

Report on Examination

of

Westminster Pines, Inc.

d/b/a

Westminster St. Augustine

St. Augustine, Florida

as of

March 31, 2022



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SCOPE OF EXAMINATION

The Florida Office of Insurance Regulation (“OIR”), Life & Health Financial Oversight unit, conducted a routine examination of Westminster Pines, Inc. d/b/a Westminster St. Augustine (“Westminster Pines”), pursuant to Section 651.105, Florida Statutes. The objective of the examination was to determine the extent of compliance with the provisions of Chapter 651, Florida Statutes, and Rule Chapter 69O-193, Florida Administrative Code. The examination covered the period of July 1, 2019, through March 31, 2022.

COMPANY HISTORY

Westminster Pines Inc., a Florida not-for-profit corporation was granted a certificate of authority by the OIR to offer continuing care contracts on October 12, 2017. Westminster Pines operates the continuing care retirement community facility Westminster St. Augustine, which is located in St. Augustine, Florida. Westminster Pines is managed by Westminster Services, Inc., an affiliated entity.

Westminster Pines operates on the fiscal year April 1 through March 31. As of March 31, 2022, Westminster Pines reported in its Annual Report filed with the OIR: 227 Continuing Care Units consisting of 160 Independent Living Units and 27 Assisted Living Units, 30 Skilled Nursing Units, and 10 Rental Units. As of March 31, 2022, there were 267 individuals reported residing at Westminster Pines. The facility reports, pursuant to a continuing care contract, 231 residents in Independent Living, 13 residents in Assisted Living and Memory Care, and 13 residents in Skilled Nursing. The facility reported 32 residents without a continuing care contract.

SUMMARY OF FINDINGS

New Financing, Refinancing, Additional Financing

Finding 1:

In one instance, pursuant to Section 651.019(2), Florida Statutes, Westminster Pines failed to submit copies of executed financing documents within 30 days after the closing date of the 2020 financing transaction to the OIR as required.

Resident Council Disclosures

Finding 2:

In two instances, pursuant to Sections 651.091(2)(f), Florida Statutes, Westminster Pines failed to provide documentation demonstrating that the 2019 and 2020, third-party financial audit filed with the annual report, was distributed to the president or chair of the residents' council within 30 days after filing the annual report with OIR.

Finding 3:

In three instances, pursuant to Section 651.091(2)(i), Florida Statutes, Westminster Pines failed to provide documentation demonstrating that a copy of each quarterly statement was delivered to the President or Chair of the Residents' Council within 30 days after the quarterly statement is filed with the OIR.

Quarterly Meetings with Residents

Finding 4:

In three instances, pursuant to Section 651.085(1), Florida Statutes, Westminster Pines failed to provide documentation to demonstrate that at least 7 days' advance notice of a quarterly meeting was provided to the residents.

Finding 5:

In six instances, pursuant to Section 651.085(1), Florida Statutes, Westminster Pines failed to accurately report the dates in which quarterly meetings were held in the Annual Report.

Notifications to the OIR

Finding 6:

In one instance, pursuant to Section 651.026(5), Florida Statutes, and Rule Chapter 690.193.005(3), Florida Administrative Code, Westminster Pines failed to file an Annual Report on Form OIR-A3-470 with the OIR within 120 days of the last day of the fiscal year of the provider.

Finding 7:

In two instances, pursuant to Section 651.0261(1), Florida Statutes and Chapter Rule 690.193.005(2)(a), Florida Administrative Code, Westminster Pines failed to file the OIR Form OIR-A3-974 within 45 days after the end of the fiscal quarter.

Finding 8:

In eight instances, pursuant to Section 651.043(2), Florida Statutes, Florida Administrative Code, Westminster Pines failed to notify the OIR, in writing or electronically, of any change in management within 10 business days.

Disclosure Documents

Finding 9:

In one instance, pursuant to Section 651.091(3), Florida Statutes, Westminster Pines failed to make full disclosure the updated information outlined in Section 651.091(3)(b), Florida Statutes for the disclosure documents filed to the OIR on December 20, 2022.

Minimum Liquid Reserve

Finding 10:

In one instance, pursuant to Section 651.035(11), Florida Statutes, Westminster Pines failed to fund the Minimum Liquid Reserve shortfall within 10 business days after the end of any fiscal quarter due to a change in the market value of the invested funds for the period ending March 31, 2021.

Finding 11:

In one instance, pursuant to Section 651.035(10), Florida Statutes, Westminster Pines failed to fund the increase in the Minimum Liquid Reserve no later than 61 days after the Minimum Liquid Reserve calculation is due to be filed as outlined in Section 651.026, Florida Statutes for the 2021 filing year.

MINIMUM LIQUID RESERVE

As of March 31, 2022, Westminster Pines had a Minimum Liquid Reserve that was funded in accordance with Section 651.035, Florida Statutes.

SUMMARY OF RECOMMENDATIONS

New Financing, Refinancing, Additional Financing

Finding 1: The OIR recommends Westminster Pines submits executed financing documents, escrow, or trust agreements prepared in support of such financing or refinancing transaction, to the OIR within 30 days after the closing date of financing, adhering to Section 651.019, Florida Statutes.

Resident Council Disclosures

Findings 3 & 4: The OIR recommends that Westminster Pines establish adequate procedures and controls to ensure that the statutory availability, distribution, and posting of reports and records are distributed to the President or Chair of the Residents' Council, in accordance with Section 651.091(2), Florida Statutes.

Quarterly Meetings with Residents

Finding 4: The OIR recommends that Westminster Pines maintain documentation to demonstrate that the statutory quarterly meetings with residents are properly noticed, in accordance with Section 651.085(1), Florida Statutes.

Finding 5: The OIR recommends Westminster Pines ensure that the dates of quarterly meetings with residents pursuant to Section 651.085(1), Florida Statutes, are properly reported, in accordance with Section 651.026(2)(d), Florida Statutes.

Notifications to the OIR

Findings 6 & 7: The OIR recommends Westminster Pines establish adequate procedures and controls to ensure that the reporting and filing requirements that are outlined in Sections 651.026 and 651.0261, Florida Statutes, and Rule 69O.193.005 Florida Administrative Code are timely provided to the OIR.

Finding 8: The OIR recommends Westminster Pines ensures the OIR is timely provided information and documentation for managers or management companies, in accordance with requirements of Chapter 651, Florida Statutes.

Finding 9: The OIR Recommends Westminster Pines promptly file with the OIR a true and complete copy of the full disclosure documents to the Regulatory Electronic Filing System (“REFS”) as outlined in Section 651.091(4), Florida Statutes, containing all items listed and described in Section 651.091(3), Florida Statutes.

- Subsequent Event: Westminster Pines has filed the new (Ch. 2023-295 effective July 1, 2023) statutory required disclosure documents to the OIR.

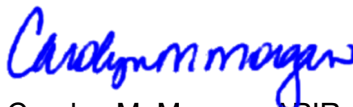
Findings 10 and 11: The OIR recommends that Westminster Pines establish adequate procedures and controls to ensure that the statutory required Minimum Liquid Reserve remains funded in accordance with Section 651.035, Florida Statutes.

CONCLUSION

This Report of Examination is based upon the information provided to the OIR from Westminster Pines and additional research conducted by the OIR.

The following individuals from the Florida Office of Insurance Regulation participated in the examination: Michael Rockwell, Senior Management Analyst Supervisor; Steven Waites, Financial Specialist; and Al Garabedian, Financial Specialist.

Respectfully submitted,



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Director
Life & Health Financial Oversight
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Date Signed: 2/13/24