

Report on Examination

of

Bonita Springs Retirement Village, Inc.

d/b/a

The Terraces at Bonita Springs

Gainesville, FL

as of

December 31, 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 Bonita Springs Retirement Village, Inc. d/b/a The Terraces at Bonita Springs (“Bonita Springs”), 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 July 1, 2014, through December 31, 2022.

COMPANY HISTORY

Bonita Springs Retirement Village, Inc., a Florida not-for-profit corporation, was granted a certificate of authority by the OIR to offer continuing care contracts on October 20, 2011. Bonita Springs Retirement Village, Inc. operates the continuing care retirement community facility The Terraces at Bonita Springs located in Gainesville, Florida.

Bonita Springs operates on the calendar year from January 1 through December 31. As of December 31, 2022, Bonita Springs reported in its Annual Report filed with the OIR: 249 Continuing Care Units consisting of 145 Independent Living Units 17 Assisted Living, 6 Memory Care, and 40 Skilled Nursing Units. As of December 31, 2022, there were 239 individuals reported residing at Bonita Springs. The facility reports, pursuant to a continuing care contract, 140 residents in independent living, 21 residents in assisted living and memory care, and 11 residents in skilled nursing.

SUMMARY OF FINDINGS

Notifications to the OIR

Finding 1:

In three instances, pursuant to Section 651.043(2), Florida Statutes (effective July 1, 2019) and Chapter Rule 690.193.003(6), Florida Administrative Code, Bonita Springs failed to notify the office, in writing or electronically, of any change in management within 10 business days.

Resident Council Required Disclosures

Finding 2:

In nine instances, pursuant to Section 651.091(2)(f), Florida Statutes, Bonita Springs failed to provide documentation demonstrating that a copy of the full Annual Report was supplied to the President or Chair of the Residents Council within 30 days after filing the Annual Report with the OIR.

Finding 3:

In nine instances pursuant to Section 651.091(2)(h), Florida Statutes, Bonita Springs failed to provide documentation demonstrating a summary of entrance fee 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.

Findings 4:

In three instances pursuant to Section 651.091(2)(g), Florida Statutes, Bonita Springs 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.

Findings 5:

In seven instances pursuant to Section 651.091(2)(f), Florida Statutes, Bonita Springs failed to provide documentation demonstrating that the third-party financial audit was supplied to the President or Chair of the Residents' Council within 30 days after filing the Annual Report with the OIR.

Findings 6:

In 32 instances pursuant to Section 651.091(2)(i), Florida Statutes, Bonita Springs failed to provide documentation demonstrating that a copy of each Quarterly Report was delivered to the President or Chair of the Residents' Council within 30 days after the Quarterly Report was filed with the OIR.

Disclosure Documents

Finding 7:

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

New Financing, Refinancing, Additional Financing

Finding 8:

In one instance, pursuant to Section 651.019(2), Florida Statutes, Bonita Springs failed to submit copies of executed financing documents within 30 days after the closing date of such transaction to the OIR as required.

MINIMUM LIQUID RESERVE

As of December 31, 2022, Bonita Springs had a Minimum Liquid Reserve that was funded in accordance with Section 651.035, Florida Statutes.

SUMMARY OF RECOMMENDATIONS

Notifications to the OIR

Finding 1: The OIR recommends Bonita Springs 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.

Resident Council Required Disclosures

Findings 2, 3, 4, 5, and 6: The OIR recommends Bonita Springs 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.

Disclosure Documents

Finding 7: The OIR Recommends Bonita Springs immediately 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.

New Financing, Refinancing, Additional Financing

Finding 8: The OIR recommends Bonita Springs establishes adequate procedures and controls to ensure the executed financing documents are reported to the OIR within 30 days after the closing date of such transaction, in accordance with Section 651.019(2), Florida Statutes.

CONCLUSION

This Report of Examination is based upon the information provided to the OIR from Bonita Springs 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: 10/23/23