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FINANCIAL

Thomas J. Wilson
Chairman & President
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June 27, 2002

Office of the Secretary
Room 159
Federal Trade Commission
600 Pennsylvania Avenue, N.W.
Washington, DC 20580

To Whom It May Concern:

I am writing to offer Allstate Life Insurance Company's comments concerning the Federal Trade Commission's proposed revisions to the Telemarketing Sales Rule. As a company that depends on the legitimacy and efficiency of telemarketing programs to grow and support its business, we are committed to conducting telemarketing programs that adhere to the highest ethical standards. It is with that background that we respectfully submit the following comments regarding the Commission's proposed revisions to the Rule.

Comments of Allstate Life Insurance Company On The Proposed Revisions To The Telemarketing Sales Rule

FTC File No. R411001

Our position in relation to telemarketing is somewhat unique: We are an insurance company based in Northbrook, IL, that out-sources the telemarketing of our products to third-party teleservices companies. Though the insurance industry does not fall under the FTC's jurisdiction, the proposed changes to the Telemarketing Sales Rule (TSR), as we understand them, would require telemarketing centers to comply with the TSR even if they are calling on behalf of an exempt industry. We welcome any efforts by the FTC to investigate and eliminate fraud that involves telemarketing. However, we cannot support the revisions proposed by the Commission. The proposed revisions place too many burdensome restrictions on the thousands of companies like ours that have ethically used the telephone as a legitimate sales and marketing tool.

For the reasons set forth below, we are concerned that the FTC's attempts will do nothing to curtail the abusive and deceptive telemarketing practices of relatively *few* unethical companies, but will penalize the business practices of reputable companies and will have a disastrous impact on our company's ability to continue to conduct ethical and legal telemarketing programs.

In particular, we oppose the following provisions proposed by the FTC:

(1) **<u>Creation of a National Do-Not-Call Registry</u>**:

Federal law already provides an easy and efficient means for consumers to determine which calls they want to receive and which they want to prohibit. In contrast to the proposed FTC registry, the existing DNC system empowers consumers to make their own decisions. While the FTC contends that it will offer

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consumers a similar program through the ability to list companies they will accept calls from, that is clearly an unrealistic option that will cost the FTC too much money to operate.

A.) The industry has also attempted to provide consumers with a one-stop service to remove their names from all calling lists. The DMA's Telephone Preference Service offers consumers an easy, free, nationwide Do-Not-Call system that has already been created and will not require additional money to be expended by the FTC.

B.) The states have already moved to address any perceived loopholes in the existing Do-Not-Call framework. Now approximately 20 states have DNC lists and more have been proposed. The states, which are in the best position to offer solutions to the concerns raised by their citizens, have looked at this situation and acted in a way that is appropriate for their constituents. The FTC's list would use taxpayer money to provide a service that is already offered to more than 60% of American citizens.

(2) **Use of Pre-acquired Account Information**

A.) There is nothing inherently fraudulent or deceptive about the use of pre-acquired account information in any sales and marketing programs, much less telemarketing. It is a widely used practice that provides consumers with easy access to goods and services. While there are certainly instances where it can be misused, those potential problems do not support a rule that prohibits the use of such information. The abuse of any customer information by unethical companies or individuals working on behalf of those companies should not preclude legitimate businesses with a history of customer commitment from bringing products to the marketplace. Further, customers of financial institutions are today adequately protected by federal and state privacy regulations.

(3) **Predictive Dialers**

A.) Predictive dialing devices are used by many telemarketing companies and make operation of such businesses much more cost effective by increasing productivity. Increased efficiency in marketing products and services over the phone through the use of predictive dialers helps reduce costs and ultimately saves consumers money. Any regulation that would render this technology unusable would result in significant, perhaps unacceptable, cost increases to the consumer.

We certainly respect the time the Commission has invested in studying these issues and its commitment to continue modifying these proposals. We urge the Commission to look at the overall negative impact that these proposals will have on jobs, our community and the economy as a whole. Thank you for your consideration.

Very truly yours,