

Report on Examination

of

East Ridge Retirement Village, Inc.

d/b/a

East Ridge at Cutler Bay

Cutler Bay, Florida

as of

December 31, 2021



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SCOPE OF EXAMINATION

The Florida Office of Insurance Regulation (“OIR”), Life & Health Financial Oversight unit, conducted a routine examination of East Ridge Retirement Village, Inc. d/b/a East Ridge at Cutler Bay (“East Ridge”), 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, 2021.

COMPANY HISTORY

East Ridge Retirement Village, Inc., a Florida not-for-profit corporation, was granted a certificate of authority by the OIR to offer continuing care contracts on January 25, 1980. East Ridge Retirement Village, Inc. operates the continuing care retirement community facility East Ridge at Cutler Bay located in Cutler Bay, Florida. East Ridge is managed by SantaFe Senior Living Inc. The last Management Agreement was executed on January 1, 2021.

East Ridge operates on the calendar year from January 1 through December 31. As of December 31, 2021, East Ridge reported in its Annual Report filed with the OIR: 416 Continuing Care Units consisting of 211 Independent Living, 59 Assisted Living, 13 Memory Care, and 74 Skilled Nursing Units. As of December 31, 2021, there were 240 individuals reported residing at East Ridge. The facility reports, pursuant to a continuing care contract, 174 residents in independent living, 46 residents in memory care, and 20 residents in skilled nursing.

SUMMARY OF FINDINGS

Quarterly Meetings with Residents

Finding 1:

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

Finding 2:

In nine instances, pursuant to Section 651.085(4), Florida Statutes, East Ridge failed to provide documentation demonstrating that at a quarterly meeting prior to the implementation of any increase in the monthly maintenance fee, East Ridge must provide the reasons, by department cost centers, for any increase in the fee that exceeds the most recent published Consumer Price Index for All Urban Consumers, all items, Class A Areas of the Southern Region.

Residents Council Required Disclosures

Finding 3:

In two instances, pursuant to Section 651.091(2)(g), Florida Statutes, East Ridge failed to provide documentation demonstrating that the information described in Section 651.085(4), Florida Statutes, was delivered in writing to the President or Chair of the Residents' Council.

Disclosure Documents

Finding 4:

In four instances, pursuant to Section 651.091(3), Florida Statutes, East Ridge failed to make full disclosure to the prospective resident or his or her legal representative the information outlined in Sections 651.091(3)(i), 651.091(3)(j), 651.091(3)(k), and 651.091(3)(l), Florida Statutes.

Finding 5:

In one instance, pursuant to Section 651.091(4), Florida Statutes, East Ridge failed to provide documentation demonstrating that a true and complete copy of the full disclosure documents that are used, were filed with the office before use.

Notifications to the OIR

Finding 6:

In six instances, pursuant to Section 651.043(2), Florida Statutes (effective July 1, 2019), East Ridge failed to notify the office, in writing or electronically, of any change in management within 10 business days.

MINIMUM LIQUID RESERVE

As of December 31, 2021, East Ridge had a Minimum Liquid Reserve that was funded in accordance with Section 651.035, Florida Statutes.

SUMMARY OF RECOMMENDATIONS

Quarterly Meetings with Residents

Finding 1: The OIR recommends East Ridge 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(2)(d), Florida Statutes.

Finding 2: The OIR recommends East Ridge maintains documentation to demonstrate that at a quarterly meeting prior to the implementation of any increase in the monthly maintenance fee, East Ridge will provide the reasons, by department cost centers, for any increase in the fee that exceeds the most recently published Consumer Price Index for All Urban Consumers, all items, Class A Areas of the Southern Region in accordance with Section 651.085(4), Florida Statutes.

Residents Council Required Disclosures

Finding 3: The OIR recommends East Ridge 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(2), Florida Statutes.

Disclosure Documents

Finding 4 and 5: The OIR Recommends East Ridge 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: East Ridge has filed the new (Ch. 2023-295 effective July 1, 2023) statutory required disclosure documents to the OIR.

Notifications to the OIR

Finding 6: The OIR recommends East Ridge 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.

CONCLUSION

This Report of Examination is based upon the information provided to the OIR from East Ridge 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; Al Garabedian, Financial Specialist.

Respectfully submitted,



Carolyn M. Morgan, APIR
Director
Life & Health Financial Oversight
Florida Office of Insurance Regulation
Date Signed: 12/13/23