

Report on Examination

of

ACTS Retirement-Life Communities, Inc.

d/b/a

Azalea Trace

Pensacola, FL

as of

December 31, 2024



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SCOPE OF EXAMINATION

The Florida Office of Insurance Regulation (“OIR”), Life & Health Financial Oversight Unit, conducted a routine examination of ACTS Retirement-Life Communities, Inc. d/b/a Azalea Trace (“Azalea Trace”), 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, Rule Chapter 69O-193, and Rule 69O-136.042, Florida Administrative Code. The examination covered the period of January 1, 2022, to December 31, 2024.

COMPANY HISTORY

ACTS Retirement-Life Communities, Inc., a Florida not-for-profit corporation, was granted a certificate of authority by the OIR to offer continuing care contracts on August 5, 1982. The organization operates the continuing care retirement community (“CCRC”) facility known as Azalea Trace, located in Pensacola, Florida. Azalea Trace is managed by ACTS Retirement-Life Communities Management, LLC., an affiliated entity.

Azalea Trace operates on a calendar-year basis from January 1 through December 31. As of December 31, 2024, Azalea Trace reported in its Annual Report filed with the OIR: 486 Continuing Care Units consisting of 350 Independent Living Units, 54 Assisted Living Units, and 82 Skilled Nursing Units. At that time, there were 524 individuals residing at ACTS Retirement-Life Communities. The facility reported, pursuant to a continuing care contract, 442 residents in Independent Living, 38 residents in Assisted Living and Memory Care, and 32 residents in Skilled Nursing. Additionally, the facility reported 12 residents without a continuing care contract.

SUMMARY OF FINDINGS

Resident Council Required Disclosures

Finding 1:

In two instances, pursuant to section 651.081(2)(a), Florida Statutes, Azalea Trace failed to provide documentation demonstrating that the newly elected President or Chair of the Residents' Council received a copy of Chapter 651 within 30 days after the election.

Finding 2:

In one instance, pursuant to section 651.091(2)(d), Florida Statutes, Azalea Trace failed to provide documentation demonstrating that a notice was given to the President or Chair of the Residents' Council within 10 business days after issuance of a final examination report by the OIR.

Annual and Quarterly Filings

Finding 3:

In one instance, pursuant to section 651.026(5), Florida Statutes, and Rule 69O-193.005(3), Florida Administrative Code, Azalea Trace failed to file its Annual Report on Form OIR-A3-470 within 120 days of the last day of the provider's fiscal year.

Finding 4:

In three instances, pursuant to section 651.0261(1), Florida Statutes, and Rule 69O-193.005(2), Florida Administrative Code, Azalea Trace failed to submit its quarterly unaudited financial statement on Form OIR-A3-974 within 45 days after the end of each fiscal quarter.

Notifications to the OIR

Finding 5:

In seven instances, pursuant to section 651.043(2), Florida Statutes, Azalea Trace failed to notify the OIR, in writing or electronically, of a change in management within 10 business days.

Disclosure Documents

Finding 6:

In four instances, pursuant to section 651.091(3), Florida Statutes, Azalea Trace failed to make full disclosure to a prospective resident, or their legal representative the information outlined in sections 651.091(3)(f), and 651.091(3)(m), Florida Statutes.

MINIMUM LIQUID RESERVE

As of December 31, 2024, Azalea Trace maintained a Minimum Liquid Reserve that was funded in accordance with section 651.035, Florida Statutes.

SUMMARY OF RECOMMENDATIONS

Resident Council Required Documents

Findings 1 and 2: The OIR recommends that Azalea Trace establish adequate procedures and controls to ensure the statutory distribution and availability of reports and records to the President or Chair of the Residents' Council, in compliance with sections 651.081 and 651.091, Florida Statutes.

Annual and Quarterly Filings

Findings 3 and 4: The OIR recommends that Azalea Trace submit annual and quarterly filings within the required timeframes, as specified in sections 651.026 and 651.0261, Florida Statutes, and Rule 69O-193.005, Florida Administrative Code.

Notifications to the OIR

Finding 5: The OIR recommends that Azalea Trace ensure timely submission of documentation and notifications to the OIR regarding changes in managers or management companies, in accordance with Chapter 651, Florida Statutes, and Rule Chapter 69O-193, Florida Administrative Code.

Disclosure Documents

Finding 6: The OIR recommends that Azalea Trace makes full disclosure to all prospective residents, or their legal representatives the information as outlined in section 651.091(3), Florida Statutes.

CONCLUSION

This Report of Examination is based upon the information provided to the OIR from Azalea Trace and on 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: 10/22/25