

Report on Examination

of

Plymouth Harbor, Inc.

Sarasota, 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 Plymouth Harbor, Inc., 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 690-193, Florida Administrative Code. The examination covered the period of January 1, 2013 through December 31, 2020.

COMPANY HISTORY

Plymouth Harbor, Inc., a Florida not-for-profit corporation was granted a certificate of authority by the OIR to offer continuing care contracts on February 15, 1980. Plymouth Harbor operates a continuing care retirement community (“CCRC”) facility located in Sarasota, Florida. Plymouth Harbor is self-managed and does not utilize a “manager”, or “management company”, as defined by Section 651.011(18), Florida Statutes.

Plymouth Harbor operates on a calendar year basis. As of December 31, 2020, Plymouth Harbor reported in its Annual Report filed with the OIR: 259 Continuing Care Units consisting of 219 Independent Living Units and 40 Assisted Living Units; 56 Skilled Nursing Units consisting of 47 Sheltered Beds and 9 Community Beds; and 21 Rental Units. As of that date, there were 340 individuals reported residing at Plymouth Harbor: 310 pursuant to a continuing care contract; and, 30 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.

QUARTERLY MEETING WITH RESIDENTS

Quarterly meeting documentation 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 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, Plymouth Harbor failed to accurately report in the 2014 Annual Report filed with the OIR, the date on which a quarterly meeting with residents was held, as required by Section 651.085(1), Florida Statutes.

<u>Annual Report</u>	<u>Date Meeting Held Per Annual Report</u>	<u>Date Meeting Actually Held</u>
2014	2/10/2014	2/17/2014

Finding 2:

Section 651.085(1), Florida Statutes, provides in part that the governing body of the provider, or a designated representative of the provider, shall hold quarterly meetings with residents and that residents are entitled to at least 7 days advance notice of each quarterly meeting.

In one instance, Plymouth Harbor failed to provide residents with at least 7 days' advance notice of a quarterly meeting between the governing body of the provider and the residents, as required by Section 651.085(1), Florida Statutes. In this instance, a meeting was initially noticed and scheduled to be held on October 30, 2018. Due to circumstances, the meeting was not held on this date. The meeting was rescheduled and held on November 2, 2018. Notice for the November 2, 2018 meeting was provided on October 30, 2018. The 7 days' advance meeting notice requirement was not met.

RESIDENTS' COUNCIL REQUIRED DISCLOSURES

Documentation was reviewed to determine compliance with the Residents' Council disclosure requirements, pursuant to Sections 651.081(2)(a) and 651.085(3), Florida Statutes, as well as, Section 651.091(2), Florida Statutes (2019).

Finding:

Section 651.091(2)(g), Florida Statutes (2016), 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.

In six instances, Plymouth Harbor failed to provide documentation to demonstrate that a copy of the quarterly statement was delivered to the President or Chair of the Residents' Council within 30 days after the quarterly statement was filed with the OIR, as required by Section 651.091(2)(g), Florida Statutes (2016). In these instances, the examination was unable to determine if the information was provided as required.

Quarterly Statement for Periods Ended

6/30/2013	9/30/2013
6/30/2014	12/31/2014
9/30/2016	12/31/2016

DISCLOSURE DOCUMENTS

The disclosure documents utilized by Plymouth Harbor during the scope period of the examination were reviewed for compliance with Sections 651.091(3) and 651.091(4), Florida Statutes.

Finding:

Section 651.091(3), Florida Statutes, provides in part 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 disclosures to the prospective resident or his or her legal representative.

Section 651.091(3)(j), Florida Statutes, includes as a required disclosure, a notice that if the resident does not exercise the right to rescind a continuing care contract within 7 days after executing the contract, the resident's funds held in escrow pursuant to Section 651.055(2), Florida Statutes, will be released to the provider.

Section 651.091(3)(k), Florida Statutes, includes as a required disclosure, a statement that distribution of the provider's assets or income may occur or a statement that such distributions will not occur.

Section 651.091(3)(l), Florida Statutes, includes as a required disclosure, a notice of any holding company system or obligated group of which the provider is a member.

Plymouth Harbor failed to include in its disclosure documents utilized from 1/1/2020 to 12/31/2020, the disclosures required by Sections 651.091(3)(j), 651.091(3)(k), and 651.091(3)(l), Florida Statutes.

Subsequent Event: On July 16, 2021, Plymouth Harbor filed with the OIR their updated Section 651.091(3), Florida Statutes, disclosure documents, which included the 2019 statutory changes.

MINIMUM LIQUID RESERVE

As of December 31, 2020, Plymouth Harbor'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 Plymouth Harbor 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.

Finding 2. The OIR recommends Plymouth Harbor ensure that residents are provided proper advance notice of the statutory quarterly meetings, in accordance with Section 651.085(1), Florida Statutes.

RESIDENTS' COUNCIL REQUIRED DISCLOSURES

The OIR recommends Plymouth Harbor 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 Plymouth Harbor obtain documentation to demonstrate the disclosures were provided.

DISCLOSURE DOCUMENTS

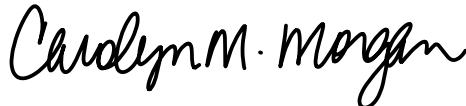
The OIR recommends Plymouth Harbor establish adequate procedures and controls to ensure its statutory disclosure documents comply with Section 651.091(3), Florida Statutes.

CONCLUSION

This Final Report of Examination is based upon the information provided to the OIR from Plymouth Harbor, 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,



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Director
Life & Health Financial Oversight
Florida Office of Insurance Regulation
Date Signed: February 3, 2023