

Report on Examination

of

CCRC OPCO – Sun City Center, LLC

d/b/a

Freedom Plaza

Sun City Center, 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 CCRC OPCO – Sun City Center, LLC (“Freedom Plaza”), 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 OPCO – Sun City Center, 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 OPCO – Sun City Center, LLC operates the continuing care retirement community (“CCRC”) facility Freedom Plaza located in Sun City Center, Florida. Freedom Plaza is managed by Life Care Services, LLC.

Freedom Plaza operates on a calendar year basis. As of December 31, 2020, Freedom Plaza reported in its Annual Report filed with the OIR: 501 Continuing Care Units consisting of 424 Independent Living Units and 77 Assisted Living Units; 113 Skilled Nursing Units consisting of 93 Community Beds and 20 Sheltered Beds; and 34 Rental Units. As of that date, there were 745 individuals reported residing at Freedom Plaza: 639 pursuant to a continuing care contract; and, 106 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 5.

### 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:

Freedom Plaza 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 be submitted to the OIR and approved prior to use.

Freedom Plaza failed to utilize a wait list contract form that was approved by the OIR for the period of calendar year 2016 through on or about February 13, 2017, as required by Section 651.022(2)(g), Florida Statutes. Freedom Plaza submitted to the OIR the wait list form "25108 FSSCC – Future Residents Club Agreement 01/18/17". This form was approved by the OIR on February 14, 2017.

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:

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 and residents shall be provided at least 7 days' advance notice of each quarterly meeting.

In three instances, Freedom Plaza failed to provide residents with at least 7 days' advance notice of a quarterly meeting 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.

<u>Meeting Date</u>	<u>Date Notice Provided</u>
January 13, 2015	January 7, 2015
December 19, 2016	December 13, 2016
April 17, 2019	April 11, 2019

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 Section 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, and 2020, Freedom Plaza 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, Freedom Plaza's Minimum Liquid Reserve was funded in accordance with Section 651.035, Florida Statutes.

## **SUMMARY OF RECOMMENDATIONS**

### ANNUAL REPORTS

The OIR recommends Freedom Plaza 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 Freedom Plaza 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.

### QUARTERLY MEETING WITH RESIDENTS

The OIR recommends Freedom Plaza establish adequate procedures and controls to ensure that residents are provided at least 7 days' advance notice of each quarterly meeting, in accordance with Section 651.085(1), Florida Statutes.

### RESIDENTS' COUNCIL REQUIRED DISCLOSURES

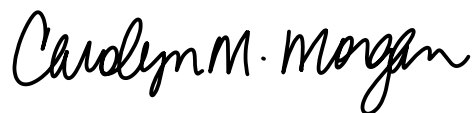
The OIR recommends Freedom Plaza establish adequate procedures and controls to ensure that all required Residents' Council disclosures and notices are properly delivered to the appropriate individuals, in accordance with Chapter 651, Florida Statutes. The OIR further recommends Freedom Plaza obtain documentation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

## CONCLUSION

This Final Report of Examination is based upon the information provided to the OIR from CCRC OPCO – Sun City Center, 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,

A handwritten signature in black ink that reads "Carolyn M. Morgan". The signature is written in a cursive, flowing style.

Carolyn M. Morgan, APIR  
Director  
Life & Health Financial Oversight  
Florida Office of Insurance Regulation  
Date Signed: February 3, 2023