



THE STATE OF FLORIDA

OFFICE OF INSURANCE REGULATION MARKET INVESTIGATIONS

MARKET CONDUCT FINAL EXAMINATION REPORT

OF

CC - AVENTURA, INC.

D/B/A

VI AT AVENTURA

AS OF

December 31, 2012

FLORIDA COMPANY CODE 88173

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PURPOSE AND SCOPE OF EXAMINATION

The Office of Insurance Regulation (Office), Market Investigations unit, conducted a periodic market conduct examination of CC-Aventura, Inc. d/b/a Vi at Aventura (hereinafter "Vi at Aventura") pursuant to Section 651.105, Florida Statutes. The scope period of this examination was January 1, 2010 through December 31, 2012. The on-site and desk examination procedures were completed on October 16, 2013.

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 Vi at Aventura. 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

Vi at Aventura, a for-profit, Delaware Limited Liability Company, was granted a certificate of authority by the Office to offer continuing care contracts on March 2, 2001. Vi at Aventura is located in Aventura, Florida. As of December 31, 2012, Vi at Aventura reported 273 Continuing Care Units, consisting of 247 Independent Living Units and 26 Assisted Living Units. In addition, there were 40 Skilled Nursing Units, all of which were classified as Sheltered Beds. There were no Rental Units reported at the community. As of the same reporting period, there were 243 individuals residing at this community.

REQUIRED DISCLOSURES

Vi at Aventura provided a list containing the 66 continuing care contracts executed during the scope period of the examination. A random sample consisting of 39 contracts was selected from the list and tested for compliance with Sections 651.055(4) and 651.091(3), Florida Statutes.

Findings:

Section 651.055(4), Florida Statutes, provides in pertinent part that before the transfer of any money or other property to a provider by or on behalf of a prospective resident, the provider shall present a copy of the contract to the prospective resident and all other parties to the contract. The statute further provides that the provider secure a signed and dated statement from each party to the contract certifying that a copy of the contract with the specified attachments was received.

1. **In 27 instances Vi at Aventura failed to timely provide a copy of the continuing care contract and obtain a signed statement from each party to the contract that a copy of the contract had been provided prior to the transfer of money or other property as required by Section 651.055(4), Florida Statutes.**

REQUIRED DISCLOSURES (Continued)

- 1a. **Recommendation:** The Office recommends Vi at Aventura establish adequate procedures to ensure a signed and dated statement is secured from each party to the contract certifying that a copy of the contract was properly received.

Findings:

In addition, effective July 1, 2010 Section 651.091(3)(h), Florida Statutes, require the provider to include as a required disclosure document, a copy of Section 651.071, Florida Statutes, entitled "Contracts as preferred claims on liquidation or receivership." Of the 39 contracts in the sample, 34 contracts were entered into on or after July 1, 2010. All 34 contracts were reviewed to determine compliance with disclosure requirements of Section 651.091(3)(h), Florida Statutes.

2. **In seven instances Vi at Aventura failed to provide as a required disclosure, a copy of Section 651.071, Florida Statutes, as required by Section 651.091(3)(h), Florida Statutes.**

- 2a. **Recommendation:** The Office recommends Vi at Aventura establish adequate procedures and controls to promptly address statutory changes, to include changes in required disclosures to prospective residents or their legal representative.

FEE INCREASES

Maintenance fee increase notices to residents for the years 2010, 2011 and 2012, were reviewed for compliance with Section 651.055(1) (i), Florida Statutes.

Findings:

Section 651.055(1)(i), Florida Statutes, provides in pertinent part that the provider shall provide residents advance notice of at least 60 days of any changes in fees.

Vi at Aventura failed to provide residents at least 60 days notice of a fee increase for the year 2010, as required by Section 651.055(1)(i), Florida Statutes. The examination revealed that in 2010, proper notice of the maintenance fee increase was not provided to residents. The fee increase notice was dated December 29, 2009 for an increase that became effective 34 days later on February 1, 2010.

Recommendation: The Office recommends Vi at Aventura establish adequate procedures to ensure that residents receive proper notice of fee increases.

QUARTERLY MEETINGS WITH RESIDENTS

The quarterly meeting agendas, notices to residents, minutes, and the dates of the meetings contained in the annual reports filed for the scope period were reviewed for compliance with Section 651.085, Florida Statutes.

Findings:

Section 651.085(1), Florida Statutes, states in pertinent part that the governing body of the provider or the designated representative of the provider shall hold quarterly meetings with residents and that, residents are entitled to at least seven days advance notice of each quarterly meeting.

In three instances Vi at Aventura failed to provide documentation to demonstrate residents were provided with at least seven days advance notice of quarterly meetings held March 3, 2011, September 1, 2011 and November 15, 2012; as required by Section 651.085(1), Florida Statutes.

Recommendation: The Office recommends Vi at Aventura establish adequate procedures to ensure that residents receive proper notice of quarterly resident meetings and maintain documentation of proper notice.

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 Vi at Aventura.