

Report on Examination

of

Southwest Florida Retirement Center, Inc.

d/b/a

Village on the Isle

Venice, Florida

as of

December 31, 2020



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SCOPE OF EXAMINATION

The Florida Office of Insurance Regulation (“OIR”), Life & Health Financial Oversight unit conducted a routine examination of Southwest Florida Retirement Center, Inc. d/b/a Village on the Isle (“Village on the Isle”), 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 through December 31, 2020.

COMPANY HISTORY

Southwest Florida Retirement Center, Inc., a Florida not-for-profit corporation was granted a certificate of authority by the OIR to offer continuing care contracts on June 17, 1982. Southwest Florida Retirement Center, Inc., operates the continuing care retirement community (“CCRC”) facility Village on the Isle located in Venice, Florida. Village on the Isle is self-managed and does not utilize a “management company” or “manager”, as defined by Chapter 651.011(18), Florida Statutes.

Village on the Isle operates on a calendar year basis. As of December 31, 2020, Village on the Isle reported in its Annual Report filed with the OIR: 291 Continuing Care Units consisting of 238 Independent Living Units and 53 Assisted Living Units; 64 Skilled Nursing Units consisting solely of Community Beds; and 18 Rental Units. As of that date, there were 415 individuals reported residing at Village on the Isle: 374 pursuant to a continuing care contract; and, 41 not pursuant to a continuing care contract.

SUMMARY OF FINDINGS

The following is a summary of findings, with recommendations beginning on page 3.

QUARTERLY MEETING WITH RESIDENTS

Quarterly meeting documentation and the meeting dates contained in the annual reports filed with the OIR during the scope period of the examination were reviewed for compliance with Section 651.085, Florida Statutes.

Finding:

Section 651.085(4), Florida Statutes, provides in part 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.

For the monthly fee increases effective for the calendar years 2014, 2015, 2016, and 2017, Village on the Isle failed to provide documentation to demonstrate that at a quarterly meeting with the residents prior to the increase in monthly maintenance fees, the residents were provided the reasons, by department cost centers, for monthly maintenance fee increases that exceeded the Consumer Price Index for All Urban Consumers, all items, Class A Areas of the Southern Region, as required by Section 651.085(4), Florida Statutes.

Subsequent event: In response to the examination finding, Village on the Isle acquired affidavits from some of its residents indicating that the resident had received the required information.

MINIMUM LIQUID RESERVE

As of December 31, 2020, Village on the Isle's Minimum Liquid Reserve was funded in accordance with Section 651.035, Florida Statutes.

SUMMARY OF RECOMMENDATIONS

QUARTERLY MEETING WITH RESIDENTS

The OIR recommends Village on the Isle establish adequate procedures and controls to ensure that documentation is obtained to demonstrate that at a quarterly meeting prior to the implementation of any increase in the monthly maintenance fee, the designated representative of the provider provided to residents 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 Final Report of Examination is based upon the information provided to the OIR from Southwest Florida Retirement Center, Inc., and additional research conducted by the OIR.

The following individuals from the Florida Office of Insurance Regulation participated in the examination: Bernie L. Stoffel, Senior Management Analyst Supervisor, and Kyle Barber, Financial Specialist.

Respectfully submitted,



Carolyn M. Morgan
Director, Life & Health Financial Oversight
Florida Office of Insurance Regulation
Date Signed: 4/20/23