



THE STATE OF FLORIDA

OFFICE OF INSURANCE REGULATION MARKET INVESTIGATIONS

MARKET CONDUCT FINAL EXAMINATION REPORT

OF

MERIDIAN PARK VILLAGE, LIMITED PARTNERSHIP

D/B/A

Vi at LAKESIDE VILLAGE

AS OF

December 31, 2012

FLORIDA COMPANY CODE 88164

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PURPOSE AND SCOPE OF EXAMINATION

The Office of Insurance Regulation (“Office”), Market Investigations unit, conducted a routine market conduct examination of Meridian Park Village, Limited Partnership d/b/a Vi at Lakeside Village (“Vi at Lakeside Village”) pursuant to Section 651.105, Florida Statutes. The scope period of this examination was January 1, 2010 through December 31, 2012. The onsite and desk examination procedures were completed on July 2, 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 Vi at Lakeside Village. 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

Vi at Lakeside Village is a Continuing Care Retirement Community located in Lantana, Florida. Vi at Lakeside Village was issued a certificate of authority on May 5, 1991 and is operating under an affiliated management agreement with Classic Residence Management, Limited Partnership. Vi at Lakeside Village is one of several affiliated Continuing Care Retirement Communities in Florida. As of December 31, 2012, Vi at Lakeside Village reported 284 Continuing Care Units, of which 242 were Independent Living Units and 42 Assisted Living Units. In addition, there were 22 Rental Units reported, along with 60 Skilled Nursing, all of which were classified as Sheltered Beds. As of the same reporting period, there were 334 individuals residing at this community.

FORMS

Effective July 1, 2011, Section 651.022(2)(g), Florida Statutes, was amended to require wait list contract forms to be approved by the Office. Vi at Lakeside Village provided a list containing the 14 wait list fees collected during the scope period. Of the 14 wait list contracts, two were executed after July 1, 2011. Both contracts were examined and tested for compliance with Section 651.022(2)(g), Florida Statutes.

Findings:

Vi at Lakeside Village utilized a wait list contract form that was not approved by the Office, in violation of Section 651.022(2)(g), Florida Statutes. The two wait list contracts were executed on an unapproved form in November and December of 2010 – at least four months after the July 1, 2011 effective date requiring wait list contracts to be approved.

FORMS (continued)

Recommendation: The Office recommends Vi at Lakeside Village establish internal controls and procedures to ensure that forms requiring statutory approval by the Office have been approved prior to being used.

REQUIRED DISCLOSURES

Findings:

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 80 contracts in the sample, 35 contracts were executed on or after July 1, 2010. All 35 contracts were reviewed to determine compliance with disclosure requirements of Section 651.091(3)(h), Florida Statutes.

In ten instances, Vi at Lakeside Village failed to provide as a required disclosure, a copy of Section 651.071, Florida Statutes, entitled “Contracts as preferred claims on liquidation or receivership”, to the prospective residents or their legal representative, as required by Section 651.091(3)(h), Florida Statutes.

Recommendation: The Office recommends Vi at Lakeside Village establish adequate internal controls to ensure all required disclosures are properly afforded to prospective residents or their legal representatives.

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 Vi at Lakeside Village.