

**Report on Examination**

**of**

**Lakehouse West, LLLP**

**Sarasota, 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 Lakehouse West, LLLP 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, to December 31, 2021.

## **COMPANY HISTORY**

Lakehouse West, LLLP, a Florida Limited Liability Limited Partnership, was granted a certificate of authority by the OIR to offer continuing care contracts on April 24, 1984. Lakehouse West, LLLP operates the continuing care retirement community (“CCRC”) facility Lakehouse West located in Sarasota, Florida. Lakehouse West, LLLP is managed by Blivas, Fiala & Rowe Chartered. The last management agreement was executed on February 16, 1996, and expires December 31, 2025.

Lakehouse West operates on the calendar year January 1 through December 31. As of December 31, 2021, Lakehouse West reported in its Annual Report filed with the OIR: 181 Continuing Care Units consisting of 134 Independent Living Units, 4 Assisted Living Units, and 37 Rental Units. As of December 31, 2021, there were 166 individuals reported residing at Lakehouse West. The facility reports, pursuant to a continuing care contract, 126 residents in independent living, and 4 residents in assisted living and memory care.

## **SUMMARY OF FINDINGS**

The following is a summary of findings.

### Quarterly Meetings with Residents

#### Finding 1:

In seven instances, pursuant to Section 651.085(4), Florida Statutes, Lakehouse West failed to provide documentation demonstrating that at a quarterly meeting prior to the implementation of any increase in the monthly maintenance fee, the designated representative of the provider must 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.

### Disclosure Documents

#### Finding 2:

In one instance, pursuant to Section 651.091(4), Florida Statutes, Lakehouse West failed to provide documentation that a true and complete copy of the full disclosure document to be used was filed with the OIR before use.

#### Finding 3:

In one instance, pursuant to Section 651.091(3)(j), Florida Statutes, Lakehouse West failed to make full disclosure, that if the resident does not exercise the right to rescind a continuing care contract within 7 days after executing the contract, the resident's funds held in escrow pursuant to s. 651.055(2) will be released to the provider.

Finding 4:

In one instance, pursuant to Section 651.091(3)(k), Florida Statutes, Lakehouse West failed to make full disclosure, a statement that distribution of the provider's assets or income may occur or a statement that such distributions will not occur.

Residents' Council Required Disclosures

Finding 5:

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

**MINIMUM LIQUID RESERVE**

As of December 31, 2021, the Lakehouse West's Minimum Liquid Reserve was funded in accordance with Section 651.035, Florida Statutes.

## **SUMMARY OF RECOMMENDATIONS**

### Quarterly Meetings With Residents

Finding 1: The OIR recommends at quarterly meetings prior to the implementation of any monthly fee increase, Lakehouse West ensures that quarterly meetings are properly held in accordance with Section 651.085(4), Florida Statutes.

### Disclosure Documents

Finding: 2, 3, and 4: The OIR recommends that Lakehouse West files with the OIR a true and complete copy of the full disclosure documents before use as outlined in Section 651.091(4), Florida Statutes. The OIR also recommends that before entering into a contract to furnish continuing care, Lakehouse West, shall make full disclosure, obtain written acknowledgment of receipt, and provide copies of the disclosure documents to the prospective resident or his or her legal representative, the information outlined in Section 651.091(3), Florida Statutes.

### Residents' Council Required Disclosures


Finding 5: The OIR recommends that Lakehouse West ensures the delivery of the information outlined in Section 651.085(4), Florida Statutes is in writing to the President or Chair of the Residents' Council.

## CONCLUSION

This Report of Examination is based upon the information provided to the OIR from Lakehouse West 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 and Steven Waites, Financial Specialist.

Respectfully submitted,



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Director, Life & Health Financial Oversight  
Florida Office of Insurance Regulation  
Date Signed: 6/7/23