

# Deceptive Telemarketing Leads to Massive FTC Fines

Prepared by PossibleNOW's sister company, CompliancePoint

## What Happened?

Two companies, Assurance IQ and MediaAlpha, will pay a total of \$145 million in fines to the Federal Trade Commission (FTC) for engaging in deceptive marketing practices that included barraging consumers with telemarketing calls and misleading health insurance marketing tactics.

Both businesses were accused of violating the Telemarketing Sales Rule (TSR) by providing false information to millions of consumers shopping for health insurance.

## Assurance IQ - \$100 Million Settlement

Assurance IQ was hit with the largest fine – **\$100 million**. The company is accused of **deceptively marketing and selling health plans**, specifically short-term medical and limited benefit indemnity plans bundled with supplemental products such as telemedicine plans, prescription discount plans, and dental and vision discount plans over the phone.

### The TSR prohibits telemarketers from making false or misleading comments about:

- The total costs to purchase, receive, or use, and the quantity of any goods or services subject of a sales offer.
- Any material restriction, limitation, or condition to purchase, receive, or use goods or services that are the subject of a sales offer.
- Any material aspect of the performance, efficacy, nature, or central characteristics of goods or services that are the subject of a sales offer.
- Any material aspect of the nature or terms of the seller's refund, cancellation, exchange, or repurchase policies.

### In multiple instances, Assurance IQ telemarketers misrepresented its health plans by making false claims:

- The plans were Affordable Care Act (ACA)-compliant, comprehensive health insurance.
- They had no limits on usage within the associated PPO networks.
- They had no monetary caps on benefits, including per day, per incident, annual, and lifetime monetary caps.
- The plans would cover consumers' remaining medical bills once the plans' deductibles and out-of-pocket maximums were met.
- They provided consumers with access to national networks that would reduce the cost of consumers' medical bills and expenses by 35%-70%.
- They included Supplemental Products at no additional cost.
- Plans would only include charges for Supplemental Products when authorized by the consumer.

**This is not the first time** Assurance IQ has faced a large financial penalty for noncompliant telemarketing practices. **In 2024**, the company agreed to pay up to **\$21,875,000** after settling a Telephone Consumer Protection Act (TCPA) class action lawsuit.

**The plaintiff who filed the lawsuit made the following claims against Assurance IQ:**

- Assurance IQ called his cell phone sixteen times in June 2022 without his consent.
- At least two of the calls were artificial or prerecorded voice messages.
- The calls were intended for a different person, not the plaintiff.

### **MediaAlpha - \$45 Million Settlement**

MediaAlpha was fined **\$45 million for operating deceptive lead generation websites** to gather personal information that was used to make robocalls and sold to other telemarketers. The company operated websites with domains including ObamacarePlans.com, GovernmentHealthInsurance.com, and KentuckyHealthPlans.org. MediaAlpha falsely led consumers to believe that they were affiliated with state or federal government programs and that they offer special access to low-cost, comprehensive insurance plans.

In reality, MediaAlpha did not sell anything to health insurance consumers; they were using the websites to harvest consumer information. They sold the information consumers provided on the websites to telemarketers and other lead generators. MediaAlpha also placed robocalls to the consumers and would sell access to the call to their telemarketer partners when a live person answered.

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Consumers who visited MediaAlpha's websites and revealed their personal information were often bombarded with numerous unwanted calls, emails, and text messages, even if their number was on the national Do Not Call Registry. The robocall scripts included deceptive information, including false statements about health insurance programs being approved by the Biden administration or Congress.

MediaAlpha also used deceptive practices to gain a consumer's consent to be called. When consumers provided the information needed to browse health plans and quotes, fine print was added to the end of MediaAlpha's submission pages stating that consumers have consented to receive various marketing contacts from MediaAlpha and its "network of advertisers," whose identities were concealed behind a hyperlink.

## Takeaways for Lead Generation

- **Lead generation must be transparent:** agencies and firms can no longer blur lines with deceptive domain names or fake government associations.
- **Consent isn't optional:** TSR requires express, informed consent before billing or contacting consumers—non-compliance carries heavy consequences.
- **Substantiation matters:** every marketing claim needs strong evidence; vague or misleading statements can lead to stiff penalties.
- **Regulatory scrutiny is real—and growing:** The FTC's enforcement action shows its resolve to rein in deceptive health insurance marketing, especially when consumer trust and finances are at stake.

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PossibleNOW is the pioneer and leader in customer contact compliance. From federal and state regulations to international laws, our platform **DNCSolution** consolidates everything a business needs to stay compliant with regulations such as Do Not Call, TCPA, CAN-SPAM, and Reassigned Numbers Database. We back our solutions with a 100% compliance guarantee and keep companies out of the crosshairs of professional litigators.

Our **MyPreferences** platform centralizes the collection and distribution of customer communication consents and preferences, making compliance and personalization possible across the enterprise. PossibleNOW's strategic consultants take a holistic approach, leveraging years of experience when creating strategic roadmaps, planning technology deployments, and designing customer interfaces.

Our technology, processes, and services enable relevant, trusted, and compliant customer interactions.

**PossibleNOW: Marketing Compliance Made Simple.**

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