



THE STATE OF FLORIDA

OFFICE OF INSURANCE REGULATION MARKET INVESTIGATIONS

THE CHRISTIAN & MISSIONARY ALLIANCE FOUNDATION, INC.

D/B/A

SHELL POINT VILLAGE

AS OF

June 30, 2011

FLORIDA COMPANY CODE 88040

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EXECUTIVE SUMMARY

Pursuant to the provisions of Section 651.105, Florida Statutes, an examination was conducted of the books, records, and affairs of The Christian & Missionary Alliance Foundation, Inc. d/b/a Shell Point Village. The scope period of the examination was July 1, 2006 through June 30, 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 651.055(2)(g)2, Florida Statutes	Shell Point Village failed to issue a refund within 120 days of the resident's notice of cancellation.	417	78	1
Section 651.026(2)(a), Florida Statutes	Shell Point Village amended and restated its By-laws and failed to notify the Office of the amendment.	14	14	1

PURPOSE AND SCOPE OF EXAMINATION

The Office of Insurance Regulation (Office), Market Investigations unit, conducted a routine market conduct examination of The Christian & Missionary Alliance Foundation, Inc. d/b/a Shell Point Village (hereinafter "Shell Point Village") pursuant to Section 651.105, Florida Statutes. The scope period of this examination was July 1, 2006 through June 30, 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 Shell Point 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

Shell Point Village, a Florida not-for-profit corporation, was granted a certificate of authority by the Office to offer continuing care contracts on July 15, 1980. As of June 30, 2011, Shell Point Village reported 1,438 Continuing Care Units that consisted of 1,211 Independent Living Units and 227 Assisted Living Units; 219 Skilled Nursing that consisted of 59 Sheltered Beds and 160 Community Beds; and 37 Rental Units at the community. As of that date, there were 2,194 individuals reported residing at this facility: 2,118 pursuant to a continuing care contract; 38 individuals under a rental agreement and 38 skilled nursing-community patients (non-CCRC).

CANCELLATIONS AND REFUNDS

Shell Point Village provided a list of 417 continuing care contracts that were cancelled during the scope period of the examination. A sample consisting of 78 contract cancellations was examined to verify the amount of the refunds paid, if any, and whether refunds were properly issued. Of the 78 cancellations examined, nine were eligible for a refund of the entrance fee.

Findings:

Section 651.055(1), Florida Statutes requires in pertinent part that certain provisions be included in a continuing care contract and that each continuing care contract and each addendum to such contract be approved by the Office prior to its use in this state. Section 651.055(1)(g)2, Florida Statutes, further requires the refund for a continuing care contract in which the resident does not receive a transferable membership or ownership right in the facility, and has occupied his or her unit, be paid no later than 120 days after giving the notice of intention to cancel.

CANCELLATIONS AND REFUNDS (Continued)

In one instance, Shell Point Village failed to timely issue a refund within 120 days after the delivery of a resident's notice of cancellation, in violation of Section 651.055(1)(g)2, Florida Statutes. The refund was in the correct amount; however, it was issued 13 days late or, 133 days after the notice of cancellation was delivered by the resident.

Recommendation: The Office recommends Shell Point Village establish adequate procedures to ensure applicable refunds are issued within statutorily required timeframes.

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.

Shell Point Village amended and restated its By-laws at a February 2009 Board of Directors meeting and failed to notify the Office, as required by Section 651.026, Florida Statutes. Specifically, in the Interrogatories filed with the Office for the period ending June 30, 2009, Shell Point Village 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 Shell Point Village establish adequate procedures to ensure the Office is timely notified of changes to its organizational documents.

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 Shell Point Village.