



# **THE STATE OF FLORIDA**

## **OFFICE OF INSURANCE REGULATION MARKET INVESTIGATIONS**

### **MARKET CONDUCT FINAL EXAMINATION REPORT**

**OF**

**NAVAL CONTINUING CARE RETIREMENT FOUNDATION, INC.**

**d/b/a**

**FLEET LANDING**

**AS OF**

**December 31, 2013**

**FLORIDA COMPANY CODE 88145**

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**Report Issued:  
December 2, 2014**

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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 Naval Continuing Care Retirement Foundation, Inc. d/b/a Fleet Landing (hereinafter "Fleet Landing") pursuant to Section 651.105, Florida Statutes. The scope period of this examination was from January 1, 2010 through December 31, 2013. The desk examination procedures were completed on October 14, 2014.

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 Fleet Landing. 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

Fleet Landing, a Florida non-profit corporation, was granted a certificate of authority by the Office to offer continuing care contracts on April 13, 1989. Fleet Landing is located in Atlantic Beach, Florida. As of December 31, 2013, Fleet Landing reported: 428 Continuing Care Units that consisted of 354 Independent Living Units and 74 Assisted Living Units; 80 Skilled Nursing Units that consisted solely of Sheltered Beds and no Rental Units. As of the same date, there were 599 individuals residing at this community.

## FORMS

Effective July 1, 2011, Section 651.022(2)(g), Florida Statutes, was amended to require wait list contract and reservation contract forms be approved by the Office prior to being used. Fleet Landing provided a list containing 134 wait list deposits collected during the scope period of the examination. A sample consisting of 56 wait list deposit transactions was selected from the list; 42 of the wait list transactions were executed on or after July 1, 2011. The 42 wait list contracts were tested for compliance with Section 651.022(2)(g), Florida Statutes.

### Finding:

**In 34 instances Fleet Landing utilized a wait list contract form that was not approved by the Office, as required by Section 651.022(2)(g), Florida Statutes.** Specifically, in all 34 instances, four versions of an unapproved wait list form were used. Fleet Landing is currently using a wait list contract form that has been approved by the Office.

**Recommendation:** The Office recommends Fleet Landing establish adequate procedures and controls to ensure all forms which require statutory approval are approved by the Office prior to use.

## POSTING OF RECORDS

### Finding:

Section 651.091(2)(b), Florida Statutes, requires each continuing care community to post in a prominent position in the facility, which is accessible to all residents and the general public, a concise summary of the last examination report issued by the Office, with references to the page numbers of the full report noting any deficiencies found by the Office, and the actions taken by the provider to rectify such deficiencies, indicating in such summary where the full report may be inspected in the facility.

1. **Fleet Landing failed to post in a prominent position in the facility, a summary or complete copy of the last Market Conduct Examination Report and Financial Examination Report issued by the Office along with the actions it has taken to rectify the deficiencies, as required by Section 651.091(2)(b), Florida Statutes.** Although copies of the documents were available in the community's library, summaries or complete copies of the documents were not prominently posted.
- 1a. **Recommendation:** The Office recommends Fleet Landing promptly post, in a prominent position in the facility, a concise summary (to include a notation where the full reports can be inspected) or complete copy of the last Market Conduct Report of Examination and Financial Report of Examination along with the actions its has taken to rectify any deficiencies noted.

### Finding:

Section 651.091(2)(c), Florida Statutes, requires each continuing care community to post in a prominent position in the facility, which is accessible to all residents and the general public, a summary of the latest annual statement, indicating in the summary where the full statement may be inspected in the facility.

2. **Fleet Landing failed to post in a prominent position in the facility, a summary or complete copy of the latest annual statement filed with the Office, as required by Section 651.091(2)(c), Florida Statutes.** Although a copy of the annual statement was available in the community's library, a summary or complete copy was not prominently posted.
- 2a. **Recommendation:** The Office recommends Fleet Landing promptly post, in a prominent position of the facility, a summary (to include a notation where the full annual statement can be inspected) or a complete copy of the latest annual statement filed with the Office.

## 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 Fleet Landing.