

Report on Examination

of

Palm Shores Retirement Community, Inc.

d/b/a

Westminster Palms

St. Petersburg, FL

as of

March 31, 2023



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SCOPE OF EXAMINATION

The Florida Office of Insurance Regulation (“OIR”), Life & Health Financial Oversight unit, conducted a routine examination of Palm Shores Retirement Community, Inc. d/b/a Westminster Palms (“Westminster Palms”), 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 March 31, 2023.

COMPANY HISTORY

Palm Shores Retirement Community, Inc., a Florida not-for-profit corporation, was granted a certificate of authority by the OIR to offer continuing care contracts on January 15, 1980. Palm Shores Retirement Community operates Westminster Palms, a continuing care retirement community (CCRC) facility located in St. Petersburg, Florida. Palm Shores Retirement Community is managed by Westminster Services, Inc., an affiliated entity.

Palm Shores Retirement Community, Inc. operates during the fiscal year from April 1 through March 31. As of March 31, 2023, Westminster Palms reported in its Annual Report filed with the OIR: 257 Continuing Care Units consisting of 147 Independent Living, 34 Assisted Living, 32 Skilled Nursing, and 44 Rental. As of March 31, 2023, there were 263 individuals reported residing at Westminster Palms. The facility reports 196 individuals pursuant to a continuing care contract, which consists of 171 residents in independent living, 17 residents in assisted living and memory care, and 8 residents in skilled nursing. The facility also reported 67 residents without a continuing care contract, 18 residents in independent living, 26 residents in assisted living and memory care, and 23 in skilled nursing.

SUMMARY OF FINDINGS

Notifications to the OIR

Finding 1:

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

Finding 2:

In six instances, pursuant to Section 651.026(2)(a), Florida Statutes, Westminster Palms failed to notify the OIR of any change in status 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.

Finding 3:

In 12 instances, pursuant to Section 651.043(2), Florida Statutes, Westminster Palms failed to provide notification to the OIR in writing or electronically of any change in management within 10 business days.

Required Disclosures

Finding 4:

In four instances, pursuant to Section 651.091(2)(i), Florida Statutes, Westminster Palms failed to provide documentation demonstrating that a copy of each Quarterly Report was delivered to the President or Chair of the Residents' Council within 30 days after the quarterly statement is filed with the OIR.

Finding 5:

In one instance, pursuant to Section 651.091(2)(f), Florida Statutes, for 2020, Westminster Palms failed to provide documentation demonstrating that a copy of the full Annual Report was distributed to the President or Chair of the Residents' Council within 30 days after filing the annual statement with the OIR.

Finding 6:

In one instance, pursuant to Section 651.091(2)(f), Florida Statutes, for 2020, Westminster Palms failed to provide documentation demonstrating that a copy of the most recent third-party financial audit filed with the annual statement was distributed to the President or Chair of the Residents' Council within 30 days after filing the annual statement with the OIR.

Finding 7:

In one instance, pursuant to Section 651.091(2)(h), Florida Statutes, for 2020, Westminster Palms failed to provide documentation demonstrating that a summary of entrance fees collected, and refunds made during the time-period covered in the annual statement, and the refund balances due at the end of the report period, was given to the President or Chair of the Residents' Council.

Finding 8:

In four instances, pursuant to Section 651.085(3), Florida Statutes, Westminster Palms failed to provide documentation demonstrating that the designated resident representative was notified by the provider at least 14 days of any meeting of the full governing body at which the annual budget and proposed changes or increases in resident fees or services are on the agenda or will be discussed.

Posting of Records

Finding 9:

In one instance, pursuant to Section 651.091(2)(b), Florida Statutes, Westminster failed to post in a prominent position in the facility which is accessible to all residents and the general public a concise summary of the last examination report issued by the office, with references to the page numbers of the full report noting any deficiencies found by the office, and the actions taken by the provider to rectify such deficiencies, indicating in such summary where the full report may be inspected in the facility.

Finding 10:

In one instance, pursuant to Section 651.091(2)(f): Florida Statutes, Westminster Palms failed to post in a prominent position in the facility which is accessible to all residents and the general public a summary of the latest annual statement, indicating in the summary where the full annual statement may be inspected in the facility. Along with a listing of any proposed changes in policies, programs, and/or services was posted in a conspicuous place inside the facility.

Quarterly Meetings

Finding 11:

In 11 instances, pursuant to Section 651.085(1), Florida Statutes, Westminster Palms failed to accurately report the dates on which quarterly meetings were held in the Annual Report required under Section 651.026, Florida Statutes.

Finding 12:

In 12 instances, pursuant to Section 651.085(1), Florida Statutes, Westminster Palms failed to provide documentation to demonstrate that at least 7 days' advance notice of a quarterly meeting was provided to the residents.

MINIMUM LIQUID RESERVE

As of December 31, 2022, Westminster Palms 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, 2, and 3: The OIR recommends Westminster Palms 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.

Resident Council Required Disclosures

Findings 4, 5, 6, 7, and 8: The OIR recommends Westminster Palms 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.

Posting of Records

Findings 9 and 10: The OIR recommends Westminster Palms post in a prominent position in the facility which is accessible to all residents and the general public, the items outlined in Section 651.091(2), Florida Statutes.

Quarterly Meetings with Residents

Finding 11: The OIR recommends Westminster Palms 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.

Finding 12: The OIR recommends Westminster Palms maintains documentation to demonstrate that the statutory quarterly meetings with residents are properly notified, in accordance with Section 651.085(1), Florida Statutes.

CONCLUSION

This Report of Examination is based upon the information provided to the OIR by Palms Shores Retirement Community, Inc. 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
Life & Health Financial Oversight
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Date Signed: 11/5/24