

**Report on Examination**

**of**

**Suncoast Manor Retirement Community, Inc.**

**d/b/a**

**Westminster Suncoast**

**St. Petersburg, Florida**

**as of**

**June 30, 2019**



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## **SCOPE OF EXAMINATION**

The Florida Office of Insurance Regulation (“OIR”), Life & Health Financial Oversight unit, conducted a routine examination of Suncoast Manor Retirement Community, Inc. d/b/a Westminster Suncoast, 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 scope period of the examination was April 1, 2012, through June 30, 2019.

## **COMPANY HISTORY**

Suncoast Manor Retirement Community, Inc., a Florida not-for-profit corporation was granted a certificate of authority by the OIR to offer continuing care contracts on February 15, 1980. Suncoast Manor Retirement Community operates Westminster Suncoast, a continuing care retirement community (“CCRC”) facility located in St. Petersburg, Florida. Suncoast Manor Retirement Community is managed by Westminster Services, Inc., an affiliated entity.

Suncoast Manor Retirement Community operates on the fiscal year April 1 through March 31. As of March 31, 2019, Suncoast Manor Retirement Community reported in its Annual Report filed with the OIR: 178 Continuing Care Units consisting of 134 Independent Living Units and 44 Assisted Living Units; 120 Skilled Nursing Units consisting solely of Community Beds; and 17 Rental Units. As of that date, there were 334 individuals reported residing at the facility: 229 pursuant to a continuing care contract; 18 pursuant to a rental agreement; and 87 skilled nursing community patients (non-CCRC).

## SUMMARY OF FINDINGS

### WAIT LIST FORMS

Suncoast Manor Retirement Community provided a list of 127 wait list deposits received during the scope period of the examination. A sample of 40 wait list transactions was selected and reviewed for compliance with Sections 651.022(2)(g) and 651.033(4), Florida Statutes, and Rule 690-193.018, Florida Administrative Code.

### 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.

In 35 instances, Suncoast Manor Retirement Community failed to utilize a wait list contract form approved by the OIR, as required by Section 651.022(2)(g), Florida Statutes. In 25 instances, Suncoast Manor Retirement Community accepted and acknowledged receipt of wait list deposits from individuals on form "WS SUN TR 5-9-10". In the remaining 10 instances the form "88014, 88050, 88048, 88056 -- Res\_Deposit\_Escrow Rev. 5/9/17" was utilized. No approved wait list contract form was used in these transactions.

### RESERVATION FORMS

Suncoast Manor Retirement Community provided a list of 238 continuing care contracts entered into during the scope period of the examination. A sample of 46 transactions was selected and reviewed for compliance with Section 651.022(2)(g), Florida Statutes.

Finding:

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

In 43 instances, Suncoast Manor Retirement Community failed to utilize a reservation contract form approved by the OIR, as required by Section 651.022(2)(g), Florida Statutes. In 38 instances, Suncoast Manor Retirement Community accepted and acknowledged receipt of reservation deposits from individuals on the form "WS SUN TR 5-9-10". In the remaining five instances the form "88014,88050,88048,88056--Res\_Deposit\_Escrow 5/9/17" was utilized. No approved reservation contract form was used in these transactions.

QUARTERLY MEETINGS WITH RESIDENTS

Quarterly meeting minutes, meeting notices, agendas, and Annual Reports filed with the OIR during the scope period of the examination were reviewed for compliance with Section 651.085, Florida Statutes.

Finding:

Section 651.085(1), Florida Statutes, provides in part that the Annual Report required pursuant to Section 651.026, Florida Statutes, shall include the dates on which quarterly meetings with residents were held during the reporting period.

In 12 instances, Suncoast Manor Retirement Community failed to accurately report in the Annual Reports filed with the OIR, the dates on which quarterly meetings with residents were held, as required by Section 651.085(1), Florida Statutes

## NEW FINANCING, ADDITIONAL FINANCING, OR REFINANCING

Information was obtained and reviewed related to new financing, additional financing, and refinancing during the scope period of the examination to determine compliance with Section 651.019, Florida Statutes (2018).

### Finding 1:

Section 651.019(1), Florida Statutes (2018), provides in part that the provider submit to the OIR a general outline including intended use of proceeds, with respect to any new financing, additional financing or refinancing at least 30 days before closing date of such transaction.

In one instance, Suncoast Manor Retirement Community failed to provide the OIR a general outline including intended use of proceeds at least 30 days before closing date of a financing transaction, as required by Section 651.019(1), Florida Statutes (2018). The financing transaction was entered into on June 15, 2015; notification was provided to the OIR 19 days prior to the closing of the transaction on May 27, 2015.

### Finding 2:

Section 651.019(2), Florida Statutes (2018), requires the provider to submit to the OIR copies of executed financing documents within 30 days after the closing date of such financing transaction.

In one instance, Suncoast Manor Retirement Community failed to provide the OIR with copies of the executed financing documents within 30 days after the closing of the financing transaction, as required by Section 651.019(2), Florida Statutes. In this instance, Suncoast Manor Retirement Community entered into a financing agreement on December 1, 2016;

the OIR was provided copies of the executed financing documents 44 days later on January 14, 2017.

### NOTIFICATIONS TO THE OIR

#### Finding:

In three instances, Suncoast Manor Retirement Community failed to timely notify the OIR and file pertinent documents within 5 business days of the addition of new directors to its Board of Directors, as required by Rule 69O-193.058(3), Florida Administrative Code. The examination revealed the following additions to Suncoast Manor Retirement Community Board of Directors: two individuals were appointed on or about July 19, 2018; and one individual was appointed on or about October 25, 2018.

In addition, Suncoast Manor Retirement Community failed to disclose the addition of the new directors appointed to the Board, referenced above, in their Quarterly Report Interrogatories filed with the OIR for the periods ending September 30, 2018, and December 31, 2018.

### **MINIMUM LIQUID RESERVE**

As of March 31, 2019, the Suncoast Manor Retirement Community's Minimum Liquid Reserve was funded in accordance with Section 651.035, Florida Statutes (2018).

## **SUMMARY OF RECOMMENDATIONS**

### WAIT LIST FORMS

The OIR recommends Suncoast Manor Retirement Community 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 Suncoast Manor Retirement Community submit to the OIR for approval a wait list contract form within 45 days after issuance of the Final Report of Examination.

### RESERVATION FORMS

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

### QUARTERLY MEETINGS WITH RESIDENTS

The OIR recommends Suncoast Manor Retirement Community establish adequate procedures and controls to ensure that the dates on which the quarterly meetings with residents are held are accurately reported in the Annual Reports filed with the OIR, in accordance with Section 651.085(1), Florida Statutes.

### NEW FINANCING, ADDITIONAL FINANCING, OR REFINANCING

Findings 1 and 2: The OIR recommends Suncoast Manor Retirement Community ensure compliance with Section 651.019, Florida Statutes.



NOTIFICATIONS TO THE OIR

The OIR recommends Suncoast Manor Retirement Community establish adequate procedures and controls to ensure that any changes to its Board of Directors are timely reported to the OIR, in accordance with Rule 69O-193.058, Florida Administrative Code.

**CONCLUSION**

This Final Report of Examination is based upon the information provided to the OIR from Suncoast Manor Retirement Community, Inc. d/b/a Westminster Suncoast and additional research conducted by the OIR.

The following individuals from the Florida Office of Insurance Regulation participated in the examination: Bernie L. Stoffel, Senior Management Analyst Supervisor; Alicia Thompkins-Perryman, CFE, APIR, Financial Specialist; and Kyle Barber, Financial Specialist.

Respectfully submitted,



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Carolyn M. Morgan, APIR  
Director  
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Florida Office of Insurance Regulation

Date Signed: 7/7/23