

**Report on Examination**

**of**

**LCS Sandhill Cove LLC**

**d/b/a**

**Sandhill Cove Retirement Community**

**Palm City, Florida**

**as of**

**December 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 LCS Sandhill Cove LLC d/b/a Sandhill Cove Retirement Community (“Sandhill Cove”), 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 November 8, 2018, through December 31, 2022.

## **COMPANY HISTORY**

LCS Sandhill Cove LLC, a Florida for-profit corporation, was granted a certificate of authority by the OIR to offer continuing care contracts on November 8, 2018. LCS Sandhill Cove LLC operates the continuing care retirement community facility Sandhill Cove Retirement Community, located in Palm City, Florida.

Sandhill Cove operates on the calendar year January 1 through December 31. As of December 31, 2022, Sandhill Cove reported in its Annual Report filed with the OIR: 281 Continuing Care Units consisting of 225 Independent Living Units, 15 Assisted Living Units, 36 Skilled Nursing Units, and 5 Rental Units. As of December 31, 2022, there were 309 individuals reported residing at Sandhill Cove. The facility reports, pursuant to a continuing care contract, 264 residents in Independent Living, 12 residents in Assisted Living and Memory Care, and 9 residents in Skilled Nursing. The facility reported 24 residents without a continuing care contract.

## **SUMMARY OF FINDINGS**

### Quarterly Statements

#### Finding 1:

Four instances, pursuant to Section 651.0261(1), Florida Statutes and Chapter Rule 69O.193.005(2)(a), Florida Administrative Code, Sandhill Cove failed to file the OIR Form OIR-A3-974 within 45 days after the end of the fiscal quarter.

## **MINIMUM LIQUID RESERVE**

As of December 31, 2022, LCS Sandhill Cove LLC had a Minimum Liquid Reserve that was funded in accordance with Section 651.035, Florida Statutes.

## **SUMMARY OF RECOMMENDATIONS**

### Quarterly Statements

Finding 1: The OIR recommends Sandhill Cove establish adequate procedures and controls to ensure that the reporting and filing requirements set forth in Section 651.0261, Florida Statutes, are properly provided to the OIR.

## CONCLUSION

This Report of Examination is based upon the information provided to the OIR from LCS Sandhill Cove LLC d/b/a Sandhill Cove Retirement Community 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; and Al Garabedian, Financial Specialist.

Respectfully submitted,



Carolyn M. Morgan, APIR  
Director  
Life & Health Financial Oversight  
Florida Office of Insurance  
Regulation Date  
Signed: 7/31/24