



THE STATE OF FLORIDA

OFFICE OF INSURANCE REGULATION MARKET INVESTIGATIONS

MARKET CONDUCT FINAL EXAMINATION REPORT

OF

CANTERBURY TOWERS, INC.

AS OF

December 31, 2012

FLORIDA COMPANY CODE 88016

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PURPOSE AND SCOPE OF EXAMINATION

The Office of Insurance Regulation (Office), Market Investigations unit, conducted a periodic market conduct examination of Canterbury Towers, Inc. (hereinafter "Canterbury Towers") pursuant to Section 651.105, Florida Statutes. The scope period of this examination was January 1, 2010 through December 31, 2012. The on-site and desk examination procedures were completed on November 4, 2013.

The objective of the examination was to determine the extent of compliance with the provisions of Chapter 651, Florida Statutes and Chapter 690-193, Florida Administrative Code Rules. This market conduct examination did not encompass a financial compliance examination.

This final report is based upon information from the examiner's draft report, additional research conducted by the Office, and additional information provided by Canterbury Towers. This report is a report by exception, and the information within has been limited to identification of exceptions, errors or unusual problems noted during the examination.

COMPANY OPERATIONS

Canterbury Towers, a not-for-profit, Florida Corporation, was granted a Certificate of Authority by the Office to offer continuing care contracts on March 6, 1980. Canterbury Towers is located in Tampa, Florida. As of December 31, 2012, Canterbury Towers reported 124 Continuing Care Units, all of which were Independent Living Unit, and 60 Skilled Nursing Units that consisted of 40 Community Beds and 20 Sheltered Beds. No Rental Units were reported. As of the same reporting period there were 134 individuals residing at this community.

REQUIRED DISCLOSURES

Canterbury Towers provided a list containing the 23 continuing care contracts executed during the scope period of the examination.

Findings:

Section 651.091(3), Florida Statutes, provides in pertinent part that before entering into a contract to furnish continuing care, the provider undertaking to furnish the care, or the agent of the provider, shall make full disclosure, and provide copies of the specific disclosure documents to the prospective resident or his or her legal representative.

In addition, effective July 1, 2010 Section 651.091(3)(h), Florida Statutes, required the provider to include as a required disclosure document, a copy of Section 651.071, Florida Statutes, entitled "Contracts as preferred claims on liquidation or receivership." Of the 23 contracts executed during the scope period of the examination, 15 contracts were executed on or after July 1, 2010. All 15 transactions were reviewed to determine compliance with disclosure requirements of Section 651.091(3)(h), Florida Statutes.

REQUIRED DISCLOSURES (continued)

In nine instances, Canterbury Towers failed to timely provide as a required disclosure, a copy of Section 651.071, Florida Statutes, as required by Section 651.091(3)(h), Florida Statutes. Specifically, in each instance wherein the continuing care contract was executed between July 1, 2010 and June 26, 2011, a copy of Section 651.071, Florida Statutes, was provided after the prospective residents and/or their legal representative entered into the continuing care contract.

Recommendation: The Office recommends Canterbury Towers establish adequate procedures to ensure all required disclosures are timely afforded to prospective residents or their legal representatives.

ACCESS TO RECORDS

Records necessary to conduct the examination and determine the degree of compliance with Chapter 651, Florida Statutes and Rule 69O-193, Florida Administrative code were requested from Canterbury Towers in accordance with Section 651.105(1), Florida Statutes.

Findings:

In eight instances, Canterbury Towers failed to maintain and provide documents for examination, as required by Section 651.105, Florida Statutes. In each of the eight instances the initial disclosure document receipt signed by the prospective resident and/or their legal representative was replaced at a later date by a revised/altered version of the original disclosure document receipt. The initial executed disclosure document receipts were not maintained by Canterbury Towers and therefore not available for examination.

Recommendation: In order for the Office to determine the degree of compliance with Chapter 651, Florida Statutes and Rule 69O-193, Florida Administrative Code, the Office recommends Canterbury Towers establish adequate procedures and controls to ensure proper documentation that is reflective of the actual transaction is maintained and made available for examination purposes.

EXAMINATION FINAL REPORT SUBMISSION

The Office hereby issues this Final Report based upon information from the examiner's draft report, additional research conducted by the Office, and additional information provided by Canterbury Towers.