

Report on Examination

of

St. Mark Village, Inc.

d/b/a

St. Mark Village

Seminole, 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 St. Mark Village, Inc. d/b/a St. Mark Village Inc (“St. Mark Village”), 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, 2017, through December 31, 2022.

COMPANY HISTORY

St. Mark Village, Inc., a Florida non-profit organization, was granted a certificate of authority by the OIR to offer continuing care contracts on December 12, 1980. St. Mark Village, Inc. operates the continuing care retirement community facility St. Mark Village located in Palm Harbor, Florida.

St. Mark Village operates on the calendar year January 1 through December 31. As of December 31, 2022, St. Mark Village reported in its annual statement filed with the OIR: 483 Continuing Care Units consisting of 269 Independent Living Units and 57 Assisted Living Units, 29 Memory Care Units, 80 Skilled Nursing Units, and 48 Rental Units. As of December 31, 2022, there were 421 individuals reported residing at St. Mark Village. The facility reports, pursuant to a continuing care contract, 255 residents in Independent Living, 59 residents in Assisted Living and Memory Care, and 26 residents in Skilled Nursing. The facility reported 81 residents without a continuing care contract.

SUMMARY OF FINDINGS

Resident Council Disclosures

Finding 1:

In six instances, pursuant to Section 651.091(2)(g), Florida Statutes, St. Mark Village failed to provide documentation demonstrating that the third-party financial audit filed with the annual statement, was distributed to the President or Chair of the Residents' Council within 30 days after filing the Annual Report with OIR and designate a staff person to provide an explanation thereof.

Finding 2:

In three instances, pursuant to Section 651.091(2)(g), Florida Statutes, St. Mark Village failed to provide documentation demonstrating that the full Annual Report, was distributed to the President or Chair of the Residents' Council within 30 days after filing the annual statement with OIR and designate a staff person to provide an explanation thereof.

Finding 3:

In 12 instances, pursuant to Section 651.091(2)(j), Florida Statutes, St. Mark Village failed to provide documentation demonstrating that a copy of each Quarterly Report was delivered to the President or Chair of the Residents' Council within 30 days after the quarterly statement is filed with the OIR.

Finding 4:

In two instances, pursuant to Section 651.091(2)(i), Florida Statutes, St. Mark Village 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 reporting period were provided to the President or Chair of the Residents' Council.

Quarterly Meetings with Residents

Finding 5:

In 23 instances, pursuant to Section 651.085(1), Florida Statutes, St. Mark Village failed to provide documentation demonstrating that at least 7 days' advance notice for a quarterly meeting was provided to the residents.

Finding 6:

In eight instances, pursuant to Section 651.085(1), Florida Statutes, St. Mark Village failed to accurately report the dates in which quarterly meetings were held in the Annual Report.

Finding 7:

In two instances, pursuant to Section 651.085(3), Florida Statutes, St. Mark Village failed to provide documentation to demonstrate that the designated resident representative was notified by a representative of 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.

Finding 8:

In one instance, pursuant to Section 651.085(4), Florida Statutes, St. Mark Village failed to provide documentation to demonstrate that at a quarterly meeting prior to the implementation of monthly maintenance fee increases, 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 was provided.

Notifications to the OIR

Finding 9:

In five instances, pursuant to Section 651.043(2), Florida Statutes, St. Mark Village failed to notify the OIR in writing or electronically of any change in management within 10 business days.

Finding 10:

In two instances, pursuant to Rule Chapter 69O.193.003(6), Florida Administrative Code, St. Mark Village failed to submit the required documentation to comply with the filing requirements of Section 651.043(2), Florida Statutes, with respect to the information required to be filed under Section 651.022(2), Florida Statutes, for each new management company or manager not employed by a management company.

Disclosure Documents

Finding 11:

In one instance, pursuant to Section 651.091(3), Florida Statutes, St. Mark Village failed to include the required disclosure set forth in Section 651.091(3)(g), Florida Statutes for the disclosure documents used prior to January 1, 2020.

Finding 12:

In two instances, pursuant to Section 651.091(3), Florida Statutes, (effective January 1, 2020) St. Mark Village failed to make full disclosure to the prospective resident or his or her legal representative the information outlined in Sections 651.091(3)(j) and 651.091(3)(k), Florida Statutes.

Finding 13:

In one instance, pursuant to Section 651.091(4), Florida Statutes, St. Mark Village failed to provide documentation demonstrating that a true and complete copy of the full disclosure documents to be used were filed with the OIR prior to use.

MINIMUM LIQUID RESERVE

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

SUMMARY OF RECOMMENDATIONS

Resident Council Disclosures

Findings 1, 2, 3, and 4: The OIR recommends that St. Mark 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.

Quarterly Meetings with Residents

Finding 5: The OIR recommends that St. Mark Village establish adequate procedures and controls to ensure that residents are notified at least 7 days in advance of each quarterly meeting, in accordance with Section 651.085(1), Florida Statutes.

Finding 6: The OIR recommends that St. Mark Village 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, Florida Statutes.

Finding 7: The OIR recommends that St. Mark Village maintain documentation to demonstrate that the designated resident representative was notified 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, in accordance with Section 651.085(3), Florida Statutes.

Finding 8: The OIR recommends that St. Mark Village maintain documentation to demonstrate that at a quarterly meeting prior to the implementation of monthly maintenance fee increases, 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 is provided, in accordance with Section 651.085(4), Florida Statutes.

Notifications to the OIR

Findings 9 and 10: The OIR recommends St. Mark Village establish adequate procedures and controls to ensure that the reporting and filing requirements set forth in Section 651.043(2), Florida Statutes, and Rule Chapter 69O.193.003(6), Florida Administrative Code, are properly provided to the OIR.

Disclosure Documents

Findings 11 & 12: The OIR recommends that St. Mark Village makes full disclosure to prospective residents of all required disclosures, as outlined in Section 651.091(3), Florida Statutes.

Finding 13: The OIR recommends that St. Mark Village ensures that a true and complete copy of the full disclosure documents are filed with the OIR prior to use, in accordance with Section 651.091(4), Florida Statutes.

CONCLUSION

This Report of Examination is based upon the information provided to the OIR from St. Mark Village, 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; and Al Garabedian, Financial Specialist.

Respectfully submitted,



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Director
Life & Health Financial Oversight
Florida Office of Insurance Regulation
Date Signed: 6/6/24