

Report on Examination

of

Lifespace Communities Inc.

d/b/a

Village on the Green

Longwood, 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 Lifespace Communities Inc. d/b/a Village on the Green, 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 December 31, 2021.

COMPANY HISTORY

Lifespace Communities Inc., a Florida not-for-profit corporation, was granted a certificate of authority by the OIR to offer continuing care contracts on June 19, 1985. Lifespace Communities Inc. operates the continuing care retirement community facility Village on the Green located in Longwood, Florida.

Village on the Green operates on the calendar year from January 1 through December 31. As of December 31, 2021, Village on the Green reported in its Annual Report filed with the OIR: 364 Continuing Care Units consisting of 262 Independent Living Units, 36 assisted living, 18 memory care, and 48 Skilled Nursing Units. As of December 31, 2021, there were 334 individuals reported residing at Village on the Green. The facility reports, pursuant to a continuing care contract, 238 residents in independent living, 12 residents in memory care, and six residents in skilled nursing.

SUMMARY OF FINDINGS

The following is a summary of findings.

New Financing, Refinancing, Additional Financing

Finding 1:

In four instances, pursuant to Section 651.019(2), Florida Statutes, Village on the Green failed to submit copies of executed financing documents within 30 days after the closing date of such transaction to the OIR as required.

Finding 2:

In one instance, pursuant to Section 651.019(1)(a), Florida Statutes, Village on the Green failed to timely provide a general outline of the amount and anticipated terms of any new financing or refinancing, and the intended use of proceeds, to the Residents' Council at least 30 days before the closing date of the 2021 financing transaction.

Finding 3:

In three instances, pursuant to Section 651.019(1), Florida Statutes, Village on the Green failed to submit to the OIR a general outline, including the intended use of proceeds, with respect to any new financing, additional financing, or refinancing at least 30 days before the closing date of such financing transaction.

Residents Council Required Disclosures

Finding 4:

In two instances, pursuant to Section 651.091(2)(g), Florida Statutes, Village on the Green 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 5:

In seven instances, pursuant to Section 651.091(2)(f), Florida Statutes, Village on the Green failed to provide documentation demonstrating that a copy of the most recent Third-Party Financial Audit filed with the OIR was given to the President or Chair of the Residents' Council within 30 days after filing the Annual Report with the OIR.

Quarterly Meetings with Residents

Finding 6:

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

MINIMUM LIQUID RESERVE

As of December 31, 2021, Village on the Green had a Minimum Liquid Reserve that was funded in accordance with Section 651.035, Florida Statutes.

SUMMARY OF RECOMMENDATIONS

New Financing, Refinancing, Additional Financing

Finding 1, 2, and 3: The OIR recommends Village on the Green submits executed financing documents, escrow, or trust agreements prepared in support of such financing or refinancing transaction, to the OIR within 30 days after the closing date of financing, and a copy of all documents required to be submitted to the Residents' Council at least 30 days before the closing date of the financing or refinancing transaction, adhering to Section 651.091, Florida Statutes.

Residents Council Required Disclosures

Findings 4, and 5: The OIR recommends Village on the Green 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.

Quarterly Meetings with Residents

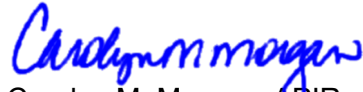
Finding 6: The OIR recommends Village on the Green ensures that the dates of quarterly meetings with residents pursuant to Section 651.085(1), Florida Statutes, are properly reported, in accordance with Section 651.026(2)(d), Florida Statutes.

CONCLUSION

This Report of Examination is based upon the information provided to the OIR from Village on the Green 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.

Respectfully submitted,



Carolyn M. Morgan, A.P.I.R.
Director
Life & Health Financial Oversight
Florida Office of Insurance Regulation
Date Signed: 7/18/23