

Report on Examination

Covenant Living of Florida, Inc.

d/b/a

Covenant Living of Florida

Plantation, FL

as of

September 30, 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 Covenant Living of Florida, Inc. d/b/a Covenant Living of Florida, (“Covenant Living”), 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 February 1, 2017, through September 30, 2022.

COMPANY HISTORY

Covenant Living of Florida, Inc., a Florida not-for-profit corporation, was granted a certificate of authority by the OIR to offer continuing care contracts on June 11, 1980. Covenant Living of Florida, Inc. operates the continuing care retirement community known as Covenant Living of Florida, located in Plantation, Florida. Covenant Living is owned and managed by Covenant Living Communities and Services.

Covenant Living operates on a fiscal year October 1st through September 30th. As of September 30, 2022, Covenant Living reported in its Annual Report filed with the OIR: 399 units, consisting of 296 Independent Living units, 43 Assisted Living and Memory Care units, and 60 Skilled Nursing units. As of that date, there were 374 individuals reported residing at Covenant Living. Pursuant to continuing care contracts, the facility reported 277 residents in Independent Living, 17 residents in Assisted Living and Memory Care, and 12 residents in Skilled Nursing. Additionally, the facility reported 68 residents without a continuing care contract.

SUMMARY OF FINDINGS

Quarterly Meetings with Residents

Finding 1:

In two instances, pursuant to section 651.085(1), Florida Statutes, Covenant Living failed to accurately report the dates in which quarterly meetings were held in the annual report.

Resident Council Required Disclosures

Finding 2:

In two instances, pursuant to section 651.091(2)(g), Florida Statutes, Covenant Living failed to provide documentation demonstrating that a copy of the full annual statement was delivered to the president or chair of the residents' council within 30 days after filing the annual report with the OIR.

Finding 3:

In two instances, pursuant to section 651.091(2)(g), Florida Statutes, Covenant Living failed to provide documentation demonstrating that a copy of the full third-party financial audit was delivered to the president or chair of the residents' council within 30 days after filing the annual report with the OIR.

Finding 4:

In three instances, pursuant to section 651.091(2)(i), Florida Statutes, Covenant Living failed to provide documentation demonstrating that a summary of entrance fees collected, and refunds made during the time period covered in the annual report and the refund balances due at the end of the report period were delivered to the president or chair of the residents' council.

Finding 5:

In 12 instances, pursuant to section 651.091(2)(j), Florida Statutes, Covenant Living failed to provide documentation demonstrating that a copy of each quarterly statement was provided to the president or chair of the residents' council within 30 days after the quarterly statement is filed with the OIR.

Notifications to the OIR

Finding 6:

In eight instances, pursuant to Rule 69O.193.058(3), Florida Administrative Code, Covenant Living failed to timely provide information and documentation for managers, board members, or management companies, in accordance with requirements of Chapter 651, Florida Statutes and Rule Chapter 69O-193, Florida Administrative Code.

MINIMUM LIQUID RESERVE

As of September 30, 2022, Covenant Living had a Minimum Liquid Reserve that was funded in accordance with section 651.035, Florida Statutes.

SUMMARY OF RECOMMENDATIONS

Quarterly Meetings with Residents

Finding 1: The OIR recommends that Covenant Living 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(2)(d), Florida Statutes.

Resident Council Required Disclosures

Findings 2, 3, 4, and 5: The OIR recommends that Covenant Living establish adequate procedures and controls to ensure 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.

Notifications to the OIR

Finding 6 : The OIR recommends that Covenant Living establish adequate procedures and controls to ensure the timely notification of all applicable information to the OIR.

CONCLUSION

This Report of Examination is based upon the information provided to the OIR from Covenant Living 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,



Carolyn M. Morgan
Director
Life & Health Financial Oversight
Florida Office of Insurance
Regulation Date Signed: 2/5/26