

**To be implemented no later than 1 April 2011**

**CODE OF PRACTICE ON  
PERSON-TO-PERSON MARKETING CALLS**

**Preamble**

1. This Code of Practice ("CoP") is issued by the Hong Kong Federation of Insurers ("HKFI") for the purpose of providing guidance to its member companies in making person-to-person telephone calls for outbound marketing activities ("person-to-person marketing calls").
2. This CoP applies to all person-to-person marketing calls to be made or authorised to be made by member companies, regardless of whether there is any business relationship between the member company and the called party. Any member who has outsourced the making of person-to-person marketing calls to other parties should make every effort to ensure that the outsourced parties comply with this CoP.
3. For the avoidance of doubt, nothing in this CoP shall absolve any person from complying with the Unsolicited Electronic Messages Ordinance (Cap. 593), the Personal Data (Privacy) Ordinance (Cap. 486) or other applicable laws in Hong Kong.

**Interpretation**

4. In this CoP, unless the context otherwise requires -

"called party" means a member of the public or an organisation;

"calling line identification information" means telecommunications network information generated and transmitted by the calling party's telecommunications network for the purpose of enabling the called party's telecommunications network to identify the telephone number of the calling party;

"marketing" means advertising or promoting or soliciting insurance and other insurance regulated products (e.g. wealth and pensions) sold by the insurer through outbound call activities except welcome calls and insurance premiums collection reminder calls. This CoP does not include lead generation;

"organisation" includes—

- (a) a Hong Kong company;
- (b) any other company or body corporate, wherever incorporated or otherwise established; and
- (c) a firm or a partnership or other unincorporated body of persons, whether formed or established in Hong Kong or elsewhere;

"principal" means an insurer or parties authorized by insurer to perform such outbound call activities;

“telemarketer” means:

- (a) an individual or organisation;
- (b) employees of the principal;
- (c) an individual or organisation who is authorised by a principal to make person-to-person marketing calls for and on behalf of the principal, if the principal has contracted out part or whole of the marketing campaign to that individual or organisation; and
- (d) employees of the individual or organisation of item (c) above;

engaged in the practice of marketing via person-to-person marketing calls and is a Registered Person of a Principal as defined in the Code of Practice for the Administration of Insurance Agents issued by the HKFI.

“unsubscribe request”, in relation to a person-to-person marketing call, means message to the effect that the registered user of the telephone number to which the call is made does not wish to receive, at that telephone number, any further person-to-person marketing call from or authorized by that principal.

- 5. In this CoP, the singular includes the plural and vice versa, and words importing a gender include every gender.

#### **Hours and Day of Calling**

- 6. Person-to-person marketing calls should only be made between Hong Kong time 9:00 am and 10:00 pm, unless the called party has advised that a call at another time would be more convenient and acceptable or a call outside this period is allowed under the guidelines published in accordance with the Banking Ordinance (Cap.155).
- 7. Calls should be avoided on Sundays and public holidays, unless the telemarketer has grounds to believe that the calls will be readily acceptable.

#### **Identity, Purpose and Consent**

- 8. A telemarketer who makes a person-to-person marketing call should not conceal or withhold from the called party the calling line identification information of the sending telephone number, or issue any instruction in connection with making the call that has the same effect.
- 9. Taping of telephone conversations may be used to record the selling process of insurance products/services or any other financial services or for training purposes and quality control. Called party who expresses interest in the product(s) should be advised when a call is to be recorded for such purpose. Recorded calls may not be disclosed to any third party without the consent of both parties to the call, except it is required by the law to disclose.
- 10. At the commencement of a person-to-person marketing call, the following information should be provided to the called party:
  - the name of the principal that authorised the making of the call;

- the name of the insurer, in the case where the person-to-person marketing call is authorized by the principal who is the insurance agent or the insurance agency; and
  - the purposes of the call.
11. As far as practicable upon the called party's request, the called party should be informed of a telephone number ("Contact Telephone Number") which he can call during normal business hours to lodge complaints in respect of the person-to-person marketing calls made or authorised to be made by the principal or to make enquiries with the principal.

### **Unsubscribe Request**

12. A principal should, as soon as practically possible, not make or authorise to make any further person-to-person marketing calls to a number after the registered user of that number has made an unsubscribe request to the principal or to a telemarketer, unless with explicit consent from the registered user.
13. A principal/telemarketer may ask the called party if he wishes to make an unsubscribe request during a person-to-person marketing call, or accept an unsubscribe request made when a person calls at the Contact Telephone Number as mentioned in paragraph 10 above. A principal/telemarketer may choose to offer other additional channels for members of the public to make an unsubscribe request.
14. A principal should ensure that the list of telephone numbers in respect of which unsubscribe requests have been made should be properly maintained and updated as soon as practicable, and that all telemarketers should not make person-to-person marketing calls to the telephone numbers on the up-to-date list.

### **Statistics of Complaints**

15. A telemarketer and a principal should keep a proper record of statistics of complaints in relation to person-to-person marketing calls, and provide statistics of complaints to the HKFI and the Insurance Authority or public body from time to time as requested by the HKFI and the Insurance Authority or public body for the purpose of monitoring the compliance situation.

### **Use of Automated Dialling Equipment**

16. Telemarketers using automated dialling equipment should allow 15 seconds or four rings before disconnecting an unanswered call.
17. The called party should be connected to a live agent within two seconds after the call has been answered. The principal should keep track of the abandoned call ratio and maintain the level of such ratio to below 10%.
18. The automated dialling equipment deployed should be capable of generating relevant statistics for monitoring and ensuring compliance with this CoP.

### **Called Party Who is Travelling Overseas when the Call is Made**

19. If a telemarketer, when making a person-to-person marketing call, is aware that the

called party is travelling overseas, he/she should endeavour to disconnect the call immediately (if the call has not yet been answered by the called party) or terminate the conversation as soon as practicable (if the call has been answered by the called party).

### **Conduct of Telemarketer**

20. The telemarketer shall:

- Not engage in conduct which is considered misleading, deceptive and harassing to customers. Statements which are untrue, fraudulent or unjustly disparaging of competitors must not be used;
- Not conduct the offer or solicitation in the guise of research or survey when the real purpose is to sell;
- Terminate the call if a request to terminate the conversation is made by the called party;
- Accept the unsubscribe request and take appropriate and timely action not to make any further person-to-person marketing calls;
- Give proper introduction of the insurer he/she is acting for when making the calls and the purpose of the call;
- State clearly the product features, premium and charges, the terms and conditions;
- When finalizing any agreement, state clearly the total cost, relevant terms & conditions and payments plans, plus the amount or existence of any charges (if applicable) such as handling fees. These terms must be confirmed in writing if requested;
- Read back to the called party all relevant details of the credit card and must be satisfied that the called party understands that the transaction will be charged to the credit card if the called party agrees to buy the product with the telemarketer and authorizes the charge to be made on a credit card and supplies relevant details over the phone; and
- Provide a contact number of the insurer to call for inquiries and complaints after a customer agrees to buy a product.

### **Post-Sale**

21. Copies of all relevant documents, agreements, contracts and/or statements of legal rights must be sent promptly to the called party.

- End -