

Report on Examination

of

CCRC – South Port Square, LLC

d/b/a

South Port Square

Port Charlotte, 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 CCRC – South Port Square, LLC (“South Port Square”), 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 690-193, Florida Administrative Code. The examination covered the period of January 1, 2021, through December 31, 2023.

COMPANY HISTORY

CCRC – South Port Square, LLC, a Delaware for-profit limited liability company was granted a certificate of authority by the OIR to offer continuing care contracts on December 12, 2014. CCRC – South Port Square, LLC operates the continuing care retirement community (“CCRC”) facility located in Port Charlotte, Florida and is managed by Life Care Services, LLC.

South Port Square operates on a calendar year from January 1 through December 31. As of December 31, 2023, South Port Square reported in its Annual Report filed with the OIR: 660 Units consisting of 406 Independent Living Units, 41 Assisted Living Units, 14 Memory Care Units, 120 Skilled Nursing Units, and 79 Rental Units. As of December 31, 2023, there were 569 individuals reported residing at South Port Square. The facility reports, pursuant to a continuing care contract, 334 residents in Independent Living, 48 residents in Assisted Living and Memory Care, and 16 residents in Skilled Nursing. The facility reported 171 residents without a continuing care contract.

SUMMARY OF FINDINGS

Resident Council Required Disclosures

Finding 1:

In one instance, pursuant to section 651.081(2)(a), Florida Statutes, South Port Square 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.

Finding 2:

In two instances, pursuant to section 651.085(3), Florida Statutes, South Port Square failed to provide documentation demonstrating that the designated resident representatives were 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.

Finding 3:

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

Finding 4:

In two instances, pursuant to section 651.091(2)(g), Florida Statutes, South Port Square failed to provide documentation demonstrating that a copy of the most recent third-party financial audit filed with the Annual Report was given to the president or chair of the residents' council within 30 days after filing the Annual Report with the OIR.

Finding 5:

In two instances, pursuant to section 651.091(2)(h), Florida Statutes, South Port Square failed to provide documentation demonstrating that the information described in section 651.085(4), Florida Statutes, was provided in writing to the president or chair of the residents' council.

Finding 6:

In two instances, pursuant to section 651.091(2)(i), Florida Statutes, South Port Square 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 was given to the president or chair of the residents' council.

Finding 7:

In six instances, pursuant to section 651.091(2)(j), Florida Statutes, South Port Square 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 with Residents

Finding 8:

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

Minimum Liquid Reserve

Finding 9:

In one instance, pursuant to section 651.035(11), Florida Statutes, South Port Square 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.

Finding 10:

In one instance, pursuant to section 651.011(16)(a), Florida Statutes, South Port Square was Impaired as the facility failed to maintain its minimum liquid reserve as required under section 651.035, Florida Statutes

MINIMUM LIQUID RESERVE

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

SUMMARY OF RECOMMENDATIONS

Resident Council Required Disclosures

Findings 1 - 7: The OIR recommends that South Port Square 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.

Quarterly Meetings with Residents

Finding 8: The OIR recommends that South Port Square 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.

Minimum Liquid Reserve

Findings 9 and 10: The OIR recommends that South Port Square establish adequate procedures and controls to ensure that the statutory required Minimum Liquid Reserve remains funded in accordance with section 651.035, Florida Statutes.

CONCLUSION

This Report of Examination is based upon the information provided to the OIR from South Port Square 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: 4/29/25