



THE STATE OF FLORIDA

OFFICE OF INSURANCE REGULATION MARKET INVESTIGATIONS

MARKET CONDUCT FINAL EXAMINATION REPORT

OF

CARPENTER'S HOME ESTATES, INC.

AS OF

December 31, 2012

FLORIDA COMPANY CODE 88132

TABLE OF CONTENTS

Executive Summary.....	1
Purpose and Scope.....	2
Company Operations.....	2
Amended By-laws.....	2
Examination Final Report Submission.....	3

EXECUTIVE SUMMARY

Pursuant to the provisions of Section 651.105, Florida Statutes, an examination was conducted of the books, records, and affairs of Carpenter's Home Estates, Inc. The scope period of the examination was January 1, 2009 through December 31, 2012. The following table represents general findings; however, specific details are found in each section of the report.

TABLE OF TOTAL VIOLATIONS

Statute or Rule Cite	Description	Total Files (for scope period)	Files Reviewed	Number of Violations
Section 651.026(2)(a), Florida Statutes	Carpenter's Home Estates amended and restated its By-laws and failed to notify the Office of the amendment.	16	16	1

PURPOSE AND SCOPE OF EXAMINATION

The Office of Insurance Regulation (Office), Market Investigations unit, conducted a routine market conduct examination of Carpenter's Home Estates, Inc. pursuant to Section 651.105, Florida Statutes. The scope period of this examination was January 1, 2009 through December 31, 2012.

The objective of the examination was to determine the extent of compliance with the provisions of Chapter 651, Florida Statutes and Chapter 690-193, Florida Administrative Code Rules. This market conduct examination did not encompass a financial compliance examination.

This Final Report is based upon information from the examiner's draft report, additional research conducted by the Office, and additional information provided by Carpenter's Home Estates. This report is a report by exception, and the information within has been limited to identification of exceptions, errors or unusual problems noted during the examination.

COMPANY OPERATIONS

Carpenter's Home Estates is a Florida not-for-profit corporation located in Lakeland, Florida. Carpenter's Home Estates was granted a certificate of authority by the Office to offer continuing care contracts on February 17, 1986. As of December 31, 2011, Carpenter's Home Estates reported 373 Continuing Care units that consisted of 324 Independent Living units and 49 Assisted Living units. In addition, there were 72 Skilled Nursing units that consisted of 60 Community Beds and 12 Sheltered Beds. There were also 42 Rental Units reported at the community. As of the same date, there were 440 individuals reported residing at this facility: 390 residents pursuant to Continuing Care Contracts; 37 individuals pursuant to Rental Agreements; and 13 Skilled Nursing-Community patients (non-CCRC).

AMENDED BY-LAWS

Minutes from the Board of Directors meetings held during the scope period of examination were reviewed for items of significance and items which require notification to the Office.

Findings:

Section 651.026, Florida Statutes sets forth the requirements for the filing and content of annual reports to be submitted to the Office by Providers. Section 651.026(2)(a), Florida Statutes provides in pertinent part that the annual report shall contain any change of status with respect to the information required to be filed under Section 651.022(2), Florida Statutes. Section 651.022(2)(a), Florida Statutes, addresses organizational documents to include by-laws.

AMENDED BY-LAWS (Continued)

Carpenter's Home Estates amended and restated its by-laws at the October 29, 2012 Board of Directors meeting and failed to notify the Office, as required by Section 651.026, Florida Statutes.

Specifically, in the Interrogatories filed with the Office for the period ending December 31, 2012, Carpenter's Home Estates responded "NO" to interrogatory No. 2, which asks in pertinent part if there have been any changes to the organizational documents, including by-laws, since the last submission.

Subsequent Event: Carpenter's Home Estates submitted a copy of the amended by-laws during the course of this examination.

Recommendation: The Office recommends Carpenter's Home Estates establish adequate procedures to ensure the Office is timely notified of changes to its organizational documents.

EXAMINATION FINAL REPORT SUBMISSION

The Office hereby issues this Final Report based upon information from the examiner's draft report, additional research conducted by the Office, and additional information provided by Carpenter's Home Estates, Inc.