

Report on Examination

of

Devonshire at PGA National, LLC

Palm Beach Gardens, Florida

as of

December 31, 2021



Contents

Scope of Examination	1
Company History	1
Summary of Findings	2
Summary of Recomendations	5
Conclusion	7

SCOPE OF EXAMINATION

The Florida Office of Insurance Regulation (“OIR”), Life & Health Financial Oversight unit, conducted a routine examination of Devonshire at PGA National, LLC, 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 April 1, 2014, through December 31, 2021.

COMPANY HISTORY

Devonshire at PGA National, LLC, (“Devonshire”), a Florida for-profit limited liability corporation, was granted a certificate of authority by the OIR to offer continuing care contracts on May 15, 1997. Devonshire at PGA National, LLC operates the continuing care retirement community facility located in Palm Beach Gardens, Florida.

Devonshire operates on the calendar year from January 1 through December 31. As of December 31, 2021, Devonshire reported in its Annual Report filed with the OIR: 393 Continuing Care Units consisting of 327 Independent Living Units, 4 Assisted Living Units, and 62 Skilled Nursing Units. There are 16 Rental Units not pursuant to a continuing care contract. As of December 31, 2021, there were 336 individuals reported residing at Devonshire. The facility reports, pursuant to a continuing care contract, 283 residents in independent living, 4 residents in assisted living, 11 residents in skilled nursing. There are 38 residents without a Continuing Care Contract.

SUMMARY OF FINDINGS

Contracts and Related Forms

Finding 1:

In one instance, pursuant to Section 651.022(2)(g), and s. 651.055(1), Florida Statutes, Devonshire provided to the OIR one contract or related form that was not approved by the OIR prior to use.

- Subsequent Event: The related form has been filed to the OIR and approved on April 5, 2023.

Posting of Records

Finding 2:

In one instance, pursuant to Section 651.091(2)(c), Florida Statutes, Devonshire failed to provide documentation indicating that posted and accessible to all residents and the general public is a notice containing the contact information for the OIR and the Division of Consumer Services of the department and stating that the division or OIR may be contacted for the submission of inquiries and complaints with respect to potential violations of this chapter committed by a provider. Such contact information must include the division's website and the toll-free consumer helpline and the OIR's website and telephone number.

Finding 3

In one instance, pursuant to Section 651.091(2)(e), Florida Statutes, Devonshire failed to provide documentation indicating that accessible to all residents and the general public, a listing of any proposed changes in policies, programs, and services is posted.

Resident Council Required Disclosures

Finding 4:

In two instances, pursuant to Section 651.091(2)(g), Florida Statutes, Devonshire 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 eight instances, pursuant to Section 651.091(2)(f), Florida Statutes, Devonshire failed to provide documentation demonstrating that a full copy of the Annual Report was delivered to the president or chair of the Residents' Council within 30 days after filing the Annual Report with the OIR.

Finding 6:

In eight instances, pursuant to Section 651.091(2)(h), Florida Statutes, Devonshire 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.

Finding 7:

In seven instances, pursuant to Section 651.091(2)(f), Florida Statutes, Devonshire 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 8:

In 33 instances, pursuant to Section 651.091(2)(i), Florida Statutes, Devonshire failed to provide documentation that a copy of each Quarterly Statement was provided to the president or chair of the Residents' Council within 30 days after the Quarter Statement is filed with the OIR.

Finding 9:

In six instances, pursuant to Section 651.085(3), Florida Statutes, Devonshire failed to provide documentation demonstrating that the president or chair of the Residents' Council was notified at least 14 days in advance of any meeting of the full governing body at which proposed changes in resident fees or services will be discussed. The representative shall be invited to attend and participate in that portion of the meeting designated for the discussion of such changes.

Quarterly Meetings with Residents

Finding 10:

In five instances, pursuant to Section 651.085(1), Florida Statutes, Devonshire failed to provide documentation to determine if residents were given at least 7 days' advance notice of each quarterly meeting.

Finding 11:

In 17 instances, pursuant to Section 651.085(1), Florida Statutes, Devonshire failed to accurately report the date in which quarterly meetings were held in the Annual Report.

Finding 12:

In six instances, pursuant to Section 651.085(4), Florida Statutes, Devonshire failed to provide documentation demonstrating that at a quarterly meeting prior to the implementation of any increase in the monthly maintenance fee, Devonshire must provide the reasons, by department cost centers, for any increase in the fee that exceeds the most recent published Consumer Price Index for All Urban Consumers, all items, Class A Areas of the Southern Region.

MINIMUM LIQUID RESERVE

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

SUMMARY OF RECOMMENDATIONS

Contracts and Related Forms

Finding 1: The OIR recommends that Devonshire establish adequate procedures and controls to ensure contract forms are approved by the OIR prior to use, in accordance with Section 651.022(2)(g), Florida Statutes.

Posting of Records

Findings 2 and 3: The OIR recommends that Devonshire maintain as public information, post, and display in a prominent position in the facility, items outlined in Section 651.091(2), Florida Statutes.

Resident Council Required Disclosures

Findings 4, 5, 6, 7, and 8: The OIR recommends Devonshire 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.

Finding 9: The OIR recommends Devonshire maintains documentation to demonstrate that the designated representative of the Residents' Council was notified at least 14 days in advance of any meeting of the full governing body at which proposed changes in resident fees or services will be discussed, in accordance with Section 651.085(3), Florida Statutes.

Quarterly Meetings with Residents

Finding 10: The OIR recommends Devonshire maintains documentation to demonstrate that the statutory quarterly meetings with residents are properly noticed, in accordance with Section 651.085(1), Florida Statutes.

Finding 11: The OIR recommends Devonshire 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.

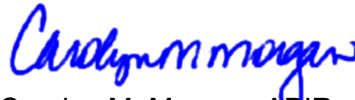
Finding 12: The OIR recommends Devonshire maintains documentation to demonstrate that at a quarterly meeting prior to the implementation of any increase in the monthly maintenance fee; Devonshire will provide the reasons, by department cost centers, for any increase in the fee that exceeds the most recently published Consumer Price Index for All Urban Consumers, all items, Class A Areas of the Southern Region in accordance with Section 651.085(4), Florida Statutes.

CONCLUSION

This Report of Examination is based upon the information provided to the OIR from Devonshire at PGA National, LLC 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, AIFR
Director
Life & Health Financial Oversight
Florida Office of Insurance Regulation
Date Signed: 8/7/23