

**Report on Examination**

**of**

**Mease Life, Inc.**

**Dunedin, FL**

**as of**

**December 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 Mease Life, Inc. d/b/a Mease Life, 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 January 1, 2021, through December 31, 2023.

## **COMPANY HISTORY**

Mease Life, Inc., a Florida not-for-profit corporation, was granted a certificate of authority by the Office of Insurance Regulation (“OIR”) to offer continuing care contracts on February 15, 1980. Until September 30, 2023, Mease Life operated a continuing care retirement community (“CCRC”) facility located in Dunedin, Florida.

Effective October 1, 2023, ACTS Retirement-Life Communities, Inc. (“ACTS”), a Pennsylvania not-for-profit corporation, became the sole member of Mease Life through its wholly owned subsidiary, ACTS Acquisition and Development Company, LLC.

In March 2025, Mease Life was admitted as a member of the ACTS Obligated Group, which includes ACTS and ACTS Management Services. Concurrently with the closing under the agreement, Mease Life entered into a management agreement with ACTS Retirement-Life Communities Management, LLC, a related entity of ACTS. Under this agreement, the Manager provides management, marketing, financial, development, and administrative services to the community.

Mease Life operates on a fiscal year from January 1 through December 31. According to its Annual Report filed with the OIR, as of December 31, 2023, Mease Life included 406 continuing care units: 127 Independent Living Units, 62 Skilled Nursing Units, and 217 Rental Units. At that time, 470 individuals resided at the facility. Of those, 127 individuals—residing in Independent Living—were covered by continuing care contracts. The facility also reported 229 residents not under continuing care contracts.

## **SUMMARY OF FINDINGS**

### Minimum Liquid Reserve

#### Finding 1:

In one instance, pursuant to section 651.011(16)(b), Florida Statutes, Mease Life was impaired as of September 30, 2021, as the provider's Days Cash on Hand was less than 90 and Debt Service Coverage Ratio was less than 1.00:1.

#### Finding 2:

In one instance, pursuant to section 651.035(10), Florida Statutes, Mease Life failed to fund the increase in the Minimum Liquid Reserve within 61 days after the date the Minimum Liquid Reserve Calculation was due in accordance with the filing requirements outlined in section 651.026, Florida Statutes.

#### Finding 3:

In two instances, pursuant to section 651.035(11), Florida Statutes, Mease Life failed to fund the Minimum Liquid Reserve shortfall within 10 business days after the end of any fiscal quarter due to a change in the market value of the invested funds.

### Quarterly Meetings with Residents

#### Finding 4:

In two instances, pursuant to section 651.085(1), Florida Statutes, Mease Life failed to accurately report the dates on which quarterly meetings were held in the Annual Report.

#### Finding 5:

In three instances, pursuant to section 651.085(3), Florida Statutes, Mease Life failed to provide documentation demonstrating that the designated representative was notified at least 14 days in advance of any meeting of the full governing body at which proposed changes in resident fees or services will be discussed. The representative shall be invited to attend and participate in that portion of the meeting designated for the discussion of such changes.

### Resident Council Required Disclosures

#### Finding 6:

In one instance, pursuant to section 651.091(2)(c), Florida Statutes, Mease Life failed to provide documentation demonstrating that “a notice containing the contact information for the office and the Division of Consumer Services of the department and stating that the division or office may be contacted for the submission of inquiries and complaints with respect to potential violations of this chapter committed by a provider. Such contact information must include the division’s website and the toll-free consumer helpline and the OIR’s website and telephone number.”

#### Finding 7:

In one instance, pursuant to section 651.091(2)(b), Florida Statutes, Mease Life failed to provide documentation demonstrating that a concise summary of the most recent examination report issued by the OIR was posted in a prominent location within the facility accessible to all residents and the general public. The summary is required to include references to the page numbers of the full report

noting any deficiencies identified by the OIR, the actions taken by the provider to address those deficiencies, and an indication of where the full report may be inspected within the facility.

Finding 8:

In two instances, pursuant to section 651.081(2), Florida Statutes, Mease Life failed to provide documentation demonstrating that, within 30 days following the election of a new President or Chair of the Residents' Council, the provider either provided the newly elected individual with a copy of Chapter 651, Florida Statutes, and the rules adopted thereunder, or directed them to the appropriate public website to obtain this information.

Finding 9:

In one instance, pursuant to section 651.091(2)(d), Florida Statutes, Mease Life failed to provide documentation demonstrating notice was given to the President or Chair of the Residents' Council within 10 business days after issuance of a final examination report or the initiation of any legal or administrative proceeding by the OIR or the department.

Finding 10:

In two instances, pursuant to section 651.091(2)(g), Florida Statutes, Mease Life failed to provide documentation demonstrating 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 the OIR, and that a designated staff person was made available to provide an explanation of the report.

Finding 11:

In two instances, pursuant to section 651.091(2)(h), Florida Statutes, Mease Life failed to provide documentation demonstrating that the information described in section 651.085(4), Florida

Statutes, was delivered in writing to the President or Chair of the Residents' Council and make supporting documentation upon request.

Finding 12:

In two instances, pursuant to section 651.091(2)(i), Florida Statutes, Mease Life 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 13:

In eight instances, pursuant to section 651.091(2)(j), Florida Statutes, Mease Life 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.

Disclosure Documents

Finding 14:

In three instances, pursuant to section 651.091(3), Florida Statutes, Mease Life failed to make full disclosure to the prospective resident or his or her legal representative the information outlined in section 651.091(3)(b), 651.091(3)(i), and 651.091(3)(k), Florida Statutes.

Financing, Refinancing, and Additional Financing

Finding 15:

In one instance, pursuant to section 651.019(1), Florida Statutes, Mease Life failed to provide documentation to demonstrate that a general outline of the amount and the anticipated terms of

any new financing or refinancing, and the intended use of proceeds, to the residents' council at least 30 days before the closing date of the financing or refinancing transaction.

Finding 16:

In one instance, pursuant to section 651.019(2), Florida Statutes, Mease Life failed to submit to the OIR copies of executed financing documents, escrow or trust agreements prepared in support of such financing or refinancing transaction, and a copy of all documents required to be submitted to the residents' council within 30 days of the closing date of such financing transaction.

Annual and Quarterly Filings

Finding 17:

In three instances, pursuant to section 651.0261(1), Florida Statutes, and Rule 69O-193.005(2), Florida Administrative Code, Mease Life failed to file the quarterly report on Form OIR-A3-974 within 45 days after the end of a fiscal quarter.

Finding 18:

In three instances, pursuant to section 651.026(1), Florida Statutes, and Rule 69O-193.005(3), Florida Administrative Code, Mease Life failed to submit the Annual Report on Form OIR-A3-470 within 120 days of the last day of the preceding fiscal year.

Notifications to the OIR

Finding 19:

In one instance, pursuant to Rule 69O.136.042(6), Florida Administrative Code (January 17, 2024, Formerly 69O-193.003), Mease Life failed to submit the required documentation to comply with the filing requirements of section 651.043(2), Florida Statutes, 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.

### **MINIMUM LIQUID RESERVE**

As of December 31, 2023, Mease Life had a Minimum Liquid Reserve that was funded in accordance with section 651.035, Florida Statutes.

### **SUMMARY OF RECOMMENDATIONS**

#### Minimum Liquid Reserve

Findings 1, 2, and 3: The OIR recommends Mease Life establish adequate procedures and controls to ensure that the statutory required Minimum Liquid Reserve remains funded in accordance with section 651.035, Florida Statutes.

#### Quarterly Meetings with Residents

Finding 4: The OIR recommends Mease Life ensures that the dates of quarterly meetings with residents pursuant to section 651.085(1), Florida Statutes, are accurately reported, in accordance with section 651.026(2)(d), Florida Statutes.

Finding 5: The OIR recommends that Mease Life establishes adequate procedures and controls to ensure that the designated representative is properly notified in accordance with section 651.085(3), Florida Statutes.

### Resident Council Required Disclosures

Findings 6, 7, 8, 9, 10, 11, 12, and 13: The OIR recommends that Mease Life 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, Florida Statutes.

### Disclosure Documents

Finding 14: The OIR recommends that Mease Life strengthen its compliance procedures to ensure full disclosure is made to prospective residents and their legal representatives, in accordance with section 651.091, Florida Statutes.

### Financing, Refinancing, and Additional Financing

Finding 15 and 16: The OIR recommends that Mease Life establishes adequate procedures and controls to ensure that financing transactions are properly notified to the Residents' Council and closing documents are submitted to the OIR within the statutorily required timeframes, in accordance with section 651.019, Florida Statutes.

### Annual and Quarterly Filings

Findings 17 and 18: The OIR recommends that Mease Life submit the annual and quarterly filings within the appropriate timeframes, in accordance with section 651.026, section 651.0261, Florida Statutes, and Rule 69O-193.005, Florida Administrative Code.

### Notifications to the OIR

Finding 19: The OIR recommends that Mease Life ensure the OIR is provided with timely information and documentation regarding managers or management companies, in accordance

with the requirements of Chapter 651, Florida Statutes, and Rule Chapter 69O-193, Florida Administrative Code.

### **CONCLUSION**

This Report of Examination is based upon the information provided to the OIR from Mease Life, 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,



Carolyn M. Morgan, Director  
Life & Health Financial Oversight  
Florida Office of Insurance Regulation  
Date Signed: 12/4/25