

**Report on Examination**

**of**

**Concordia of Florida, Inc.**

**Tampa, FL**

**as of**

**June 30, 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 Concordia of Florida, Inc. (“Concordia”), 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 April 27, 2018, through June 30, 2022.

## **COMPANY HISTORY**

Concordia of Florida, Inc., a Florida not-for-profit corporation, was granted a certificate of authority by the OIR to offer continuing care contracts on April 27, 2018. Concordia of Florida, Inc. operates the continuing care retirement community (“CCRC”) facility located in Tampa, Florida and is affiliated with Concordia Lutheran Ministries.

Concordia of Florida operates during the fiscal year from July 1 through June 30. As of June 30, 2022, Concordia of Florida reported in its Annual Report filed with the OIR: 650 Continuing Care Units consisting of 319 Independent Living, 124 Assisted Living, 117 Skilled Nursing, and 40 Rental. As of June 30, 2022, there were 497 individuals reported residing at Concordia of Florida. The facility reports, pursuant to a continuing care contract, 243 residents in independent living, 91 residents in assisted living and memory care, and 3 residents in skilled nursing. The facility also reports 160 residents without a continuing care contract, which consists of 26 living in independent living, 20 assisted living and memory care, and 114 in skilled nursing units.

## **SUMMARY OF FINDINGS**

### Notifications to the OIR

#### Finding 1:

In two instances, pursuant to Section 651.043(2), Florida Statutes, Concordia failed to provide notification to the OIR in writing or electronically of any change in management within 10 business days.

### Resident Council Required Disclosures

#### Finding 2:

In two instances, pursuant to Section 651.081(2), Florida Statutes, Concordia failed to provide documentation demonstrating that a newly elected President or Chair of the Residents' Council received a copy of chapter 651 and rules adopted thereunder or direct him or her to the appropriate public website to obtain this information, within 30 days after the election.

#### Finding 3:

In four instances, pursuant to Section 651.091(2)(h), Florida Statutes, Concordia failed to provide documentation demonstrating that a summary of entrance fees collected, and refunds made during the time-period covered in the Annual Report and the refund balances due at the end of the report period were given to the President or Chair of the Residents' Council.

#### Finding 4:

In four instances, pursuant to Section 651.091(2)(f), Florida Statutes, Concordia failed to provide documentation demonstrating that a copy of the full annual statement and a copy of the most recent 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 the OIR.

Finding 5:

In 13 instances, pursuant to Section 651.091(2)(i), Florida Statutes, Concordia 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.

Finding 6:

In five instances, pursuant to Section 651.085(3), Florida Statutes, Concordia failed to provide documentation demonstrating that the designated resident representative, was notified by the provider at least 14 days in advance of any meeting of the full governing body at which the annual budget and proposed changes or increases in resident fees or services are on the agenda or will be discussed.

New Financing, Additional Financing or Refinancing

Finding 7:

In one instance, pursuant to Section 651.019(1)(a), Florida Statutes, Concordia failed to provide a written general outline of the amount and the anticipated terms of any new financing or refinancing to the Residents' Council at least 30 days before the closing date of the financing or refinancing transaction.

Finding 8:

In one instance, pursuant to Section 651.019(2), Florida Statutes, Concordia failed to submit to the office copies of executed financing documents within 30 days after the financing or refinancing closing date.

### Quarterly Meetings with Residents

#### Finding 9:

In eight instances, pursuant to Section 651.085(1), Florida Statutes, Concordia failed to accurately report the dates on which quarterly meetings were held in the Annual Report required under Section 651.026, Florida Statutes.

### Contracts with Affiliates

#### Finding 10:

In two instances, pursuant to Section 651.1151(3), Florida Statutes, Concordia failed to include a provision that the contract will be canceled upon issuance of an order by the office.

### Disclosure Documents

#### Finding 11:

In three instances, pursuant to Section 651.091(3), Florida Statutes, Concordia failed to use disclosure documents for the statute change that went into effect January 1, 2020, per the requirements set forth in Sections 651.091(3)(j), 651.091(3)(k), and 651.091(3)(l), Florida Statutes.

#### Finding 12:

In four instances, pursuant to Section 651.091(3), Florida Statutes, Concordia failed to use disclosure documents for the statute change that went into effect July 1, 2023, per the requirements set forth in Sections 651.091(3)(j), 651.091(3)(k), 651.091(3)(l), and 651.091(3)(m), Florida Statutes.

Finding 13:

In two instances, pursuant to Section 651.091(4), Florida Statutes, for the statute changes that went into effect January 1, 2020, and July 1, 2023, Concordia failed to provide documentation demonstrating a true and complete copy of the full disclosure documents to be used, were filed with the office.

### **MINIMUM LIQUID RESERVE**

As of June 30, 2022, Concordia of Florida, Inc. had a Minimum Liquid Reserve that was funded in accordance with Section 651.035, Florida Statutes.

### **SUMMARY OF RECOMMENDATIONS**

#### Notifications to the OIR

Finding 1: The OIR recommends Concordia ensures the OIR is timely provided information and documentation for managers or management companies, in accordance with requirements of Chapter 651, Florida Statutes and Rule Chapter 69O-193, Florida Administrative Code.

#### Resident Council Required Disclosures

Finding 2: The OIR recommends Concordia establish adequate procedures and controls to ensure that newly elected President or Chair of the Residents' Council receive a copy of chapter 651 and rules adopted thereunder, pursuant to Section 651.081, Florida Statutes.

Findings 3, 4, and 5: The OIR recommends Concordia establish adequate procedures and controls to ensure 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, Florida Statutes.

Finding 6: The OIR recommends Concordia maintains documentation to demonstrate that the designated representative of the Residents' Council was notified at least 14 days in advance of any meeting of the full governing body at which proposed changes in resident fees or services will be discussed, in accordance with Section 651.085(3), Florida Statutes.

#### New Financing, Additional Financing or Refinancing

Findings 7 and 8: The OIR recommends Concordia 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, and a copy of all documents required to be submitted to the Residents Council at least 30 days before the closing date of the financing or refinancing transaction, adhering to Section 651.091, Florida Statutes.

#### Quarterly Meetings with Residents

Finding 9: The OIR recommends Concordia ensures 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, Florida Statutes.

#### Contracts with Affiliates

Finding 10: The OIR recommends Concordia review and amend its contracts with affiliated entities to ensure compliance with the requirements of Section 651.1151(3), Florida Statutes.



## Disclosure Documents

Findings 11, 12, and 13: The OIR recommends that Concordia immediately 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.

## **CONCLUSION**

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

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

Respectfully submitted,



Carolyn M. Morgan, APIR  
Director  
Life & Health Financial Oversight  
Florida Office of Insurance Regulation  
Date Signed: 7/31/24