

**Insurance Commission Notification**  
**Subject: Prescription of rules on methods of issuing and offering insurance policy for sale via telephone (telemarketing) B.E. 2551**

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By virtue of section 38 (5) and section 70/2 of the Life Insurance Act B.E. 2535 amended by the Life Insurance Act (No.2) B.E. 2551 combine with the resolution of the 13/2551 Insurance Commission meeting on 24 December B.E. 2551, Insurance Commission has notified the followings:

Clause 1. This Notification shall be called “Insurance Commission Notification Subject: Prescription of rules on methods of issuing and offering insurance policy for sale via telephone (telemarketing) B.E. 2551”

Clause 2. This Notification shall come to force from now onwards

Clause 3. In this Notification

“Company” means Life Insurance Company under the law on Life Insurance

“Life Insurance Agent” means Life Insurance Agent under the law on Life Insurance

“Life Insurance Broker” means Life Insurance Broker under the law on Life Insurance

“The Prospect” means a person who is persuaded or directed by life insurance agent or broker to enter into a life insurance contract.

“Offering insurance policy for sale” in case of Life Insurance Agent means persuading the prospect to enter into insurance contract with a Company; in case of Life Insurance Broker and bank means indicating the prospect of the opportunity to enter into insurance contract with a Company or arranges the prospect to enter into insurance contract with a Company.

Clause 4. In issuing and offering for sale of an insurance policy, the Company shall abide by this Notification.

Clause 5. The performance of duty of Life Insurance Agent and life insurance broker in offering insurance policy for sale via telephone must be in accordance with the rules, procedures and conditions prescribing the act and omission to act of Life Insurance Agent and Life Insurance Broker under the management of the Company under this Notification.

Clause 6. Life Insurance Agent or Life Insurance Broker who violates this Notification may cause the Registrar to revoke the license of Life Insurance Agent or Life Insurance Broker, as the case may be, under section 81 of the Life Insurance Act B.E. 2535 amended by the Life Insurance Act (No.2) B.E. 2551.

Clause 7. In offering insurance policy for sale via telephone under 9.1, 9.2 and 9.4, Company must manage the people offering insurance for sale via telephone to act or omit to act according to clause 8 and 9 and also to act or omit to act the followings:

7.1 Not persuade the insured to cancel other insurance policies in order to purchase new insurance policy.

7.2 Not misrepresent or conceal facts which should be disclosed with the hope to get an insurance contract therefrom.

7.3 Not giving advice which may create misunderstanding or omit to disclose material facts which might create misunderstanding.

7.4 Explain the duty to disclose and not to misrepresent material facts in the application form and the effect of breach of the duty.

Clause 8. Company offering insurance policy for sale via telephone must conduct under the following conditions;

8.1 Policy must be approved from the Registrar to be sold via telephone.

8.2 The person offering insurance policy for sale via telephone must be Life Insurance Agent, Life Insurance Broker permitted by the Company.

For this purpose, Company must inform the name of Life Insurance Agent, Life Insurance Broker within 7 days from the date being permitted by the Company.

8.3 The offering for sale must be done between 8.30 -19.00 hours except there has been a prior appointment with the consent of the prospect to offer insurance for sale.

8.4 Company must not offer sale to any prospect who has denied the offer for sale or those who are informed by the Office of Insurance Commission to the Company as those who do not want any contact unless a period of six months has lapsed from the date of denial or the date the Company received the name list from the office, as the case may be.

For this purpose, Company must manage Life Insurance Agent, Life Insurance Broker to report the Company immediately of names, date and time when sale denial was held and the Company make an account of those details to be merged with name list received from the Office of Insurance Commission.

Clause 9. In relation to the methods of offering insurance policy via telephone, the Company must manage Life Insurance Agent, Life Insurance Broker to act or omit to act the followings;

9.1 When calling the prospect, Life Insurance Agent, Life Insurance Broker must inform his name, surname, license number and the company offering this sale and must immediately inform that this in a offering of insurance policy for sale. For this purpose, the use of the words, “deposit” or “cash deposit”, instead of the word “paying premium” should be avoided.

9.2 If the prospect does not want to insure and to be contacted, Life Insurance Agent, Life Insurance Broker must stop the conversation immediately. If the prospect wants to know the source of his details, Life Insurance Agent, Life Insurance Broker must inform the prospect of the source before finishing the conversation.

9.3 When being permitted from the prospect to offer insurance for sale, Life Insurance Agent, Life Insurance Broker must ask for permission to record the conversation. If being allowed, another confirmation to record of the prospect must be received. The record must continue throughout the conversation and must be recorded as evidence for same period as the contract.

If not being allowed, Life Insurance Agent, Life Insurance Broker is barred from recording any conversation.

9.4 In offering insurance for sale, Life Insurance Agent, Life Insurance Broker must advise the prospect to insure his life according to his risks and his ability to pay the premium (Suitability Requirement) and in explaining about the insurance policy, Life Insurance Agent or Life Insurance Broker must explain at least the followings;

9.4.1 Company's name and phone number

9.4.2 Conclusion of policy benefits and exclusions of coverage.

9.4.3 Amount of premium that must be paid by the insured, insurance period, premium payment period. For this purpose, the use of the words, "deposit" or "cash deposit", instead of the word "paying premium" should be avoided.

9.4.4 Premium payment methods and the coverage commencement date as specified by the prospect.

9.4.5 Inform the prospect of the right to terminate the contract (free look period) and that this right must be used within 30 days or more from the date the insured receive the policy from the Company depending on the insurance policy forms offered and that the prospect will receive the entire sum of premium.

9.4.6 When there is an acceptance to insure, name, surname and identification number of that person must be recorded.

9.5 When the prospect accepts to insure, Life Insurance Agent must inform the Company at the first opportunity the delivery can be done but not longer than the next working day.

9.6 Life Insurance Agent, Life Insurance Broker must inform the prospect of the period the prospect will receive the policy or any contact from the Company about the policy

9.7 Within 7 days from the date the Company deliver the insurance policy to the insured, the Company must make a Confirmation call to the prospect. When receiving permission to start conversation, permission to record the conversation must be received. The record must be done from the beginning to the end of conversation and the Company must record that conversation for the same period as the contract.

The conversation must contain the followings details;

9.7.1 Name and Surname of the person who makes the contact

9.7.2 Enquire the prospect whether he has received the insurance policy.

9.7.3 Ask the prospect whether he has any queries regarding insurance terms and conditions, coverage or exclusions. The queries must be answered completely.

9.7.4 If the prospect does not have any queries, a confirmation of the prospect to enter into insurance contract must be received. The Company must inform the prospect of the prospect's right to terminate the contract (free look period) within 30 days from the date the receive the policy from the Company or more than 30 days depending on the types of Insurance offered for sale.

If the insured wants to terminate the insurance, Company must return the full amount of premium

The returning of premium must be done within 30 days from the date the Company is informed about the termination.

Notified on 30 December B.E. 2551

Signed by  
(Mr. Suparat Kawatkul)  
Permanent Secretary of Ministry of Finance  
Chairman of Insurance Commission

Note: The reason of issuing this Notification is because at present the offering of insurance policy for sale can be done through various methods and one of the methods is via telephone. Hence, to protect public from being disturbed and public's rights, this Notification is issued.