

Report on Examination

of

CC-Aventura, Inc.

d/b/a

Vi at Aventura

Aventura, Florida

as of

December 31, 2020



Contents

Scope of Examination	1
Company History	1
Summary of Findings	2
Minimum Liquid Reserve.....	6
Summary of Recommendations	7
Conclusion	8

SCOPE OF EXAMINATION

The Florida Office of Insurance Regulation (“OIR”), Life & Health Financial Oversight unit conducted a routine examination of CC-Aventura, Inc. d/b/a Vi at Aventura (“Vi at Aventura”), 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

CC-Aventura, Inc., a Delaware for-profit corporation was granted a certificate of authority by the OIR to offer continuing care contracts on March 2, 2001. CC-Aventura, Inc., operates Vi at Aventura, a continuing care retirement community (“CCRC”) facility located in Aventura, Florida. Vi at Aventura is managed by Classic Residence Management Limited Partnership, an affiliated entity.

Vi at Aventura operates on a calendar year basis. As of December 31, 2020, Vi at Aventura reported in its Annual Report filed with the OIR: 260 Continuing Care Units consisting of 238 Independent Living Units and 22 Assisted Living Units; 40 Skilled Nursing Units consisting solely of Sheltered Beds; and 12 Rental Units. As of that date, there were 201 individuals reported residing at Vi at Aventura: 181 pursuant to a continuing care contract; and, 20 not pursuant to a continuing care contract.

SUMMARY OF FINDINGS

The following is a summary of findings. The findings are discussed in more detail in the pages that follow with recommendations beginning on page 7.

QUARTERLY MEETING WITH RESIDENTS

Quarterly meeting minutes, meeting notices, agenda, and 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 1:

Section 651.085(1), Florida Statutes, provides in part that residents shall be provided at least 7 days' advance notice of each quarterly meeting between the governing body of the provider, or the designated representative of the provider and the residents.

In two instances, Vi at Aventura failed to provide documentation to demonstrate residents were provided at least 7 days' advance notice of the quarterly meetings held on February 16, 2017, and December 15, 2017, as required by Section 651.085(1), Florida Statutes. In both instances, meeting notices were provided; however, there was no indication of when the notices were posted. Accordingly, the examination was unable to determine if these meetings were timely noticed.

Finding 2:

Section 651.085(1), Florida Statutes, provides in part that the annual report required pursuant to Section 651.026, Florida Statutes, shall include the dates on which quarterly meetings with residents were held during the reporting period.

In one instance, Vi at Aventura failed to accurately report in its Annual Report filed with the OIR, the date on which a Section 651.085(1), Florida Statutes, quarterly meeting with residents was held, as required by Section 651.026, Florida Statutes. Specifically, the 2018 Annual Report submitted by Vi at Aventura indicated that the first quarterly meeting with residents was held on February 22, 2018. The documents provided by Vi at Aventura for this examination shows the meeting was held on March 22, 2018.

Disclosure Documents

Section 651.091(3), Florida Statutes, provides that before entering into a contract to furnish continuing care, the provider undertaking to furnish the care, or the agent of the provider, shall make full disclosure, and provide copies of specific disclosure documents to the prospective resident or his or her legal representative. Section 651.091(3)(c), Florida Statutes, requires in pertinent part the disclosure of all ownership interests.

In 10 versions of its disclosure documents, Vi at Aventura failed to fully disclose all ownership interests, as required by Section 651.091(3)(c), Florida Statutes. The following disclosure documents utilized by Vi at Aventura did not include ownership information pertaining to its parent company, CC-Development Group, Inc. Disclosure document versions as designated by CC-Aventura, Inc.:

06/18/2013	10/02-2014	08/18/2015	03/11/2016	04/21/2016
05/12/2017	07/20/2018	09/27/2018	09/15/2019	05/01/2020

RESIDENTS' COUNCIL REQUIRED DISCLOSURES

Documentation was reviewed to determine compliance with the Residents' Council disclosure requirements, pursuant to Sections 651.081(2)(a), 651.085(3), and 651.091(2), Florida Statutes.

Finding 1:

Section 651.085(3), Florida Statutes, provides that the designated representative of the residents' council shall be 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 discussion of such changes.

For the fee increases effective during calendar years 2014, 2015, 2016, 2017, 2018, 2019, and 2020, Vi at Aventura failed to notify and invite the designated representative of the residents' council to attend and participate in any meeting of the full governing body at which proposed changes in resident fees or services were discussed, as required by Section 651.085(3), Florida Statutes.

Finding 2:

Section 651.091(2)(d), Florida Statutes (2018), provides that each continuing care facility shall deliver to the president or chair of the residents' council a copy of the full annual statement and a copy of the most recent third party financial audit filed with the annual report of each quarterly statement within 30 days after filing the annual report with the OIR.

Vi at Aventura failed to provide documentation to demonstrate that copies of the 2013, 2014, 2015, 2016, 2017, 2018, and 2019, Annual Reports were delivered to the President or Chair of the Residents' Council within 30 days after each Annual Report was filed with the OIR, as required by Section 651.091(2)(d), Florida Statutes (2018). In these instances, the examination was unable to determine if the required information was provided.

Finding 3:

Vi at Aventura failed to provide documentation to demonstrate that copies of the 2016, 2017, 2018, and 2019, third party financial audits were delivered to the President or Chair of the Residents' Council within 30 days after each Annual Report filing was filed with the OIR, as required by Section 651.091(2)(d), Florida Statutes (2018). In these instances, the examination was unable to determine if the required information was provided.

Finding 4:

Section 651.091(2)(f), Florida Statutes (2018), provides in part that the provider deliver to the president or chair of the residents' council a summary of entrance fees collected and refunds made during the time period covered by the annual report and the refund balances due at the end of the reporting period.

Vi at Aventura failed to provide documentation to demonstrate that a summary of the entrance fees collected and refunds made during the calendar years 2013, 2014, 2015, 2016, 2017, 2018, and 2019, and the respective refund balances due at the end of these reporting periods were provided to the President or Chair of the Residents' Council, as required by Section 651.091(2)(f), Florida Statutes (2018). In these instances, the examination was unable to determine if the required information was provided.

Finding 5:

Section 651.085(1), Florida Statutes, provides in part that at quarterly meetings where monthly fee increases are discussed, a summary of the reasons for raising the fee as specified in Section 651.085(4), Florida Statutes, must be provided in writing to the president or chair of the residents' council.

Vi at Aventura failed to provide documentation to demonstrate that at quarterly meetings where monthly fee increases are discussed, a summary of the reasons for raising the fee as specified in Section 651.085(4), Florida Statutes, was provided in writing to the President or Chair of the Residents' Council. Specifically, for the fee increases that took effect in calendar years, 2015, 2016, 2017, and 2018. In these instances, the examination was unable to determine if the required information was provided.

Finding 6:

Section 651.091(2)(g), Florida Statutes (2018), provides that each continuing care facility shall deliver to the president or chair of the residents' council a copy of each quarterly statement within 30 days after the quarterly statement is filed with the OIR if the facility is required to file quarterly.

Vi at Aventura failed to provide documentation to demonstrate that copies of all quarterly statements for calendar years 2013, 2014, 2015, 2016, 2017, 2018, 2019, and 2020, were delivered to the President or Chair of the Residents' Council within 30 days after each quarterly statement was filed with the OIR, as required by Section 651.091(2)(g), Florida Statutes (2018). In these instances, the examination was unable to determine if the required information was provided.

MINIMUM LIQUID RESERVE

As of December 31, 2020, Vi at Aventura's Minimum Liquid Reserve was funded in accordance with Section 651.035, Florida Statutes.

SUMMARY OF RECOMMENDATIONS

QUARTERLY MEETING WITH RESIDENTS

Finding 1. The OIR recommends Vi at Aventura ensure that residents are provided proper advance notice of the statutory quarterly meetings, in accordance with Section 651.085(1), Florida Statutes.

Finding 2. The OIR recommends Vi at Aventura ensure that actual dates on which the quarterly meetings with residents are held are accurately reported in its Annual Reports filed with the OIR, in accordance with Section 651.085(1), Florida Statutes.

DISCLOSURE DOCUMENTS

OIR recommends Vi at Aventura review its current disclosure documents to ensure the disclosures comply with Section 651.091(3), Florida Statutes, and amend the disclosure documents, if needed.

The OIR further recommends Vi at Aventura file with OIR a true and complete copy of the full disclosure document before use, in accordance with Section 651.091(4), Florida Statutes.

RESIDENTS' COUNCIL REQUIRED DISCLOSURES

Findings 1 through 6. The OIR recommends that Vi at Aventura establish adequate procedures and controls to ensure all required Chapter 651, Florida Statutes, residents' council disclosures are provided, and documentation is obtained to demonstrate the disclosures were provided.

CONCLUSION

This Final Report of Examination is based upon the information provided to the OIR from CC-Aventura, Inc. d/b/a Vi at Aventura 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,

 12/16/22

Carolyn M. Morgan, APIR
Director, Life & Health Financial Oversight
Florida Office of Insurance Regulation