awareness of our products and brand.

8. Insurance is a product that is at the same time a contingency management tool and a tool that forces a saving habit while giving the customer a return on his funds and a mechanism of managing risk. Given that insurance penetration in India is 4.7% of GDP, not too many people understand the need for insurance today. It is therefore critical for insurance companies to be able to use effectively, all the channels at their disposal to reach out to potential customers and give them an opportunity to understand available products and benefits.
9. Unlike FMCG and products like consumer durables, insurance is never bought. It has to be 'sold'. Personal communication with prospects is an essential step in selling insurance.
10. In this day and age when the phone is becoming a virtual bank, it is the most convenient way of reaching potential customers. SMS communication is in fact relatively non-obtrusive and an effective way of making a potential customer aware of a product without invading his privacy.
11. Tele-marketing has huge potential and we believe that replacing the NDNCR with a NDCR would seriously prevent full and legitimate business potential from being exploited.
12. Further, insurance companies have obligations to extend insurance to persons in the rural and social sectors. Reaching such customers is enabled through telemarketing.
13. Telemarketing as a process has the potential of being a very controlled process with facilities such as call recording, call barge in, call monitoring etc that can be used for ensuring quality sales and compliance to ethical standards.
14. We understand that the Authority has noted concerns in the implementation of and compliance to NDNCR. However we strongly feel that the solution does not lie in replacing it with another registry. This will certainly not ensure compliance. Instead, it would only result in penalizing those who are compliant while unregistered and non-compliant tele-marketers may continue to mushroom and continue with their wrong practices, unabated.

### **How can the existing NDNCR process be made more effective?**

We believe that the answer lies in stricter implementation of the existing process, which can be achieved through a joint effort by all stakeholders. As a company that deploys tele-marketing as a tool for solicitation, we propose the following steps that could be taken to strengthen implementation:

- Insisting on compulsory registration of telemarketing companies 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 timeframe 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 could reserve a right in the agreements with the above service providers for imposition of penalty for violation of TRAI regulations.
- Putting in place better controls at all tele-calling hubs to ensure compliance to TRAI regulations.

Further, it is suggested that penalties for non-compliance be increased to deter tele-marketers from failing to comply.

It would be worthwhile to explore the possibility of providing options through the NDNCR, to customers to opt out of specific product categories with respect to . UCC for these products e.g. home appliances, healthcare, financial services, etc. This would go a long way in increasing the usage of the NDNCR.

As per RBI's working group on regulatory mechanism, it might not be advisable to ban all marketing calls, since they are an important marketing tool and a number of people are in favour of receiving calls.

It may be noted that most countries where the telemarketing industry is more matured, have handled the issue of unsolicited commercial calls through legislation and through an 'opt out' approach.

**Recommendations:**

In view of the above, we request the Authority to continue with the existing regime of NDNCR . We wish to submit that replacing the NDNCR with a NDCR will not address the problem of unregistered telemarketers and unsolicited commercial calls. On the other hand this would result in increase in the number of complaints, as everyone not registered with NDCR would become eligible to file a complaint in case he/she receives unsolicited commercial calls. Continuing with the NDNCR will go a long way in supporting the growth of our industry.

We assure the Authority of our continued support and efforts in effective implementation.

Thanking you,

Yours truly,

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