

Report on Examination

of

CCRC - Regency Oaks, LLC

Orlando

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 CCRC - Regency Oaks, LLC (“Regency Oaks”), 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 December 12, 2014 through December 31, 2020.

## **COMPANY HISTORY**

CCRC-Regency Oaks, LLC, a Delaware Limited Liability Company was granted a certificate of authority by the OIR to offer continuing care contracts on December 12, 2014. CCRC - Regency Oaks, LLC operates the continuing care retirement community (“CCRC”) facility Regency Oaks located in Clearwater, Florida. Regency Oaks is managed by Life Care Services, LLC.

Regency Oaks operates on a calendar year basis. As of December 31, 2020, Regency Oaks reported in its Annual Report filed with the OIR: 411 Continuing Care Units consisting of 385 Independent Living Units and 26 Assisted Living Units; 60 Skilled Nursing Units consisting solely of Community Beds; and no Rental Units. As of that date, there were 524 individuals reported residing at Regency Oaks: 498 pursuant to a continuing care contract; and, 26 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.

### CANCELATIONS AND REFUNDS

#### Finding:

Section 651.055(1), Florida Statutes, requires each continuing care contract and each addendum to such contract be submitted to and approved by the OIR before use. In addition, Section 651.055(1)(i), Florida Statutes, provides in part that each continuing care contract state the terms under which a contract is canceled by the death of the resident.

Regency Oaks failed to timely issue a refund in accordance with the terms of the continuing care contract, as required by Section 651.055(1)(i), Florida Statutes. In this instance, the contract was canceled due to the death of the resident. The terms of the continuing care contract provided that the refund was due January 30, 2020. The refund was subsequently issued on February 5, 2020.

### 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 the governing body of a provider, or the designated representative of the provider, shall hold quarterly meetings with the residents of the continuing care facility for the purpose of free discussion of subjects including, but not limited to, income, expenditures, and financial trends and problems as they apply to the facility, as well as a discussion on proposed changes in policies, programs, and services.

In six instances, Regency Oaks failed to provide documentation to demonstrate that the Section 651.085(1), Florida Statutes, quarterly meetings with residents were held. The examination was unable to determine if the quarterly meetings with residents were held during the 3<sup>rd</sup> quarter 2015, 3<sup>rd</sup> quarter 2016, 1<sup>st</sup> and 3<sup>rd</sup> quarter 2017, 4<sup>th</sup> quarter 2019, and 3<sup>rd</sup> quarter 2020.

Finding 2:

Section 651.085(1), Florida Statutes, provides in part that the 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 four instances, Regency Oaks failed to provide documentation to demonstrate that the residents were provided with at least 7 days' advance notice of the quarterly meetings between the governing body of the provider, or the designated representative of the provider and the residents, as required by Section 651.085(1), Florida Statutes. In these instances, the examination was unable to determine if the statutorily required notice had been provided for the following quarterly meetings: January 15, 2016; February 24, 2016; May 19, 2016; December 26, 2016; and March 6, 2018.

Finding 3:

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 20 instances, Regency Oaks failed to accurately report in its Annual Reports filed with the OIR, the dates on which quarterly meetings with residents were held, as required by Section 651.085(1), Florida Statutes.

<b>Date Quarterly Meeting Held Per Regency Oaks</b>	<b>Date Quarterly Meeting Reported in the Annual Report</b>
February 4, 2015	February 6, 2015
April 22, 2015 & June 16, 2015	May 1, 2015
No 3 <sup>rd</sup> quarter 2015 meeting reported	September 4, 2015
November 11, 2015	November 6, 2015
January 15, 2016 & February 24, 2016	January 14, 2016 & February 27, 2016
May 9, 2016	May 26, 2016
No 3 <sup>rd</sup> quarter 2016 meeting reported	September 15, 2016
December 26, 2016	December 20, 2016
No 1 <sup>st</sup> quarter 2017 meeting reported	January 18, 2017
June 2, 2017	April 19, 2017
No 3 <sup>rd</sup> quarter 2017 meeting reported	July 19, 2017
December 14, 2017	November 15, 2017
March 6, 2018	No 1 <sup>st</sup> quarter meeting date
June 8, 2018	April 14, 2018
July 30, 2018	July 16, 2018 & September 14, 2018
November 28, 2018	November 14, 2018
March 14, 2018	January 16, 2019
May 28, 2019 & June 7, 2019	June 6, 2019
September 23, 2019	August 2, 2019
No 4th quarter 2019 meeting reported	December 6, 2019

## ANNUAL REPORTS

The Annual Reports filed with the OIR during the scope period of the examination were reviewed for compliance with Section 651.026, Florida Statutes.

### FINDING:

Regency Oaks failed to accurately report in its Annual Reports filed with the OIR, wait list deposit information, as required by Section 651.026(1), Florida Statutes. Specifically, the Wait List Schedule in the Annual Reports for calendar years ended 2014, 2015, 2016, 2017, and 2018, included wait list deposits and other non-related amounts.

## WAIT LIST CONTRACTS

### Finding:

Section 651.022(2)(g), Florida Statutes, provides in part that wait list contract forms shall be submitted to the OIR and approved prior to use.

Regency Oaks failed to provide documentation to demonstrate that an approved wait list contract form was utilized during the period December 12, 2014 through June 24, 2015, as required by Section 651.022(2)(g), Florida Statutes. Accordingly, the examination was unable to determine if an approved wait list contract form was utilized during this period.

## 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:

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 and the representative shall be invited to attend and participate in that portion of the meeting designated for the discussion of the changes.

For the fee increases effective for calendar years 2016, 2017, 2018, 2019, 2020, and 2021, Regency Oaks failed to notify and invite the designated representative of the Residents' Council to attend and participate in that portion of the meetings of the full governing body at which proposed changes in resident fees were discussed, as required by Section 651.085(3), Florida Statutes.

**MINIMUM LIQUID RESERVE**

As of December 31, 2020, Regency Oaks' Minimum Liquid Reserve was funded in accordance with Section 651.035, Florida Statutes.



## **SUMMARY OF RECOMMENDATIONS**

### CANCELATIONS AND REFUNDS

The OIR recommends Regency Oaks ensure refunds are timely issued, in accordance with Section 651.055, Florida Statutes.

### QUARTERLY MEETING WITH RESIDENTS

Findings 1 and 2: The OIR recommends Regency Oaks establish adequate procedures and controls to ensure that statutory meetings with the residents are held on a quarterly basis and residents are provided at least 7 days' advance notice of each quarterly meeting, in accordance with Section 651.085(1), Florida Statutes. The OIR further recommends Regency Oaks obtain documentation to demonstrate quarterly meetings with residents were properly noticed and held.

Finding 3: The OIR recommends Regency Oaks establish adequate procedures and controls to ensure that the actual dates on which the quarterly meetings with residents are held, are accurately reported in the Annual Reports filed with the OIR, in accordance with Section 651.085(1), Florida Statutes.

### ANNUAL REPORTS

The OIR recommends Regency Oaks establish adequate procedures and controls to ensure that wait list deposit information is accurately reported in its Annual Reports filed with the OIR, in accordance with Section 651.026(1), Florida Statutes.

### WAIT LIST CONTRACTS

The OIR recommends Regency Oaks establish adequate procedures and controls to ensure that wait list contracts are approved by the OIR prior to use, in accordance with Section 651.022(2)(g), Florida Statutes.

## RESIDENTS' COUNCIL REQUIRED DISCLOSURES

The OIR recommends Regency Oaks establish adequate procedures and controls to ensure that all required Residents' Council disclosures are properly delivered to the appropriate individuals, in accordance with Chapter 651, Florida Statutes. The OIR further recommends Regency Oaks obtain documentation to demonstrate the disclosures were provided.

## **CONCLUSION**

This Final Report of Examination is based upon the information provided to the OIR from CCRC – Regency Oaks, LLC 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,



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