

Report on Examination

of

Westminster Shores, Inc.

d/b/a

Westminster Shores

Orlando, FL

as of

March 31, 2023



Contents

Scope of Examination	1
Company History.....	1
Summary of Findings	2
Minimum Liquid Reserve	4
Summary of Recommendations.....	5
Conclusion	7

SCOPE OF EXAMINATION

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

Westminster Shores, Inc., a Florida not-for-profit corporation, was granted a certificate of authority by the OIR to offer continuing care contracts on February 15, 1980. Westminster Shores, Inc. operates the continuing care retirement community (“CCRC”) facility Westminster Shores located in Orlando, Florida and is managed by Westminster Services, Inc., an affiliated entity.

Westminster Shores, Inc. operates during the fiscal year from April 1 through March 31. As of March 31, 2023, Westminster Shores reported in its Annual Report filed with the OIR: 348 units consisting of 224 Independent Living units, 89 Assisted Living units, and 35 Rental units. As of March 31, 2023, there were 326 individuals reported residing at Westminster Shores. The facility reports, pursuant to a continuing care contract, 270 residents in Independent Living and 16 residents in Assisted Living. The facility reported 40 residents pursuant to a rental agreement.

SUMMARY OF FINDINGS

Notifications to the OIR

Finding 1:

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

Finding 2:

In two instances, pursuant to Sections 651.026(5), Florida Statutes, and Rule 69O-193.005(3), Florida Administrative Code, Westminster Shores failed to submit the Annual Report within 120 days of the last day of the fiscal year of the provider.

Finding 3:

In four instances, pursuant to Section 651.0261(1), Florida Statutes, and Rule Chapter 69O-193.005(2), Florida Administrative Code. Westminster Shores failed to submit quarterly filings within 45 days after the end of that fiscal quarter.

Complaints

Finding 4:

In one instance, pursuant to Section 626.9541(1)(j), Florida Statutes, Westminster Shores failed to provide documentation demonstrating that a complete record of all complaints was maintained since the date of the last examination. For purposes of this paragraph, "complaint" means any written communication primarily expressing a grievance.

Resident Council Required Disclosures

Finding 5:

In two instances, pursuant to Sections 651.091(2)(g), Florida Statutes, Westminster Shores failed to provide documentation to demonstrate that a copy of the full annual statement, was distributed to the President or Chair of the Residents' Council within 30 days after filing the Annual Report with OIR.

Finding 6:

In three instances, pursuant to Section 651.091(2)(g), Florida Statutes, Westminster Shores 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 7:

In two instances, pursuant to Section 651.091(2)(i), Florida Statutes, Westminster Shores failed to provide documentation demonstrating that a summary of entrance fees collected, and refunds made during the time period covered in the Annual Reports and the refund balances due at the end of the report period was delivered to the President or Chair of the Residents' Council.

Finding 8:

In eight instances, pursuant to Section 651.091(2)(j), Florida Statutes, Westminster Shores failed to provide documentation demonstrating that a copy of each 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.

Quarterly Meetings

Finding 9:

In two instances, pursuant to Section 651.085(4), Florida Statutes, Westminster Shores failed to provide documentation showing that, at a quarterly meeting before implementing any increase in the monthly maintenance fee that exceeds the most recently published Consumer Price Index for All Urban Consumers, All Items, Class A Areas of the Southern Region, they presented the reasons for the increase broken down by department cost center.

Finding 10:

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

MINIMUM LIQUID RESERVE

As of March 31, 2023, Westminster Shores had a Minimum Liquid Reserve that was funded in accordance with Section 651.035, Florida Statutes.

SUMMARY OF RECOMMENDATIONS

Notifications to the OIR

Finding 1: The OIR recommends Westminster Shores 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.

Annual and Quarterly Filings

Findings 2 and 3: The OIR recommends that Westminster Shores submit the annual and quarterly filings within the appropriate timeframes, in accordance with Sections 651.026, Section 651.0261, Florida Statutes, and Rule 69O-193.005, Florida Administrative Code.

Complaints

Finding 4: The OIR recommends that Westminster Shores maintains a complete record of all complaints received since the date of this examination.

Resident Council Required Disclosures

Finding 5, 6, 7, and 8: The OIR recommends Westminster Shores 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.

Quarterly Meetings with Residents

Finding 9: The (OIR) recommends that Westminster Shores maintain documentation showing that, at a quarterly meeting before implementing any increase in the monthly maintenance fee, it provides the reasons for the increase by department cost centers. This is required for any fee increase that exceeds the most recently published Consumer Price Index for All Urban Consumers, All Items, Class A Areas of the Southern Region, as required pursuant to Section 651.085(4), Florida Statutes.

Finding 10: The OIR recommends Westminster Shores maintains documentation to demonstrate that the statutory required quarterly meetings with residents are properly noticed, in accordance with Section 651.085(1), Florida Statutes.

CONCLUSION

This Report of Examination is based upon the information provided to the OIR from Westminster Shores 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, APIR
Director
Life & Health Financial Oversight
Florida Office of Insurance Regulation
Date Signed: 11/5/24