



THE STATE OF FLORIDA
FINANCIAL SERVICES COMMISSION
OFFICE OF INSURANCE REGULATION
MARKET INVESTIGATIONS

MARKET CONDUCT FINAL EXAMINATION REPORT

OF

CC-NAPLES, INC.

D/B/A

Vi AT BENTLEY VILLAGE

AS OF

December 31, 2011

FLORIDA COMPANY CODE 88099

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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 CC-Naples, Inc. d/b/a Vi at Bentley Village (hereinafter "Vi at Bentley Village"). The scope period of the examination was January 1, 2009 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 651.055(1) Florida Statutes	Vi at Bentley Village failed to timely issue two refunds in accordance to the terms of the approved continuing care contract.	132	56	2
Section 651.0585(1) Florida Statutes	Vi at Bentley Village failed to hold two quarterly meetings with residents during calendar years 2009 and 2010.	12	12	2
Section 651.091(3)(c), Florida Statutes	Vi at Bentley Village failed to deliver to the Residents' Council President or Chair a copy of the quarterly statement filed with the Office.	6	6	2
Section 651.091(3)(h), Florida Statutes	Vi at Bentley Village failed to provide prospective residents or their legal representatives, who executed a continuing care contract after July 1, 2010, a copy of Section 651.071, Florida Statutes.	103	32	20

PURPOSE AND SCOPE OF EXAMINATION

The Office of Insurance Regulation (Office), Market Investigations unit, conducted a routine market conduct examination of CC –Naples, Inc. d/b/a/ Vi at Bentley Village pursuant to Section 651.105, Florida Statutes. The scope period of this examination was January 1, 2009 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 Vi at Bentley 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 Bentley Village is a Delaware for-profit Corporation located in Naples, FL. Vi at Bentley Village was granted a certificate of authority by the Office to offer continuing care contracts on April 2, 1984. As of December 31, 2011, Vi at Bentley Village reported 652 Continuing Care units, consisting of 563 Independent Living units and 89 Assisted Living units. In addition, there were 100 Skilled Nursing units, consisting of seven Community Beds and 93 Sheltered Beds. No rental units were reported. As of the same date, there were 743 individuals residing at this facility: 738 residents were residing under Continuing Care Contracts; five were residing as Skilled Nursing Community patients (non-CCRC).

CANCELLATIONS AND REFUNDS

Vi at Bentley Village provided a list of 132 continuing care contracts cancelled during the scope period of the examination. A sample consisting of 56 contract cancellations was selected and tested to verify the amount of the refund paid, if any, and whether such refunds were properly issued. Of the 53 contracts examined, 23 were eligible for refunds.

Findings:

Section 651.055(1), Florida Statutes provides in pertinent part, that each continuing care contract and each addendum to such contract be approved by the Office prior to its use in this state.

Vi at Bentley Village failed to timely issue two refunds, as required by Section 651.055(1), Florida Statutes. The terms of the continuing care contracts provided for the refund to be paid within 120 days of the termination of the contract. One refund was paid one day after the 120-day period; the second refund was paid 2 days after the 120-day period.

CANCELLATIONS AND REFUNDS (Continued)

Recommendation: The Office recommends Vi at Bentley Village establish adequate procedures to ensure applicable refunds are issued in accordance to the prevailing statute and the terms of the approved continuing care contract.

QUARTERLY MEETINGS WITH RESIDENTS

The quarterly meeting agendas, notices to residents, meeting minutes, and the dates of the meetings contained in the annual reports filed for the scope period were reviewed for compliance with Section 651.085, Florida Statutes.

Findings:

Section 651.085(1), Florida Statutes, states in pertinent part that, "The governing body of a provider, or the designated representative of the provider, shall hold quarterly meetings with the residents of the continuing care facility for the purpose of free discussion of subjects..."

Vi at Bentley Village failed to hold a quarterly meeting with the residents during the third quarters of calendar years 2009 and 2010, as required by Section 651.085(1), Florida Statutes.

Recommendation: The Office recommends Vi at Bentley Village establish adequate procedures to ensure that the quarterly meetings with residents are properly held, as required by Section 651.085(1), Florida Statutes.

REQUIRED DISCLOSURES

Findings:

Effective July 1, 2010 Section 651.091(3)(g), Florida Statutes, requires the provider to deliver a copy of each quarterly statement to the President or Chair of the Residents' Council within 30 days after the quarterly statement is filed with the Office. Records were examined for the 3rd and 4th quarters of 2010 and for the four quarters of 2011 to determine compliance with this requirement.

- 1 **There were six instances where Vi at Bentley Village failed to provide a copy of the quarterly statement to the President or Chair of the Residents' Council.** Specifically, a copy of the quarterly statement was not delivered to the President or Chair of the Residents' Council for the 3rd and 4th quarters of 2010, and for the four quarters of 2011, as required by Section 651.091(3)(h), Florida Statutes.

REQUIRED DISCLOSURES (Continued)

- 1a. **Recommendation:** The Office recommends Vi at Bentley Village establish adequate procedures to ensure all required quarterly statements are properly delivered to, as required by Section 651.091(3), Florida Statutes. The Office further recommends that adequate documentation is properly maintained to substantiate compliance with this requirement.

Findings:

Also 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 50 continuing care contracts sampled, 32 were entered into on or after July 1, 2010. These 32 transactions were reviewed for compliance with disclosure requirements of Section 651.091(3)(h), Florida Statutes.

2. **In 20 instances Vi at Bentley Village failed to provide a copy of Section 651.071, Florida Statutes, entitled, "Contracts as preferred claims on liquidation or receivership" to prospective residents or their legal representative, as required by Section 651.091(3)(h), Florida Statutes.**

- 2a. **Recommendation:** The Office recommends Vi at Bentley Village establish adequate procedures to ensure all required disclosure documents are properly delivered to prospective residents or their legal representatives, as required by Section 651.091(3), Florida Statutes. 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 CC – Naples, Inc. d/b/a Vi at Bentley Village.