

Insurance solicitation using web conferencing systems

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Introduction

With the ongoing COVID-19 pandemic, insurance solicitation using Zoom and other web-based conferencing systems has attracted more attention than ever before since such systems enable insurance solicitors and customers to visually communicate with each other from remote locations.

Although the state of emergency has been lifted in Japan and insurers and insurance agencies have resumed their businesses, the government's 'new lifestyle' framework must be put into practice and thus the need for insurance solicitation using web conferencing systems may continue to increase.

Face-to-face or non-face-to-face solicitation?

Insurance solicitation using web conferencing systems may be discussed in terms of being conducted via face-to-face or non-face-to-face solicitation.

The Insurance Business Act does not distinguish between these two methods, but it is specifically discussed in the Comprehensive Guidelines for Supervision of Insurance Companies (the supervisory guidelines), in which the applied viewpoints may differ depending on whether solicitation is conducted face to face or not.

However, since insurance solicitation using web conferencing systems has not been assumed in the past, it may be difficult to classify as either face-to-face or non-face-to-face solicitation in a consistent manner.

Therefore, when interpreting the supervisory guidelines, appropriate measures should be considered on a case-by-case basis in light of the contents and purposes of each discipline of the guidelines.

Document delivery procedures

Insurance solicitation using web conferencing systems does not differ from general insurance solicitation in that the same rules (eg, to provide information to customers and ascertain their intentions) are imposed on both forms of solicitation. Therefore, insurers must consider how to deliver important documents (eg, contract summaries and alert information as required by applicable laws and regulations) regardless of the form of solicitation.

Non-face-to-face solicitation under supervisory guidelines

The following is a brief introduction to the supervisory guidelines for non-face-to-face solicitation, including the type of attention to be paid in light of the contents and purposes of each discipline of the guidelines for insurance solicitation using web conferencing systems.

Duty to provide information (Section II-4-2-2(2)(10) of the supervisory guidelines)

Insurance solicitors conducting non-face-to-face solicitation must provide information at the same level as that provided through face-to-face solicitation. This basic idea should similarly apply to insurance solicitation using web conferencing systems and therefore it is necessary to explore ways to ensure appropriate information provision based on the characteristics of the web conferencing system being used.

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Telemarketing (Section II-4-4-1-1(5) of the supervisory guidelines)

The supervisory guidelines assume that insurance solicitation is conducted by telephone (ie, telemarketing) in consideration of the fact that complaints are particularly likely to occur when customers unexpectedly receive solicitations in non-face-to-face situations.

If web conferencing systems evolve and insurance solicitation becomes possible without having to make prior appointments, solicitation management systems in the vein of telemarketing will be required.

Cybersecurity management (Section II-3-14-2-2(5) of the supervisory guidelines)

The supervisory guidelines primarily assume that sales of insurance products are conducted by means of mail ordering. The importance of cybersecurity management basically remains unchanged in the case of insurance solicitation using web conferencing systems. Therefore, a cybersecurity management system is considered necessary to be established by referring to these descriptions of the supervisory guidelines when, for example, customers' personal and account information are inputted online.

Rules of solicitation of elderly persons

Section II-4-4-1-1(4) of the supervisory guidelines requires careful solicitation of the elderly, including consideration for the presence of relatives or multiple insurance solicitors. In the past, non-face-to-face solicitation was difficult to realise due to such considerations, but now it may be possible to realise such insurance solicitation by using web conferencing systems.

On the other hand, compared with the younger generation, many elderly people are not necessarily familiar with using the Internet. Thus, it is necessary to examine whether insurance solicitation using web conferencing systems is appropriate on a case-by-case basis.

Comment

The level of customer protection required by applicable laws and regulations does not differ between traditional insurance solicitation and that using web conferencing systems. Therefore, when establishing a system for the latter, it is important to not only consider the points mentioned above, but also to have a broad perspective of whether there is any substantial lack of customer protection compared with that under the conventional handling of insurance solicitation.

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