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**Douglas A. Ducey, Governor
Leslie R. Hess, Interim Director**

PRESS RELEASE

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Receivership Order Issued Against Meritus Health Insurers

Phoenix – The Maricopa County Superior Court today issued an Order for Appointment of Receiver and Injunction against two Arizona health insurance companies, Compass Cooperative Health Plan, Inc., a health care services organization doing business as Meritus Health Partners, and Compass Cooperative Mutual Health Network, Inc., a disability insurer doing business as Meritus Mutual Health Partners. Arizona Department of Insurance (ADOI), Interim Director, Leslie Hess, filed suit against the health insurers on August 1, 2016, requesting that the Court find both companies insolvent and issue an order appointing the Director of ADOI as the receiver for both companies.

Both companies were placed under supervision by the Director of ADOI on October 30, 2015. As a result, the companies were ordered to stop writing new and renewal business as of December 31, 2015. With the issuance of the Director's supervision order, Meritus enrollees were eligible to participate in open enrollment to obtain other health insurance for plan year 2016.

Under the Department's Supervision, both companies have been winding down their operations and paying provider claims (hospitals, doctors, etc.). However, the companies ran out of money and were unable to continue to pay provider claims without liquidating assets. The Director sought an Order of Receivership to be able to liquidate the companies' assets in order to pay provider and creditor claims in accordance with Arizona law.

"Requesting the Court issue an order placing any company into receivership is not an easy step for me to take," said Interim Director Leslie Hess. Our agency's number one priority is to protect the citizens of Arizona and I believe this order is necessary to do just that."

Meritus was incorporated December 7, 2012, as a nonprofit corporation and was one of the original 23 consumer operated and oriented plans (CO-OPs) that were formed around the country to offer health insurance. The two Meritus companies provided health insurance coverage for approximately 59,000 Arizona residents in Maricopa, Pima and Pinal counties.

Copies of the Complaint and the Receivership Order are available on the Department's website under the Meritus link.

[About the Arizona Department of Insurance](#)

The Arizona Department of Insurance, an agency of the State of Arizona, is responsible for the education and protection of insurance consumers and for oversight of the insurance industry in this state.