

Report on Examination

of

Bay Village of Sarasota, Inc.

Sarasota, Florida

as of

December 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 Bay Village of Sarasota, Inc., 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, 2014, through December 31, 2022.

COMPANY HISTORY

Bay Village of Sarasota, Inc., (“Bay Village”), a Florida non-profit corporation, was granted a certificate of authority by the OIR to offer continuing care contracts on August 15, 1980. Bay Village operates the continuing care retirement community facility located in Sarasota, Florida.

Bay Village operates on the calendar year from January 1 through December 31. As of December 31, 2022, Bay Village reported in its Annual Report filed with the OIR: 367 Continuing Care Units consisting of 257 Independent Living Units, 15 Assisted Living Units, and 95 Skilled Nursing Units. As of December 31, 2022, there were 362 individuals reported residing at Bay Village. The facility reports, pursuant to a continuing care contract, 265 residents in independent living, 12 residents in assisted living, and 24 residents in skilled nursing. There are 61 residents without a Continuing Care Contract.

SUMMARY OF FINDINGS

Notifications to the OIR

Finding 1:

In one instance, pursuant to Section 651.026(2)(a), Florida Statutes, Bay Village failed to notify the OIR of any change in status with respect to the information required to be filed under Section 651.022(2), Florida Statutes.

Finding 2:

In two instances, pursuant to Section 651.043(2), Florida Statutes (effective July 1, 2019) and Rule Chapter 69O.193.003(6), Florida Administrative Code, Bay Village failed to notify the office, in writing or electronically, of any change in management within 10 business days.

Resident Council Required Disclosures

Finding 3:

In eight instances, pursuant to Section 651.091(2)(j), Florida Statutes, Bay Village 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 Report is filed with the OIR.

Quarterly Meetings with Residents

Finding 4:

In eight instances, pursuant to Section 651.085(3), Florida Statutes, Bay Village failed to provide documentation demonstrating that the President or Chair of the Residents' Council was noticed 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.

MINIMUM LIQUID RESERVE

As of December 31, 2022, Bay Village had a Minimum Liquid Reserve that was funded in accordance with Section 651.035, Florida Statutes.

SUMMARY OF RECOMMENDATIONS

Notifications to the OIR

Findings 1 & 2: The OIR recommends that Bay Village 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 690-193, Florida Administrative Code.

- Subsequent Event: Bay Village has implemented a new Policy/Procedure to notify the OIR with respect to the requirements of Chapter 651, Florida Statutes and Rule Chapter 690-193, Florida Administrative Code.

Resident Council Required Disclosures

Finding 3: The OIR recommends that Bay Village 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.

- Subsequent Event: Bay Village has implemented a new Policy/Procedure beginning with Quarter 3, 2022, to electronically notify 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 Bay Village maintains documentation and ensures that the president or chair of the Residents' Council is 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. The representative shall be invited to attend and participate in that portion of the meeting designated for the discussion of such changes.

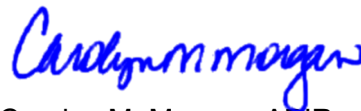
- Subsequent Event: Bay Village has implemented a new Policy/Procedure to electronically notify the President or Chair of the Residents' Council, in accordance with Section 651.085(3), Florida Statutes.

CONCLUSION

This Report of Examination is based upon the information provided to the OIR from Bay Village of Sarasota, Inc. 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.

Respectfully submitted,



Carolyn M. Morgan, APFR
Director
Life & Health Financial Oversight
Florida Office of Insurance Regulation
Date Signed: 12/4/23