

Report on Examination

of

Federation CCRC Operations Corp.

d/b/a

Toby & Leon Cooperman Sinai Residences of Boca Raton

Boca Raton, FL

as of

August 31, 2022



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SCOPE OF EXAMINATION

The Florida Office of Insurance Regulation (“OIR”), Life & Health Financial Oversight unit, conducted a routine examination of Federation CCRC Operations Corp. d/b/a Toby & Leon Cooperman Sinai Residences of Boca Raton (“Sinai Residences”), 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 July 1, 2019, through August 31, 2022.

COMPANY HISTORY

Federation CCRC Operations Corp., a Florida not-for-profit corporation, was granted a certificate of authority by the OIR to offer continuing care contracts on March 6, 2014. Federation CCRC Operations Corp. operates the continuing care retirement community (“CCRC”) facility Toby & Leon Cooperman Sinai Residences of Boca Raton located in Boca Raton, Florida and is affiliated with the Jewish Federation of South Palm Beach County, a religious organization.

Sinai Residences operates during the fiscal year from September 1 through August 31. As of August 31, 2022, Sinai Residences reported in its Annual Report filed with the OIR: 477 Continuing Care units consisting of 345 Independent Living units, 10 Assisted Living units, 8 Memory Care units, 56 Skilled Nursing units, 54 Rental units, and 4 Other units. As of August 31, 2022, there were 473 individuals reported residing at Sinai Residences. The facility reports, pursuant to a continuing care contract, 355 residents in Independent Living, 15 residents in Assisted Living, and 17 residents in Skilled Nursing. The facility reported 86 residents without a continuing care contract.

SUMMARY OF FINDINGS

Notifications to the OIR

Finding 1:

In six instances, pursuant to Section 651.043(2), Florida Statutes, Sinai Residences failed to notify the OIR, in writing or electronically, of any change in management within 10 business days. For each new management company or manager not employed by a management company, the provider shall submit to the OIR the information required by Section 651.022(2), Florida Statutes.

Finding 2:

In two instances, pursuant to Rule 69O.193.003(6), Florida Administrative Code, Sinai Residences failed to comply with the filing requirements of Section 651.043(2), Florida Statutes, with respect to the information required to be filed under Section 651.022(2), Florida Statutes, for each new management company or manager not employed by a management company.

Financing, Refinancing, and Additional Financing

Finding 3:

In one instance, pursuant to Section 651.019(1)(a), Florida Statutes, Sinai Residences failed to provide a written general outline of the amount and the anticipated terms of any new financing, refinancing, and the intended use of proceeds, to the Residents' Council at least 30 days before the closing date of the financing or refinancing transaction.

Finding 4:

In one instance, pursuant to Section 651.019(2), Florida Statutes, Sinai Residences failed to submit copies of executed financing documents within 30 days after the closing date of such transaction and a copy of all documents required to be submitted to the Residents' Council to the OIR as required.

Quarterly Meetings

Finding 5:

In four instances, pursuant to Section 651.085(1), Florida Statutes, Sinai Residences failed to accurately report the dates in which quarterly meetings were held in the Annual Report as required.

Finding 6:

In two instances, pursuant to Section 651.085(1), Florida Statutes, Sinai Residences failed to provide documentation demonstrating that at least 7 days' advance notice of a quarterly meeting was provided to the residents.

Resident Council Required Disclosures

Finding 7:

In one instance, pursuant to Section 651.091(2)(g), Florida Statutes, Sinai Residences failed to provide documentation demonstrating that a copy of the most recent third-party financial audit filed with the Annual Report was distributed to the President or Chair of the Residents' Council within 30 days after filing the Annual Report with the OIR.

Finding 8:

In one instance, pursuant to Section 651.091(2)(j), Florida Statutes, Sinai Residences failed to provide documentation demonstrating 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 is filed with the OIR.

MINIMUM LIQUID RESERVE

As of August 31, 2022, Sinai Residences had a Minimum Liquid Reserve that was funded in accordance with Section 651.035, Florida Statutes.

SUMMARY OF RECOMMENDATIONS

Notifications to the OIR

Findings 1 and 2: The OIR recommends Sinai Residences ensures the OIR is timely provided information and documentation for managers or management companies, in accordance with requirements of Chapter 651, Florida Statutes and Rule Chapter 69O-193, Florida Administrative Code.

Financing, Refinancing, and Additional Financing

Findings 3 and 4: The OIR recommends that Sinai Residences submits executed financing documents, escrow, or trust agreements prepared in support of such financing or refinancing transaction, to the OIR within 30 days after the closing date of financing, and a copy of all documents required to be submitted to the Residents Council at least 30 days before the closing date of the financing or refinancing transaction, adhering to Section 651.019, Florida Statutes.

Quarterly Meetings with Residents

Finding 5: The OIR recommends Sinai Residences ensures that the dates of quarterly meetings with residents pursuant to Section 651.085(1), Florida Statutes, are properly reported, in accordance with Section 651.026, Florida Statutes.

Finding 6: The OIR recommends Sinai Residences maintains documentation to demonstrate that the statutory required quarterly meetings with residents are properly noticed, in accordance with Section 651.085(1), Florida Statutes.

Resident Council Required Disclosures

Finding 7 and 8: The OIR recommends Sinai Residences establish adequate procedures and controls to ensure that the statutory availability, distribution, and posting of reports and records are distributed to the President or Chair of the Residents' Council, in accordance with Section 651.091(2), Florida Statutes.

CONCLUSION

This Report of Examination is based upon the information provided to the OIR from Sinai Residences and additional research conducted by the OIR.

The following individuals from the Florida Office of Insurance Regulation participated in the examination: Michael Rockwell, Financial Administrator; Steven Waites, Financial Specialist; Al Garabedian, Financial Specialist.

Respectfully submitted,



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Director
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Date Signed: 9/3/24