

Report on Examination

of

Carpenter's Home Estates, Inc.

d/b/a

The Estates at Carpenters

Lakeland, Florida

as of

December 31, 2020



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SCOPE OF EXAMINATION

The Florida Office of Insurance Regulation (“OIR”), Life & Health Financial Oversight unit conducted a routine examination of Carpenter’s Home Estates, Inc. d/b/a The Estates at Carpenters (“The Estates at Carpenters”), 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 January 1, 2013 through December 31, 2020.

COMPANY HISTORY

Carpenter’s Home Estates, Inc., a Florida not-for-profit corporation was granted a certificate of authority by the OIR to offer continuing care contracts on February 17, 1986. Carpenter’s Home Estates, Inc., operates The Estates at Carpenters, a continuing care retirement community (“CCRC”) facility located in Lakeland, Florida. The Estates at Carpenters is managed by HMS of Lakeland, Inc.

The Estates at Carpenters operates on a calendar year basis. As of December 31, 2020, The Estates at Carpenters reported in its Annual Report filed with the OIR: 380 Continuing Care Units consisting of 339 Independent Living Units and 41 Assisted Living Units; 72 Skilled Nursing Units consisting of 12 Sheltered Beds and 60 Community Beds; and 39 Rental Units. As of that date, there were 430 individuals reported residing at The Estates at Carpenters: 357 pursuant to a continuing care agreement; and, 73 not pursuant to a continuing care contract.

SUMMARY OF FINDINGS

The following is a summary of findings. The findings are discussed in more detail in the pages that follow with recommendations beginning on page 4.

WAIT LIST FORMS

Finding:

Section 651.022(2)(g), Florida Statutes, provides in part that wait list contract forms be submitted to the OIR and approved prior to use.

The Estates at Carpenters failed to utilize a wait list contract form that was approved by the OIR, as required by Section 651.022(2)(g), Florida Statutes. The Estates at Carpenters accepted and acknowledged receipt of wait list deposits from individuals on a form titled "Reservation Deposit Receipt and Agreement".

RESIDENTS' COUNCIL REQUIRED DISCLOSURES

Documentation was reviewed to determine compliance with the Residents' Council disclosure requirements, pursuant to Sections 651.081(2)(a) and 651.085(3), Florida Statutes, as well as, Section 651.091(2), Florida Statutes.

Finding:

Section 651.081(2)(a), Florida Statutes, provides in part that within 30 days of the election of a newly elected president or chair of the residents' council, the provider shall give the elected president or chair a copy of Chapter 651, Florida Statutes, and Rule Chapter 69O-193, Florida Administrative Code, or direct him or her to the appropriate public website to obtain this information.

In three instances, The Estates at Carpenters failed to provide documentation to demonstrate that the newly elected Presidents of the Residents' Council for the years 2013, 2014, and 2015, were provided a copy of Chapter 651, Florida Statutes, and Rule Chapter 69O-193, Florida Administrative Code, or were directed to the appropriate public website to obtain the information, as required by Section 651.081(2)(a), Florida Statutes. In these instances, the examination was unable to determine if the information was provided as required.

MINIMUM LIQUID RESERVE

As of December 31, 2020, the Estates at Carpenters' Minimum Liquid Reserve was funded in accordance with Section 651.035, Florida Statutes.

SUMMARY OF RECOMMENDATIONS

WAIT LIST FORMS

The OIR recommends that The Estates at Carpenters establish adequate procedures and controls to ensure wait list contract forms are approved by the OIR prior to use, in accordance with Section 651.022(2)(g), Florida Statutes. Further, the OIR recommends that The Estates at Carpenters submit to the OIR for approval, a wait list contract form within 45 days after issuance of the Final Report of Examination.

RESIDENTS' COUNCIL REQUIRED DISCLOSURES

The OIR recommends that The Estates at Carpenters establish adequate procedures and controls to ensure all required Chapter 651, Florida Statutes, residents' council disclosures are provided, and documentation is obtained to demonstrate the disclosures were provided.

CONCLUSION

This Final Report of Examination is based upon the information provided to the OIR from Carpenter's Home Estates, Inc. d/b/a The Estates at Carpenters and additional research conducted by the OIR.

The following individuals from the Office of Insurance Regulation participated in the examination: Bernie L. Stoffel, Senior Management Analyst Supervisor and Kyle Barber, Financial Specialist.

Respectfully submitted,



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