



# **THE STATE OF FLORIDA**

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

**MARKET CONDUCT FINAL EXAMINATION REPORT**

**OF**

**THE EVANGELICAL LUTHERAN GOOD SAMARITAN SOCIETY**

**d/b/a FLORIDA LUTHERAN RETIREMENT CENTER**

**AS OF**

**December 31, 2013**

**FLORIDA COMPANY CODE 88057**

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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 The Evangelical Lutheran Good Samaritan Society d/b/a Florida Lutheran Retirement Center (hereinafter "Florida Lutheran Retirement Center") pursuant to Section 651.105, Florida Statutes. The scope period of this examination was from January 1, 2011 through December 31, 2013. The desk examination procedures were completed on May 16, 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 Florida Lutheran Retirement Center. 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 Lutheran Retirement Center, a not-for-profit Continuing Care Retirement Community (CCRC) located in Deland, Florida, was granted a certificate of authority by the Office to offer continuing care contracts on October 15, 1982.

As of December 31, 2013, Florida Lutheran Retirement Center reported 174 Rental Units and 60 Skilled Nursing Units. As of the same date, there were two CCRC residents, 49 Skilled Nursing residents and 107 renters for a total of 158 individuals residing at the facility. During the scope period of this examination Florida Lutheran Retirement Center did not enter into any continuing care contracts but reported that marketing and sales will resume in the future.

## **NOTIFICATION TO THE OFFICE**

Filings submitted by Florida Lutheran Retirement Center and other documents were reviewed to determine the degree of compliance with Section 651.019, Florida Statutes.

### **Findings:**

Section 651.019(2), Florida Statutes, states that "the provider shall furnish any information the office may reasonably request in connection with any new financing, additional financing, or refinancing, including, but not limited to, the financing agreements and any related documents, escrow or trust agreements, and statistical or financial data. The provider shall also submit to the office copies of executed financing documents within 30 days after the closing date."

## **NOTIFICATION TO THE OFFICE (continued)**

**Florida Lutheran Retirement Center failed to provide the Office with copies of the executed financing documents within 30 days after the closing date of the financing transaction as required by Section 651.019(2), Florida Statutes.** Specifically, Florida Lutheran Retirement Center completed a bond refinancing transaction on or about May 21, 2012 and copies of the executed financing documents were not provided to the Office until on or about October 16, 2013.

**Recommendations:** The Office recommends Florida Lutheran Retirement Center establish adequate procedures to ensure that all notifications and executed documents are timely and properly submitted to the Office, as required by Section 651.019(2), 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 Lutheran Retirement Center.