

Report on Examination

of

Gulf Care Inc.

d/b/a

Gulf Coast Village

Cape Coral, Florida

as of

June 30, 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 Gulf Care Inc. d/b/a Gulf Coast Village (“Gulf Coast 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 690-193, Florida Administrative Code. The examination covered the period of January 1, 2014, through June 30, 2022.

COMPANY HISTORY

Gulf Care Inc., a Florida non-profit organization, was granted a certificate of authority by the OIR to offer continuing care contracts on October 6, 1987. Gulf Care Inc. operates the continuing care retirement community facility Gulf Coast Village located in Cape Coral, Florida.

Gulf Coast Village operates on a fiscal year from July 1 through June 30. As of June 30, 2022, Gulf Coast Village reported in its Annual Report filed with the OIR: 231 Continuing Care Units consisting of 173 Independent Living Units and 58 Assisted Living Units. The facility reports 105 Skilled Nursing Units and 70 Rental Units. The facility reports 91 other continuing care contracts for the facility which are residing at a location that is not operated by the provider. As of June 30, 2022, there were 382 individuals reported residing at Gulf Coast Village. The facility reports, pursuant to a continuing care contract, 172 residents in Independent Living, 47 residents in Assisted Living and Memory Care, and 5 residents in Skilled Nursing. The facility reported 158 residents without a continuing care contract. The facility reports 91 individuals contracted with the provider pursuant to a continuing care at-home contract for this facility.

SUMMARY OF FINDINGS

Notifications to the OIR

Finding 1:

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

Finding 2:

In two instances, pursuant to Sections 651.026(2)(a), Florida Statutes, Gulf Coast 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 3:

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

Finding 4:

In 12 instances, pursuant to Section 651.0261(1), Florida Statutes and Chapter Rule 69O.193.005(2)(a), Florida Administrative Code, Gulf Coast Village failed to file the OIR Form OIR-A3-974 within 45 days after the end of the fiscal quarter.

Finding 5:

In three instances, pursuant to Section 651.026(1), 651.026(5), Florida Statutes, and Rule Chapter 69O.193.005(3), Florida Administrative Code, Gulf Coast Village failed to file an Annual Report on Form OIR-A3-470 with the OIR within 120 days of the last day of the fiscal year of the provider if the provider has declared a fiscal year other than the calendar year.

Residents' Council Disclosures

Finding 6:

In eight instances, pursuant to Section 651.091(2)(f), Florida Statutes, Gulf Coast Village failed to provide documentation demonstrating that a copy of the most recent Third-Party Financial Audit filed with the OIR was delivered to the president or chair of the residents' council within 30 days after filing the Annual Report with the OIR.

Finding 7:

In one instance, pursuant to Section 651.091(2)(g), Florida Statutes, Gulf Coast Village 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.

Finding 8:

In two instances, pursuant to Section 651.091(2)(f), Florida Statutes, Gulf Coast Village failed to provide documentation demonstrating that a copy of the full Annual Report filed with the OIR was delivered to the president or chair of the residents' council within 30 days after filing the Annual Report with the OIR.

Finding 9:

In one instance, pursuant to Section 651.091(2)(h), Florida Statutes, Gulf Coast 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 the report period were delivered to the president or chair of the residents' council.

Disclosure Documents

Finding 10:

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

Finding 11:

In two instances, pursuant to Section 651.091(3), Florida Statutes, Gulf Coast Village failed to make full disclosure to the prospective resident or his or her legal representative the information outlined in Section 651.091(3)(k) and 651.091(3)(l), Florida Statutes.

Quarterly Meetings with Residents

Finding 12:

In 34 instances, pursuant to Section 651.085(1), Florida Statutes, Gulf Coast Village failed to provide documentation to demonstrate that at least 7 days' advance notice of a quarterly meeting was provided to the residents.

Minimum Liquid Reserve

Finding 13:

In one instance, pursuant to Section 651.035(10), Florida Statutes, Gulf Coast Village failed to fund the increase in the Minimum Liquid Reserve no later than 61 days after the Minimum Liquid Reserve calculation is due to be filed as outlined in Section 651.026, Florida Statutes.

Finding 14:

In two instances, pursuant to Section 651.035(11), Florida Statutes, Gulf Coast Village failed to fund the Minimum Liquid Reserve shortfall within 10 business days after the end of any fiscal quarter due to a change in the market value of the invested funds.

MINIMUM LIQUID RESERVE

As of June 30, 2022, Gulf Coast Village had a Minimum Liquid Reserve that was not funded in accordance with Section 651.035, Florida Statutes.

- Subsequent Event: As of March 31, 2023, Gulf Coast 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 Gulf Coast 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 69O-193, Florida Administrative Code.

Findings 3, 4, and 5: The OIR recommends Gulf Coast Village establish adequate procedures and controls to ensure that the reporting and filing requirements that are outlined in Sections 651.026 and 651.085(1), Florida Statutes, and Rule 69O.193.005 Florida Administrative Code are timely provided to the OIR.

Resident Council Disclosures

Finding 6, 7, 8, and 9: The OIR recommends that Gulf Coast 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.

Disclosure Documents

Findings 10 and 11: The OIR Recommends Gulf Coast Village 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: Gulf Coast Village has filed the new (Ch. 2023-295 effective July 1, 2023) statutory required disclosure documents to the OIR.

Quarterly Meetings with Residents

Finding 12: The OIR recommends that Gulf Coast Village maintains documentation to demonstrate that the statutory quarterly meetings with residents are properly noticed, in accordance with Section 651.085(1), Florida Statutes.

Minimum Liquid Reserve

Finding 13 and 14: The OIR recommends that Gulf Coast Village establish adequate procedures and controls to ensure that the statutory required Minimum Liquid Reserve remains funded in accordance with Section 651.035, Florida Statutes.

CONCLUSION

This Report of Examination is based upon the information provided to the OIR from Gulf Care 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,



Carolyn M. Morgan, A.P.I.R.
Director
Life & Health Financial Oversight
Florida Office of Insurance Regulation
Date Signed: 11/13/23