



THE STATE OF FLORIDA
FINANCIAL SERVICES COMMISSION

OFFICE OF INSURANCE REGULATION
MARKET INVESTIGATIONS

MARKET CONDUCT FINAL EXAMINATION REPORT

OF

FLORIDA PRESBYTERIAN HOMES, INC.

AS OF

December 31, 2011

FLORIDA COMPANY CODE 88020

TABLE OF CONTENTS

Executive Summary.....	1
Purpose and Scope.....	2
Company Operations.....	2
Amended by-laws.....	2
Required Disclosures.....	3
Examination Final Report Submission.....	3

EXECUTIVE SUMMARY

Pursuant to the provisions of Section 651.105, Florida Statutes, an examination was conducted of the books, records, and affairs of Florida Presbyterian Homes, Inc. (hereinafter "Florida Presbyterian"). The scope period of the examination was January 1, 2007 through December 31, 2011. The following table represents general findings; however, specific details are found in each section of the report.

TABLE OF TOTAL VIOLATIONS

Statute or Rule Cite	Description	Total Files (for scope period)	Files Reviewed	Number of Violations
Section 651.026(2)(a), Florida Statutes	Florida Presbyterian amended and restated its by-laws and failed to notify the Office of the amendment.	22	22	1
Section 651.091(3)(h), Florida Statutes	Florida Presbyterian failed to deliver a copy of Section 651.071, Florida Statutes, a required disclosure document, to prospective residents or their legal representatives.	143	13	13

PURPOSE AND SCOPE OF EXAMINATION

The Office of Insurance Regulation (Office), Market Investigations unit, conducted a routine market conduct examination of Florida Presbyterian Homes, Inc. (hereinafter "Florida Presbyterian") pursuant to Section 651.105, Florida Statutes. The scope period of this examination was January 1, 2007 through December 31, 2011.

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 Florida Presbyterian. 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

Florida Presbyterian is a Florida not-for-profit corporation that was granted a Certificate of Authority to offer continuing care contracts on March 6, 1980. Florida Presbyterian is located in Lakeland, Florida. As of December 31, 2011, Florida Presbyterian reported 196 Continuing Care units that consisted of 164 Independent Living units and 32 Assisted Living units. In addition, there were 48 Skilled Nursing units, all of which were classified as Sheltered Beds. There were no rental units reported. As of the same period, there were 282 individuals reported residing at this facility; all of which were residing under Continuing Care contracts.

AMENDED BY-LAWS

Minutes from the Board of Directors meetings held during the scope period of examination were reviewed for items of significance and items which require notification to the Office.

Findings:

Section 651.026, Florida Statutes sets forth the requirements for the filing and content of annual reports to be submitted to the Office by Providers. Section 651.026(2)(a), Florida Statutes provides in pertinent part that the annual report shall contain any change of status with respect to the information required to be filed under Section 651.022(2), Florida Statutes. Section 651.022(2)(a), Florida Statutes, addresses organizational documents to include by-laws.

Florida Presbyterian amended and restated its by-laws at the July 28, 2009 Board of Directors meeting and failed to notify the Office, as required by Section 651.026, Florida Statutes.

AMENDED BY-LAWS (Continued)

Specifically, in the Interrogatories filed with the Office for the period ending December 31, 2009, Florida Presbyterian responded "NO" to interrogatory No. 1, which asked if there were any changes to the information originally filed under Section 651.022(2), Florida Statutes.

Recommendation: The Office recommends Florida Presbyterian establish adequate procedures to ensure the Office is timely notified of changes to its organizational documents.

REQUIRED DISCLOSURES

Florida Presbyterian provided a list containing the 143 continuing care contracts executed during the scope period of the examination. A sample consisting of 58 contracts was selected and tested for compliance with Section 651.091(3), Florida Statutes. Effective July 1, 2010 Section 651.091(3)(h), Florida Statutes, requires the provider to include as a disclosure document, a copy of Section 651.071, Florida Statutes, entitled "Contracts as preferred claims on liquidation or receivership." Of the 58 continuing care contracts sampled, 13 were entered into on or after July 1, 2010. These 13 transactions were reviewed for compliance with disclosure requirements of Section 651.091(3)(h), Florida Statutes.

Findings:

In all 13 instances Florida Presbyterian failed to provide to the prospective resident or their legal representative a copy of Section 651.071, Florida Statutes, a required disclosure document, in violation of Section 651.091(3)(h), Florida Statutes.

Recommendation: The Office recommends Florida Presbyterian establish adequate controls and procedures to ensure that all prospective residents or legal representatives are given all appropriate disclosure documents prior to entering into a continuing care contract, and obtain adequate documentation to substantiate the required disclosure documents were timely provided. The Office further recommends that a copy of the full disclosure documents be filed with the Office, as required by Section 651.091(4), Florida Statutes.

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 Florida Presbyterian.