



UNITED STATES OF AMERICA
FEDERAL TRADE COMMISSION
WASHINGTON, D.C. 20580

Lois C. Greisman
Associate Director
Division of Marketing Practices
Bureau of Consumer Protection

[DATE]

Via Federal Express

[NAME]
[ADDRESS]

Re: Deceptive or Unfair Acts or Practices Relating to the Marketing,
Advertising, and Lead Generation of Healthcare-Related Products,
Including Healthcare Plans

Dear [NAME]:

The Federal Trade Commission ("FTC" or "Commission") is the federal agency responsible for protecting American consumers from deceptive or unfair business practices and from unfair methods of competition. As part of that mission, the FTC works to educate businesses, industries, and market participants about compliance with the laws and rules it enforces and, where necessary, initiates investigations and enforcement actions against alleged wrongdoers.

It has come to our attention that certain companies that engage in marketing or advertising, or lead generation, related to Affordable Care Act Marketplace health insurance and healthcare-related products – such as limited benefit plans or medical discount programs – are engaged in practices that may violate the FTC Act and rules enforced by the Commission.

This letter outlines key federal statutes and rules that apply to the marketing, advertising, and lead generation of health insurance and healthcare-related products, including prohibitions on deceptive claims, unlawful telemarketing practices, and the impersonation of government agencies or businesses. Marketers, advertisers, and lead generators operating in this space should carefully review each of the following areas and carefully assess their compliance with these and other laws and rules the FTC enforces.

Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), prohibits deceptive or unfair acts or practices in commerce. Based on information collected by FTC staff and the Commission's enforcement experience in this area, we have identified a pattern of

deceptive claims made by marketers or advertisers, including lead generators, of health insurance and healthcare-related products. Such claims have been the subject of consumer complaints, and include, but are not limited to:

- misrepresenting the benefits included in a healthcare-related product, including any insurance benefits;
- misrepresenting that a healthcare-related product is major or comprehensive medical health insurance or the equivalent of such health insurance;
- misrepresenting the costs of healthcare-related products; and
- falsely claiming that consumers who enroll in a healthcare-related product will receive free offers, cash rewards, rebates, or other incentives.

Consumers have also reported receiving unsolicited calls promoting healthcare-related product offers. The Telemarketing Sales Rule (“TSR”), 16 C.F.R. § 310.4(b)(1), for example, prohibits sellers and marketers from initiating or causing the initiation of outbound telephone calls that deliver pre-recorded messages (“robocalls”) to induce the purchase of products—including health insurance—or to charge consumers for products without express, informed consent. The TSR also prohibits calling consumers who have placed their phone number on the National Do Not Call Registry, absent consent or other narrow exceptions. *Id.*

In addition, the Rule on Impersonation of Government and Business, 16 C.F.R. Part 461 *et seq.*, makes it illegal to falsely pose as a government agency (such as the Department of Health and Human Services) or business entities (such as insurance carriers), or to misrepresent affiliation with, endorsement, or sponsorship by, a government agency or business entities, including entities that offer health insurance policies under the Affordable Care Act.

Violations of the FTC Act and the rules identified above carry serious legal and financial consequences. Such violations may result in a federal court injunction halting your business operations. In addition, companies or individuals that violate either rule may be subject to a civil penalty of up to \$53,088 per violation, and each unlawful call, advertisement, or misrepresentation may constitute a separate violation and may be required to pay refunds to consumers or provide other relief pursuant to Section 19(b) of the FTC Act, 15 U.S.C. § 57b(b).

Note that the FTC has taken action against marketers, advertisers, lead generators, and others who deceive consumers about healthcare and health insurance products. The following cases demonstrate the Commission’s focus on protecting consumers from such unlawful conduct:

- *FTC v. Top Healthcare Options Insurance Agency Inc. et al.*, S.D. Fla. No. 0:26-cv-60067-SMITH (litigation ongoing; the FTC alleges defendants falsely

represented that limited benefit and medical discount plans were comprehensive health insurance; the court issued a preliminary injunction against defendants);

- *FTC v. Innovative Partners, LP et al.*, S.D. Fla. No. 26-60976-CIV-SINGHAL (litigation ongoing; the FTC alleges defendants impersonated the government and insurance carriers to deceive consumers into purchasing healthcare-related products falsely advertised as comprehensive health insurance; the court entered a preliminary injunction against defendants);
- *FTC v. Assurance IQ, LLC*, W.D. Wash. No. 2:25-cv-01485-MJP (2025 order requiring defendant to pay \$100 million in consumer redress and prohibiting misrepresentations relating to healthcare-related products, in a case alleging deceptive telemarketing of healthcare plans that did not provide the comprehensive coverage advertised);
- *FTC v. MediaAlpha, Inc. et al.*, C.D. Cal. No. 2:25-cv-07263 (2025 order requiring lead generators to pay \$45 million in consumer redress, and barring deceptive claims about government affiliation, fake endorsements, health coverage, and cost, among others, in a case alleging use of deceptive ads and websites to collect consumer information that was sold to telemarketers of healthcare plans);
- *FTC v. Simple Health Plans, LLC et al.*, S.D. Fla. No. 18-cv-62593 (2024 order imposing \$195 million judgment against lead generators and telemarketers that the FTC alleged deceptively marketed medical discount and limited benefit programs as comprehensive health insurance);
- *FTC v. Consumer Health Benefits Association et al.*, E.D.N.Y. No. 1:10-cv-03551 (2023 order requiring telemarketers to pay \$7 million in consumer redress in a case where, the FTC alleges, defendants pitched medical discount plans with false claims about their benefits, including that the plans were affiliated with state-sanctioned healthcare programs or qualified health insurance plans under the Affordable Care Act);
- *FTC v. Benefytt Technologies, Inc. et al.*, M.D. Fla. No. 8:22-cv-01794 (2022 orders requiring defendants who sold healthcare-related products to pay \$100 million in consumer redress, and banning two executives from marketing or selling healthcare-related products, in a case alleging deceptive lead generation and sales practices, including bundling and charging unfair or deceptive fees for unwanted products with deceptively marketed health plans);
- *FTC v. Partners in Healthcare Association, Inc. et al.*, S.D. Fla. No. 1:14-cv-23109 (2016 order prohibiting defendants who, the FTC alleges, falsely marketed medical discount plans as health insurance, from selling healthcare-related products and from telemarketing, and imposing \$8.7 million judgment);

This letter is not intended to reflect an assessment or conclusion by the FTC staff that you or your company have engaged in illegal conduct. We are sending similar letters to other companies engaged in marketing and lead generation related to health insurance and healthcare-related products.

We encourage you to conduct a comprehensive review of your marketing and advertising practices – including paid or other online ads, representations made on your websites, on social media, in promotional materials and communications, and through third-party distributors, marketing affiliates, and sales agents – to ensure compliance with all applicable laws, including those identified above.

This letter is not intended to be an exhaustive list of all laws or rules the FTC enforces, or of all potential violations connected with marketing or advertising, including lead generation, for health insurance and healthcare-related products. It is your responsibility to ensure compliance with all federal laws, including the FTC Act and other rules enforced by the Commission. FTC staff will continue to actively monitor this market for potentially deceptive or unfair acts or practices and will take enforcement action as warranted.

Copies of the cases discussed in this letter are available at www.ftc.gov. Additional resources designed to help marketers and advertisers, including lead generators, understand their responsibilities are available at www.ftc.gov/business-guidance/advertising-marketing/advertising-marketing-basics.

Thank you for your attention to this matter. Please direct any inquiries concerning this letter to Thomas M. Biesty at (202) 326-3043 or tbiesty@ftc.gov.

Respectfully,

A handwritten signature in black ink, appearing to read "Lois C. Greisman", with a stylized flourish at the end.

Lois C. Greisman
Associate Director
Division of Marketing Practices