



**Florida Office of Insurance Regulation**

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**APPLICATION FOR EXPANSION OF A CERTIFICATED  
CONTINUING CARE FACILITY**

This packet is designed to assist individuals in preparing the application in accordance with Florida Statutes and Rules and to facilitate expeditious processing of the application by the Florida Office of Insurance Regulation ("Office").

Please submit all documents required by this packet in searchable PDF format unless otherwise indicated or required by Florida Statutes.

If this packet requires submission of forms or rates, upon receipt of an email notification of acceptance of the application, the Applicant is directed to return to the Industry Portal <http://www.floir.com/iportal> and select "Form & Rate Filing Assembly and Submission" to begin the submission of forms and/or rates.

In order for a submission to be considered a complete application, all required information must be included in the filing, including the completed application checklist.

The completed application packet must be submitted to the Office by selecting iApply – Online Company Admissions at the following link:

**<http://www.floir.com/iportal>**

Any questions concerning this application packet or iApply for Life and Health applicants may be directed to [lhappcoord@floir.com](mailto:lhappcoord@floir.com). Property and Casualty applicants are directed to [pcappcoord@floir.com](mailto:pcappcoord@floir.com).

# APPLICATION FOR EXPANSION OF A CERTIFICATED CONTINUING CARE FACILITY

## INSTRUCTIONS

A provider is only required to file this application for approval of an expansion in the following circumstances:

- (1) The expansion is equivalent to the addition of at least 20% of existing units, and the provider has not exceeded the current statewide median for days cash on hand, debt service coverage ratio, and total facility occupancy for the most recent two consecutive annual reporting periods, or
- (2) For a provider that has exceeded the current statewide median for days cash on hand, debt service coverage ratio, and total facility occupancy for the most recent two consecutive annual reporting periods, the expansion is equivalent to an increase greater than 35% of existing units.

Existing units means the sum of the total number of independent living units and assisted living units identified in the most recent annual report filed with the Office, pursuant to Section 651.026, Florida Statutes. Skilled nursing units should not be included in the calculation. Note that these expansion approval requirements do not apply to construction for which a certificate of need from the Agency for Health Care Administration is required.

If the provider exceeds the statewide median for days cash on hand, debt service coverage ratio, and total facility occupancy for the most recent two consecutive annual reporting periods, the provider is automatically granted approval to expand the total number of existing units by up to 35% upon submitting a letter to the Office indicating the total number of planned units in the expansion, the proposed sources and uses of funds, and an attestation that the provider understands and pledges to comply with all minimum liquid reserve and escrow account requirements.

The statewide median for days cash on hand, debt service coverage ratio, and total facility occupancy is the median calculated in the most recent annual report submitted by the Office to the Continuing Care Advisory Council pursuant to Section 651.121(8), Florida Statutes.

# APPLICATION FOR EXPANSION OF A CERTIFICATED CONTINUING CARE FACILITY

## SECTION I – FEES

### **Section I-1**            **Fingerprint Processing Fees**

Applicants are required to pay a fee for the processing of the fingerprint cards required in Section IV-4. Please see Form OIR-C1-938, Fingerprint Payment and Submission Procedure, for instructions.

## SECTION II – LEGAL

### **Section II-1**            **Authorization Letter**

Provide a letter of authorization for anyone other than company personnel or the company-sponsoring agent, designating the named individual to represent the Applicant.

### **Section II-2**            **Certificate of Status**

Submit a certificate of status dated within the last year. A certificate of status is a document issued by the public official having supervision of the records of corporations in the Applicant's home state or jurisdiction of domicile, usually the Secretary of State or equivalent office, that shows the company is duly organized in the state or jurisdiction of domicile and that all taxes and fees have been paid.

### **Section II-3**            **Changes to Any Previously Submitted Legal Documents**

If there have been any revisions, amendments, or other changes to previously filed legal documents (listed in the Checklist under Legal) and those documents have not been submitted to the Office, please submit the revised documents or amendments. If the revised documents or amendments required certification, a properly certified document or amendment should be provided. If none of the previously provided documents have been revised, amended, or otherwise changed, submit a statement that there have been no revisions, amendments, or other changes to any previously provided legal documents and that there are no new documents to submit.

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## SECTION III – FINANCIAL

### **Section III-1 Plan of Operations**

Submit a general summary of the plan of operations of Applicant. The plan should include management structure, healthcare delivery system, and a description of the types of continuing care contracts offered, including health care benefits and refundable contract options. Be sure to include a description of the facility after the expansion and any changes to the healthcare delivery system. This plan should be consistent with the feasibility study.

### **Section III-2 Interrogatories**

Submit complete responses to all interrogatories attached as Exhibit III-2.

### **Section III-3 Feasibility Study**

Submit an independent feasibility study that complies with the requirements of Section 651.0246(2)(a), Florida Statutes. The Application Checklist below lists the required components of the feasibility study.

The provider may submit any other information it deems relevant and appropriate to enable the Office to make a more informed determination. If such information is submitted, please provide an explanation of why the additional information is relevant and appropriate for the Office to consider in reviewing the application filing.

### **Section III-4 Financial Ratio Projections**

Please provide a projected days cash on hand, occupancy, and debt service coverage ratio calculations for the first 5 years of operations of the expansion. Please explain when the provider anticipates meeting the minimum requirements provided in Sections 651.011(15) or 651.011(25), Florida Statutes. These projections should be consistent with the feasibility study.

### **Section III-5 Minimum Liquid Reserve Projections**

Provide a projected calculation of the facility's minimum liquid reserves for the first 5 years of operations of the expansion and a description of how Applicant will fund the minimum liquid reserves. These projections should be consistent with the feasibility study.

### **Section III-6 Funding Plan and Supporting Documents**

Furnish a Sources and Uses of Funds statement explaining the projects proposed method of financing and disclosing all sources and all uses of funds to be used to develop the expansion. The statement should describe construction and long-term financing for the facility.

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Please provide available documentation regarding the Sources and Uses of Funds statement. This includes financing commitments, letters of intent to finance, term sheets, or other agreements or similar documents with affiliates, lenders, or underwriters regarding funding for the proposed facility. Please note if the documents are drafts or in final form. Provide executed copies for any agreements that are already in-force. If no such documents exist at this time, please provide a statement that such documentation is not available at this time.

If agreements have not been executed at the time of filing, please provide an explanation of the conditions precedent to the parties executing the various agreements and a timeline of when the agreements are expected to be executed.

Note that the aggregate amount of entrance fees received by or pledged to the Applicant, plus anticipated proceeds from any long-term financing commitment, and funds from all other sources in the actual possession of the Applicant, must equal at least 100% of the aggregate cost of constructing or purchasing, equipping, and furnishing the facility plus 100% of the anticipated startup losses of the expansion.

Note that the Office may not approve an application that includes in the plan of financing any encumbrance of the operating reserves or renewal and replacement reserves required by Chapter 651, Florida Statutes.

### **Section III-7          Escrow Agreements**

Submit draft escrow agreements for any new escrow account that will be established in connection with the proposed expansion. If the Applicant will use existing escrow accounts to meet the requirements of Sections 651.0246 and 651.035, Florida Statutes, please indicate which accounts will be used.

Note that in order to secure initial reservation deposits and entrance fees in accordance with Sections 651.0246(3) and (4), Florida Statutes, reservation deposits and entrance fees associated with the expansion should be held in a separate account or subaccount than funds received for existing units.

If the provider will have outstanding indebtedness related to the expansion that requires a debt service reserve to be held in escrow pursuant to a trust indenture or mortgage lien on the facility and for which the debt service reserve may only be used to pay principal and interest payments on the debt that the debtor is obligated to pay, pursuant to Section 651.035(1)(b), Florida Statutes, such an escrow account may be included in its debt service reserves. Please explain if Applicant will have such a debt service reserve related to the expansion and provide supporting documentation. After approval of the expansion, for such an account to be applied to debt service reserves, the provider must furnish a copy of the agreement under which such debt service is held and a statement of the amount being held in escrow for the debt service reserve certified by the lender or trustee and the provider to be correct.

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### **Section III-8 Continuing Care Contracts**

Provide copies of each continuing care contract, reservation agreement, waitlist agreement, and addendum, to be entered into between the Applicant and residents of the expansion, which must meet the minimum requirements of Sections 651.022, 651.023, 651.055, and 651.061 Florida Statutes, unless such contracts have previously been reviewed and approved by the Office. The contracts for the expansion must include a statement describing the procedures required by law relating to the release of escrowed entrance fees. Such a statement may be furnished through an addendum.

Please provide a listing of all the continuing care contracts currently offered at the facility.

Please note that continuing care contracts must be approved by the Office before use. Review and approval of the continuing care contract forms, reservation agreements, and addendums to such agreements is independent of the application process. Any new resident contract forms the Applicant intends to use regarding the expansion must also be submitted for review through the IRFS portal.

### **Section III-9 Contractors, Vendors, Services, and Other Agreements**

Furnish copies of any new agreements related to the expansion whereby the Applicant accepts obligations, debts, and encumbrances which would affect the facility.

Submit copies of any new contract entered into or to be entered into by the Applicant in relation to marketing, construction, long-term financing, leases of land or property, or management of the facility and the provision of shelter, food, and health care to residents. For example, management agreements, leases, development agreements, etc.

Please indicate if any person specified in Section 651.022(2)(b)1.-10., Florida Statutes, owns any interest in or receives any remuneration from, directly or indirectly, any professional service firm, association, trust, partnership, or corporation providing goods, leases, or services to the facility for which the application is made, with a real or anticipated value of \$10,000 USD or more.

If so, provide the name and address of the professional service firm, association, trust, partnership, or corporation in which such interest is held; describe such goods, leases, or services; the probable cost to the facility or provider; and why such goods, leases, or services should not be purchased from an independent entity. Explain whether the contract or arrangement is the result of arms-length negotiations, a bid, or otherwise. If no person meets these conditions, please provide a statement to that effect.

Additionally, furnish copies of any other agreements referenced in this filing.

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**Section III-10      Advertisements**

Furnish the form of any advertisement or other written material proposed to be used in the solicitation of residents.

# APPLICATION FOR EXPANSION OF A CERTIFICATED CONTINUING CARE FACILITY

## SECTION IV – MANAGEMENT

### **Section IV-1**      **Management Information Forms**

Please submit Management Information Forms fully describing the management, ownership, and control of the provider up to and including any 10% or greater owners of the ultimate parent. A Management Information Form should be submitted for each entity in the ownership chain.

Forms should contain the first, middle, and last name of each officer, director, and 10% or greater owner of the entity named on the form. The Management Information Form is included in the packet.

### **Section IV-2**      **Biographical Affidavits as to Officers, Directors, and Shareholders**

For individuals named on the Management Information Forms who have not previously submitted Biographical Affidavits, provide a National Association of Insurance Commissioners (“NAIC”) Biographical Affidavit (NAIC Form 11) for each officer, director, and shareholder listed in Section IV-1. Applicant may omit officers, directors, and shareholders of those companies in the organizational structure between the immediate parent and the ultimate parent. Please note that if an individual has a Biographical Affidavit on file with the Office, and the Biographical Affidavit was signed and notarized within 2 years of the date of the Application being filed, a Biographical Affidavit need not be submitted for that individual.

All questions must be answered. All “Yes” answers must be explained. Please note Item 8 of the NAIC Biographical Affidavit requires 20 years of employment history.

Each Biographical Affidavit must be signed and notarized.

The affiant’s social security number must be submitted to the Office. Section 119.071(5), Florida Statutes, gives authority for an agency to collect social security numbers if imperative for the performance of that agency’s duties and responsibilities as prescribed by law. Limited collection of social security numbers is imperative for the Office to insure that the owners, management, officers, and directors of any entity regulated by the Office are competent and trustworthy, possess financial standing and business experience, and have not been found guilty of, or not pleaded guilty or nolo contendere to, any felony or crime punishable by imprisonment of one year.

However, pursuant to Section 119.071(5), Florida Statutes, social security numbers collected by an agency are confidential and exempt from Section 119.07(1), Florida Statutes, and Section 24(a), Art. I of the State Constitution, and must be segregated on a separate page. Therefore, please include the affiant’s name and social security number on the separate page marked CONFIDENTIAL and provided in this packet, and attach that page to the NAIC Biographical Affidavit (NAIC Form 11) that is also included in this packet.



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### **Section IV-3          Background Investigative Report**

For individuals named on the Management Information Forms who have not previously submitted a Background Investigative Report, a Background Investigative Report must be provided for each person for whom a Biographical Affidavit is required, as described above. Background Investigative Reports must be submitted by an approved background investigation vendor directly to the Office. Attach proof of payment confirming that all background reports have been ordered when submitting the application. Please refer to Form OIR-C1-905, Instructions for Furnishing Background Investigative Reports, included in this packet.

### **Section IV-4          Fingerprint Cards**

For individuals named on the Management Information Forms who have not previously submitted Fingerprint Cards, Fingerprint Cards must be provided to the Office for each person for whom a Biographical Affidavit is required. Please refer to Form OIR-C1-938, Fingerprint Payment and Submission Procedure, for instructions. If an individual has submitted a fingerprint card dated within 5 years of the date of the Application filing, a fingerprint card need not be submitted for that individual.

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**CHECKLIST**

Applicant Name: \_\_\_\_\_

Federal Identification Number: \_\_\_\_\_

Home Office Address: \_\_\_\_\_  
(Street Address) (City) (State) (Zip Code)

Phone Number: \_\_\_\_\_

**Please complete and check off all items prior to submission. Applicant should provide an explanation for any items that have not been checked off and submitted.**

Please note that if any material change occurs in the facts set forth in this application while it is pending before the Office, an amendment setting forth such change must be filed with the Office within 10 business days after the Applicant becomes aware of such change, and a copy of the amendment must be sent by registered mail to the principal office of the facility and to the principal office of the controlling company. Submit copies of the registered mail return receipts when filing with the Office.

**SECTION I – FEES**

- 1. All fingerprint fees paid electronically
- a. Copies of online payment confirmation

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**CHECKLIST**

**SECTION II – LEGAL**

- 1. Authorization Letter
- 2. Certificate of Status
- 3. Updates or amendments to any previously submitted legal documents, or statement of no changes made and no documents to submit

Legal Documents Previously Submitted (for reference):

- a. Organizational Documents
  - i. Certified by the Secretary of State (if applicable)
- b. Bylaws
  - i. Certified by corporate Secretary
- c. Certificate of Status
- d. Fictitious Name Filing (if applicable)
- e. Parent Companies and Controlling Partners
  - i. Organizational Documents
    - Certified by the Secretary of State (if applicable)
  - ii. Bylaws
    - Certified by corporate Secretary
  - iii. Certificate of Status
  - iv. Fictitious Name Filing (if applicable)
  - v. Organizational Charts
    - With ownership percentages
- f. Service of Process Form (Form OIR-C1-144)

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CHECKLIST

SECTION III – FINANCIAL

- 1. Plan of Operations
- 2. Interrogatories, Exhibit III-2
- 3. Feasibility Study
  - a. Prepared by an independent certified public accountant
  - b. Indicate the page number where each of the following required elements is located within the feasibility study:

A description of the facility and proposed expansion, including:	pg _____
The location	pg _____
The size	pg _____
The healthcare delivery system	pg _____
The anticipated completion date	pg _____
The proposed construction program	pg _____
The primary market area	pg _____
The secondary market area, if applicable	pg _____
Projected unit sales per month	pg _____
Projected revenues, including:	pg _____
Anticipated entrance fees	pg _____
Monthly service fees	pg _____
Nursing care revenues, if applicable	pg _____
Other sources of revenue	pg _____
Projected expenses, including:	pg _____
Staffing requirements and salaries	pg _____
Cost of property, plant, and equipment	pg _____
Depreciation expense	pg _____
Interest expense	pg _____
Marketing expense	pg _____
Other operating expense	pg _____
Projected balance sheet of the Applicant, including	pg _____
Expectations for the financial condition of the project, including	pg _____

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Projected cash flow statement	pg _____
Estimate of funds necessary to cover startup losses	pg _____
Inflation factor, if any, and a statement of how and where it is applied	pg _____
Project costs	pg _____
Total amount of debt financing required	pg _____
Marketing projections	pg _____
Resident rates, fees, and charges	pg _____
The breakeven point	pg _____
The competition	pg _____
Resident contract provisions, including:	pg _____
Description of contracts in-force at or offered by the facility	pg _____
Description of contracts to be offered related to the expansion	pg _____
Total amount of contractual liability attributable to refundable contracts	pg _____
Other factors that may affect the feasibility of the facility	pg _____
Appropriate population projections, including:	pg _____
Morbidity assumptions	pg _____
Mortality assumptions.	pg _____
The assumptions used in the study, if any	pg _____
The name of the person who prepared the feasibility study and their experience in preparing similar studies or otherwise consulting in the field of continuing care	pg _____
Financial forecasts or projections prepared in accordance with standards adopted by the American Institute of Certified Public Accountants or in accordance with standards for feasibility studies for continuing care retirement communities adopted by the Actuarial Standards Board.	pg _____
If the study is prepared by an independent certified public accountant, it must contain an examination opinion or a compilation report containing a financial forecast or projections for the first 5 years of operations which take into account an actuary's mortality and morbidity assumptions as the study relates to turnover, rates, fees, and charges.	pg _____

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In addition to the list above, any other information that the Applicant deems relevant and appropriate to enable the Office to make a more informed determination may be included in the feasibility study

- 4. Financial Ratio Projections**
  - a.** Days cash on hand
  - b.** Debt service coverage ratio
  - c.** Occupancy
- 5. Minimum Liquid Reserve Projections and Funding**
  - d.** Debt Service Reserve
  - e.** Operating Reserve
  - f.** Renewal and Replacement Reserve
- 6. Funding Plan and Supporting Documents**
  - g.** Sources and Uses of Funds
  - h.** Financing agreements
  - i.** Bond documents (if applicable)
- 7. Escrow Agreements**
- 8. Continuing Care Contract**
- 9. Contractors, Vendors, Services, and Other Agreements**
  - a.** Marketing agreements
  - b.** Development or construction contracts
  - c.** Construction or long-term financing agreements
  - d.** Leases of land or property
  - e.** Management agreements
  - f.** Contracts related to the provision of the following to residents

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- i. Shelter
- ii. Food
- iii. Health care to residents
- g. Affiliated contracts pursuant to Section 651.022(2)(b)8., Florida Statutes
- 10. Advertisements

**APPLICATION FOR EXPANSION OF A CERTIFICATED CONTINUING CARE FACILITY**

**CHECKLIST**

**SECTION IV – MANAGEMENT**

- 1. Management Information Forms submitted for all required entities
- 2. Biographical affidavits submitted for all required individuals
  - a. All information completed (no blanks)
  - b. "Yes" answers explained
  - c. Signed
  - d. Notarized
- 3. Background investigative reports for all required individuals. The reports must be based on the Biographical Affidavits submitted to the Office with this Application.
  - a. Proof of order and confirmation of payment submitted to the Office
- 4. Fingerprint cards for all required individuals
  - a. All information completed (no blanks)
  - b. Signed



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EXHBIT III-2

INTERROGATORIES

1. The Applicant is:

Applicant Name: \_\_\_\_\_

Federal Identification Number: \_\_\_\_\_

Home Office Address: \_\_\_\_\_  
(Street Address) (City) (State) (Zip Code)

Phone Number: \_\_\_\_\_

2. The contact person for the Applicant is:

Name: \_\_\_\_\_

Employer: \_\_\_\_\_

Address: \_\_\_\_\_  
(Street Address) (City) (State) (Zip Code)

Phone Number: \_\_\_\_\_

Email Address: \_\_\_\_\_

3. The continuing care facility that is the subject of this application is:

Facility Name: \_\_\_\_\_

Address: \_\_\_\_\_  
(Street Address) (City) (State) (Zip Code)

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4. Please provide management’s calculation of the following measures, as defined by Chapter 651.011, Florida Statutes.

	<b>As of the Last Submitted Annual Report</b>	<b>As of the Prior Annual Report</b>
<b>Debt Service Coverage Ratio</b>		
<b>Days Cash on Hand</b>		
<b>Occupancy</b>		

5. As of the most recent annual report filed with the Office, provide the breakdown below of each type of unit at the facility.

	<b>Occupied – CCRC Contract</b>	<b>Occupied – Rental</b>	<b>Under Construction/ Unavailable for Occupancy</b>	<b>Vacant</b>	<b>Total</b>
<b>Independent Living</b>					
<b>Assisted Living (including Memory Care)</b>					
<b>Skilled Nursing</b>					

6. If one or more fiscal quarters have passed since the as of date of the most recent annual report filed with the Office, provide the breakdown below of each type of unit at the facility as of the most recent quarter.

	<b>Occupied – CCRC Contract</b>	<b>Occupied – Rental</b>	<b>Under Construction/ Unavailable for Occupancy</b>	<b>Vacant</b>	<b>Total</b>
<b>Independent Living</b>					
<b>Assisted Living (including Memory Care)</b>					
<b>Skilled Nursing</b>					

As of date for the information above: \_\_\_\_\_.

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7. Provide the number of units to be constructed in all phases of the proposed expansion:

Unit Type	Number of Units
Independent Living	
Assisted Living	
Skilled Nursing	
Rental	

8. Will the expansion be built in phases?  Yes  No

If so, please provide a breakdown of the number of units to be added at each phase of the expansion. If more than three phases are contemplated, please attach a table showing the units to be added in each phase.

	Phase 1	Phase 2	Phase 3
Independent Living			
Assisted Living (including Memory Care)			
Skilled Nursing			

9. Office approval is required for the addition of at least 20% of existing units. Existing units means the sum of the total number of independent living units and assisted living units identified in the most recent annual report filed with the Office, pursuant to Section 651.026. Skilled nursing units should not be included in the calculation.

The expansion proposed in this application represents a \_\_\_\_\_% increase in existing units.

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APPLICATION CERTIFICATION

The below certification must be executed by two officers of Applicant, one of whom must be the President or Chief Financial Officer, and the other the Secretary\*.

The undersigned state that they are officers having personal knowledge of this application submitted to the Florida Office of Insurance Regulation by \_\_\_\_\_ ("Applicant"), that they have read said application, and that they know the contents thereof and verify that the items indicated in the application checklist are true and complete to the best of their knowledge and have been submitted with the application. The undersigned represent that they have the authority to bind the Applicant, and that by their signatures on the instrument, the Applicant on behalf of which they have acted executed the instrument.

I understand that whoever knowingly makes a false statement in writing with the intent to mislead a public servant in the performance of his or her official duties is guilty of a misdemeanor of the second degree, pursuant to Section 837.06, Florida Statutes, punishable as provided in Section 775.082 or Section 775.083, Florida Statutes.

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

\*Other officers, or similar persons with the authority to bind Applicant, will be accepted only if the Applicant does not have these positions.