

**FINANCIAL SERVICES COMMISSION**  
**Office of Insurance Regulation**  
**Materials Available on the Web at:**  
<http://www.floir.com/Sections/GovAffairs/FSC.aspx>

**December 3, 2019**

**MEMBERS**  
**Governor Ron DeSantis**  
**Attorney General Ashley Moody**  
**Chief Financial Officer Jimmy Patronis**  
**Commissioner Nicole “Nikki” Fried**

**Contact: Derek Silver**  
**(850-413-2429)**

9:00 A.M.  
LL-03, The Capitol  
Tallahassee, Florida

<b>ITEM</b>	<b>SUBJECT</b>	<b>RECOMMENDATION</b>
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1. Request for Approval of Minutes of the Financial Services Commission for July 25, 2019.

<http://www.myflorida.com/myflorida/cabinet/agenda19/0725/Transcript.pdf>

**(ATTACHMENT 1)**

**FOR APPROVAL**

2. Request for Approval for Publication and Final Adoption of Rules 69O-124.001; .002; .010; .011; .013; .014; .015; .016; .021; .022; Definition of Terms; Rights of Borrower; Substitution of Policies; Renewals; Selection and Approval; Statement of Anti-coercion; Form; Continuous or Prepaid Policies; Lender, Insurance Information; Title Insurance; Purpose; Scope.

These rules are no longer necessary; therefore, they are being repealed.

**(ATTACHMENT 2) APPROVAL FOR PUBLICATION OF PROPOSED RULE AND FOR FINAL ADOPTION IF NO MEMBER OF THE PUBLIC TIMELY REQUESTS A RULE HEARING OR IF A HEARING IS REQUESTED AND NO NOTICE OF CHANGE IS NEEDED.**

3. Request for Approval for Publication and Final Adoption of Rule 69O-154.104; Definition of Terms.

Chapter 2019-129, Laws of Florida, amended Chapters 624, 627, and 641, F.S., and created a definition for “short-term health insurance.” The creation of this definition requires the deletion of subsection 69O-104(16), F.A.C., which defines “short-term limited duration insurance.”

**(ATTACHMENT 3) APPROVAL FOR PUBLICATION OF PROPOSED RULE AND FOR FINAL ADOPTION IF NO MEMBER OF THE PUBLIC TIMELY REQUESTS A RULE HEARING OR IF A HEARING IS REQUESTED AND NO NOTICE OF CHANGE IS NEEDED.**

4. Request for Approval for Publication and Final Adoption of Rule 69O-186.013 Title Insurance Statistical Gathering: Licensed Title Insurance Agencies and Florida Retail Offices of Direct-Writing Title Insurance Underwriters.

The Office initiated a data call in 2014 regarding the collection of data for the adoption of title insurance rates pursuant to Sections 624.307 and 627.782, F.S., and Chapter 69O-186.013-14, F.A.C. Two workshops were held. The amendments simplify the rule and updates Form OIR-EO-2087, "Title Insurance Experience Reporting – Agents and Retail Offices of Direct Writing Title Insurance Underwriters."

**(ATTACHMENT 4) APPROVAL FOR PUBLICATION OF PROPOSED RULE AND FOR FINAL ADOPTION IF NO MEMBER OF THE PUBLIC TIMELY REQUESTS A RULE HEARING OR IF A HEARING IS REQUESTED AND NO NOTICE OF CHANGE IS NEEDED.**

5. Request for Approval for Publication and Final Adoption of Rules 69O-193.001; .002; .003; .005; .006; .007; .010; .012; .015; .023; .028; .030; .040; .045; .048; .050; .053; .055; .058; .060; .065; .066; Purpose and Scope; Definitions; Applications; Required Financial Reports; Financial Viability; Manager or Management Company; Place; Phases; Expansion of a Facility; Escrow Agreements and Amendments; Feasibility Studies; Updated Feasibility Study; Advertisement Enforcement Procedures; Administrative Supervision Proceedings; Letters of Credit; Calculation of the Minimum Liquid Reserve Requirement; Waiver of Minimum Liquid Reserves; Accreditation; Continuous Updates; Background Information; Forms Incorporated by Reference; Corrective Action Plan.

Chapter 2019-160, Laws of Florida, amended and created new sections in Chapter 651, F.S. These rule amendments implement those statutory changes, as well as updates several rules in Chapter 651, F.S. This rule package creates one new rule, amends twelve rules, and repeals nine rules.

**(ATTACHMENT 5) APPROVAL FOR PUBLICATION OF PROPOSED RULE AND FOR FINAL ADOPTION IF NO MEMBER OF THE PUBLIC TIMELY REQUESTS A RULE HEARING OR IF A HEARING IS REQUESTED AND NO NOTICE OF CHANGE IS NEEDED.**

6. Request for Approval for Publication and Final Adoption of Rule 69O-215.050; .060; .070; Receipt of 24 Risks; Required Disclosure on Forms; Exchange of Business: Property and Casualty Insurance.

These rules are no longer necessary; therefore, they are being repealed.

**(ATTACHMENT 6) APPROVAL FOR PUBLICATION OF PROPOSED RULE AND FOR FINAL ADOPTION IF NO MEMBER OF THE PUBLIC TIMELY REQUESTS A RULE HEARING OR IF A HEARING IS REQUESTED AND NO NOTICE OF CHANGE IS NEEDED.**

7. Request for Approval for Publication and Final Adoption of Rules 69O-222.010; .020; .030; .040; .050; .060; Purpose and Scope; Definitions; Remuneration for Unlicensed Insurance Agency Personnel; Lawful Activity by Unlicensed Insurance Agency Personnel; Lawful Activities by Unlicensed Insurance Agency Personnel Done on an Incidental Basis Under Rule 69O-222.020(1); Unlawful Activities by Unlicensed Insurance Agency Personnel.

These rules are no longer necessary; therefore, they are being repealed.

**(ATTACHMENT 7) APPROVAL FOR PUBLICATION OF PROPOSED RULE AND FOR FINAL ADOPTION IF NO MEMBER OF THE PUBLIC TIMELY REQUESTS A RULE HEARING OR IF A HEARING IS REQUESTED AND NO NOTICE OF CHANGE IS NEEDED.**

8. Request for Approval for Publication and Final Adoption of Rule 69O-230.033; Reporting Requirements for Licensees Concerning Unlicensed Insurance Activity by Multiple Employer Welfare Arrangements, Labor Leasing Organizations, and Purportedly Collectively Bargained Plans.

References to repealed statutes are removed from the rule. The address and name of the unit to report unlicensed activity is updated. Definitions in the rule are amended.

**(ATTACHMENT 8) APPROVAL FOR PUBLICATION OF PROPOSED RULE AND FOR FINAL ADOPTION IF NO MEMBER OF THE PUBLIC TIMELY REQUESTS A RULE HEARING OR IF A HEARING IS REQUESTED AND NO NOTICE OF CHANGE IS NEEDED.**

9. Request for Approval for Publication and Final Adoption of Rules 69O-231.010; .020; .030; .040; .070; .080; .090; .100, .110; .120; .130; .140; .150; .160; Purpose; Scope; Definitions; Calculating Penalties; Prosecutorial Discretion; Penalties for Violation of Section 626.611; Penalties for Violation of Section 626.621; Penalties for Violation of Subsection 626.9541(1); Penalties for Violation of Other Specific Provisions of the Florida Insurance Code; Penalties for Violation of Other Insurance Code Provisions; Penalties for Violation of Department Rules; Penalties for Violation of Department Orders; Criminal Proceedings; Aggravating/Mitigating Factors.

These rules are no longer necessary; therefore, they are being repealed.

**(ATTACHMENT 9) APPROVAL FOR PUBLICATION OF PROPOSED RULE AND FOR FINAL ADOPTION IF NO MEMBER OF THE PUBLIC TIMELY REQUESTS A RULE HEARING OR IF A HEARING IS REQUESTED AND NO NOTICE OF CHANGE IS NEEDED.**

10. Request for Approval for Publication and Final Adoption of Rule 69O-235.003; Sale of Certificates of Deposit.

This rule is no longer necessary; therefore, it is being repealed.

**(ATTACHMENT 10) APPROVAL FOR PUBLICATION OF PROPOSED RULE AND FOR FINAL ADOPTION IF NO MEMBER OF THE PUBLIC TIMELY REQUESTS A RULE HEARING OR IF A HEARING IS REQUESTED AND NO NOTICE OF CHANGE IS NEEDED.**

11. Request for Approval for Publication and Final Adoption of Rule 69O-239.001; Power of Attorney; Penal Sum of Bond; Not Applicable to Automobile Clubs

The penal sum of bond portion of the rule is repealed. References to the Office are made consistent in the rule.

**(ATTACHMENT 11) APPROVAL FOR PUBLICATION OF PROPOSED RULE AND FOR FINAL ADOPTION IF NO MEMBER OF THE PUBLIC TIMELY REQUESTS A RULE HEARING OR IF A HEARING IS REQUESTED AND NO NOTICE OF CHANGE IS NEEDED.**

12. Request for Approval for Publication and Final Adoption of Rules 69O-240.001, .002; Shared Savings Program Requirements; Annual Report

Chapter 2019-100, Laws of Florida, creates sections 627.6387, 627.6648, and 641.31076, F.S., which require the Financial Service Commission to file a description of the program on a form and requires insurers to submit certain information to the Office, so it may to determine the baseline for the savings calculation. 69O-240.001 addresses the requirements for approval of a shared savings program by the Office. 69O-240.002 implements an annual report a health insurer or health maintenance organization must file with the Office.

**(ATTACHMENT 12) APPROVAL FOR PUBLICATION OF PROPOSED RULE AND FOR FINAL ADOPTION IF NO MEMBER OF THE PUBLIC TIMELY REQUESTS A RULE HEARING OR IF A HEARING IS REQUESTED AND NO NOTICE OF CHANGE IS NEEDED.**

13. Request for Approval for Publication of Rule 69N-121.003; Organizational Structure of the Office.

The deputy commissioner for business development and market research is deleted from the rule. The title for the deputy commissioner of life and health is amended to delete the reference to “and for specialty.”

**(ATTACHMENT 13) APPROVAL FOR FINAL ADOPTION**

14. Request for Final Adoption of Rule 69O-137.002; Annual Audited Financial Reports.

The rule is amended to add a section for internal audits and defines “internal audit function.”

**(ATTACHMENT 14) APPROVAL FOR FINAL ADOPTION**

15. Request for Final Adoption of Rule 69O-143.046; Registration of Insurers.

This rule is amended to update forms previously adopted.

**(ATTACHMENT 15) APPROVAL FOR FINAL ADOPTION**

16. Request for Final Adoption of Rules 69O-156.003, .0075, .0086; Definitions; Benefit Standards for 2010 Standardized Medicare Supplement Benefit Plan Policies or Certificates Issued for Delivery with an Effective Date for Coverage on or After June 1, 2010; Standard Medicare Supplement Benefit Plans for 2020 Standardized Medicare Supplement Benefit Plan Policies or Certificates Issued for Delivery to Newly Eligible Medicare Beneficiaries and with an Effective Date for Coverage on or After January 1, 2020.

Chapter 69O-156 is amended to allow for a new product generation by adopting revisions to the NAIC Model Regulation.

**(ATTACHMENT 16)**

**APPROVAL FOR FINAL ADOPTION**

17. Request for Final Adoption of Rule 69O-167.007; Supplementary Payment of Defense Costs.

Repeal of the rule due to the rule being obsolete or unnecessary.

**(ATTACHMENT 17)**

**APPROVAL FOR FINAL ADOPTION**

18. Request for Final Adoption of Rule 69O-189.003; Workers' Compensation: Application and Audit Procedures.

The rule is amended to reference section 92.525, FS, for sworn statements. The rule is amended remove notarization requirements in portions of the rule. A sentence allowing the acceptance of electronic notarization is deleted due to the notary requirement being removed.

**(ATTACHMENT 18)**

**APPROVAL FOR FINAL ADOPTION**

19. Approval of the Office of Insurance Regulation to Contract with the Proposed Consultant to Conduct the Workers' Compensation Peer Review

Section 627.285, Florida Statutes, requires that the Financial Services Commission contract, at least once every other year, for an independent actuarial peer review and analysis of the ratemaking processes of any licensed rating organization that makes rate filings for workers' compensation insurance in Florida.

The National Council on Compensation Insurance (NCCI) is responsible for collecting statistical information and making workers' compensation rate filings on behalf of Florida's insurers. By law, the contract requires the submission of a final report to the Commission, the President of the Senate, and the Speaker of the House of Representatives by February 1, 2020.

The Office has conducted the formal solicitation process by way of Request for Quote (RFQ). In order to meet this statutory requirement, it is recommended that the Office, on behalf of the Financial Services Commission, enter into the attached agreement with Oliver Wyman Actuarial Consulting, Inc. to perform the required peer review.

**(ATTACHMENT 19)**

**FOR APPROVAL**

20. Approval of Appointments to the Workers' Compensation Joint Underwriting Association Board of Governors

Pursuant to Section 627.311 (5)(b), Florida Statutes, there are nine members of the Florida Workers' Compensation Joint Underwriting Association (FWCJUA) Board of Governors; eight of the members shall be appointed by the Financial Services Commission. The current Board members' terms expired on June 30, 2015.

**(ATTACHMENT 20)**

**FOR APPROVAL**

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**M E M O R A N D U M**

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**DATE:** November 18, 2019

**TO:** David Altmaier, Commissioner, Office of Insurance Regulation

**THROUGH:** Anoush Brangaccio, General Counsel

**FROM:** Michael Lawrence, Jr., Assistant General Counsel

**SUBJECT:** Cabinet Agenda for December 3, 2019  
Request for Approval to Publish Amendments to  
Rules 69O-124.001, .002, .010, .011, .013, .014, .015, .016, .021, .022  
Assignment # 248675-19

The Office of Insurance Regulation requests that these proposed rule repeals be presented to the Cabinet aides on or before November 27, 2019, and to the Financial Services Commission on December 3, 2019, with a request for Final Approval to Adopt the proposed rules and for final adoption if no member of the public timely requests a rule hearing or if a hearing is requested and no notice of change is needed.

69O-124.001, 69O-124.002, 69O-124.010, 69O-124.011, 69O-124.013, 69O-124.014, 69O-124.015, 69O-124.016, 69O-124.021, and 69O-124.022 are repealed.

Michael Lawrence, Jr. is the attorney handling these rules. Attached are the proposed rules.

Approved for signature:

  
Anoush Brangaccio, General Counsel

Approved for submission to Financial Services  
Commission:

  
David Altmaier, Commissioner  
Office of Insurance Regulation

69O-124.001 Definitions.

*Rulemaking Authority 624.308, 626.9611 FS. Law Implemented 624.307(1), 626.9551(1) FS. History–New 12-24-74, Formerly 4-3.01, 4-3.001, 4-124.001, Repealed.*

69O-124.002 Rights of Borrower.

*Rulemaking Authority 624.308, 626.9611 FS. Law Implemented 624.307(1), 626.9551(1) FS. History–New 12-24-74, Formerly 4-3.02, 4-3.002, 4-124.002, Repealed.*

69O-124.010 Substitution of Policies.

*Rulemaking Authority 624.308, 626.9611 FS. Law Implemented 624.307(1), 626.9551(1) FS. History–New 5-20-64, Repromulgated 12-24-74, Formerly 4-3.10, 4-3.010, 4-124.010, Repealed.*

69O-124.011 Renewals; Selection and Approval.

*Rulemaking Authority 624.308, 626.9611 FS. Law Implemented 624.307(1), 626.9551(1) FS. History–New 12-24-74, Formerly 4-3.11, 4-3.011, Formerly 4-124.011, Repealed.*

69O-124.013 Statement of Anti-coercion; Form.

*Rulemaking Authority 624.308, 626.9611 FS. Law Implemented 624.307(1), 626.9551(1) FS. History–New 12-24-74, Formerly 4-3.13, 4-3.013, 4-124.013, Repealed.*

69O-124.014 Continuous or Prepaid Policies.

*Rulemaking Authority 624.308, 626.9611 FS. Law Implemented 624.307(1), 626.9551(1) FS. History–New 5-20-64, Repromulgated 12-24-74, Formerly 4-3.14, 4-3.014, 4-124.014, Repealed.*

69O-124.015 Lender, Insurance Information.

*Rulemaking Authority 624.308, 626.9611 FS. Law Implemented 624.307(1), 626.9551(1), 626.9951(1)(d) FS. History–New 5-20-64, Repromulgated 12-24-74, Formerly 4-3.15, 4-3.015, 4-124.015, Repealed.*

69O-124.016 Title Insurance.

*Rulemaking Authority 624.308, 626.9611 FS. Law Implemented 624.307(1), 626.9551(1) FS. History–New 5-20-64, Repromulgated 12-24-74, Formerly 4-3.16, 4-3.016, 4-124.016, Repealed.*

69O-124.021 Purpose.

*Rulemaking Authority 624.308(1) FS. Law Implemented 626.9541(1)(a), 624.307(1), 626.9551(1)(a) FS. History–New 11-24-85, Formerly 4-64.01, 4-64.001, 4-124.021, Repealed.*

69O-124.022 Scope.

*Rulemaking Authority 624.308(1) FS. Law Implemented 624.307(1), 626.9541(1)(a), 626.9551(1)(a) FS. History–New 11-24-85, Formerly 4-64.02, 4-64.002, 4-124.022, Repealed.*

**690-124.001 Definitions.**

~~(1) Lender, as used in these rules, shall mean mortgagee and/or servicing agent of the mortgagee, provided the servicing agent is bound by the requirements approved by the mortgagee.~~

~~(2) Borrower, as used in these rules, shall mean mortgagor.~~

~~(3) Director, as used in these rules, shall mean the Director of the Office of Insurance.~~

~~(4) Renewal, as used in these rules, shall mean a renewal policy by another policy contract or a renewal certificate.~~

~~(5) Anniversary date, as used in these rules, shall mean the yearly return of the inception or effective date of the policy in force.~~

*Rulemaking Authority 624.308, 626.9611 FS. Law Implemented 624.307(1), 626.9551(1) FS. History—New 12-24-74, Formerly 4-3.01, 4-3.001, 4-124.001.*

**690-124.002 Rights of Borrower.**

~~When negotiations for a loan begin, and prior to any formal application for loan or the payment of any fees or costs required with the filing of an application, the lender shall notify the borrower of his rights regarding the placing of insurance. Such notice shall be given to said borrower in the form prescribed by the Director in rule 690-124.013, F.A.C., in writing, with a copy of said notice to be signed by the borrower and retained by the lender. Nothing in this rule shall be construed to mean that this notice shall be a part of the mortgage contract.~~

*Rulemaking Authority 624.308, 626.9611 FS. Law Implemented 624.307(1), 626.9551(1) FS. History—New 12-24-74, Formerly 4-3.02, 4-3.002, 4-124.002.*

**690-124.010 Substitution of Policies.**

~~(1) An insured shall have the right of option, in addition to the rights granted him under the terms and conditions of his insurance contract, to substitute, replace, change, or extend the existing policy in force with any type contract on each anniversary, or at any other time, provided credit for existing insurance is given to the next anniversary date of the existing policy, if required by the mortgagee.~~

~~(2) No payment of service fee or charge shall be required of the insured to substitute, replace, change, or extend the existing policy at each anniversary.~~

*Rulemaking Authority 624.308, 626.9611 FS. Law Implemented 624.307(1), 626.9551(1) FS. History—New 5-20-64, Repromulgated 12-24-74, Formerly 4-3.10, 4-3.010, 4-124.010.*

**690-124.011 Renewals; Selection and Approval.**

~~Insurance renewal shall be subject to the foregoing rules relating to selection and approval of companies and agents where such rules are applicable and pertinent to renewals.~~

*Rulemaking Authority 624.308, 626.9611 FS. Law Implemented 624.307(1), 626.9551(1) FS. History—New 12-24-74, Formerly 4-3.11, 4-3.011, Formerly 4-124.011.*

**690-124.013 Statement of Anti-coercion; Form.**

~~The following statement is required under rule 690-124.002, F.A.C., of the rules and regulations promulgated by the Financial Services Commission relative to anti-coercion:~~

~~The Insurance Laws of this state provide that the lender may not require the borrower to take insurance through any particular insurance agent or company to protect the mortgaged property.~~

~~The borrower, subject to the rules adopted by the Financial Services Commission, has the right to have the insurance placed with an insurance agent or company of his choice, provided the company meets the requirements of the lender. The lender has the rights to designate reasonable financial requirements as to the company and the adequacy of the coverage.~~

~~I have read the foregoing statement, or the rules of the Office of Financial Services relative thereto, and understand~~



~~my rights and privileges and those of the lender relative to the placing of such insurance. I have selected the \_\_\_ Insurance Agency, or \_\_\_ Insurance Company to write the hazard insurance covering property located at:~~

\_\_\_\_\_  
~~Name of Borrower~~

\_\_\_\_\_  
~~Name of Borrower~~

\_\_\_\_\_  
~~Date~~

*Rulemaking Authority 624.308, 626.9611 FS. Law Implemented 624.307(1), 626.9551(1) FS. History–New 12-24-74, Formerly 4-3.13, 4-3.013, 4-124.013.*

**690-124.014 Continuous or Prepaid Policies.**

~~The requirement of accepting only continuous renewal policies or three year or more prepayment plans of insurance is not a right or privilege possessed by a lender, nor does it afford the mortgagor the freedom of choice of insurer; therefore, section 626.9551, F.S., is interpreted to prohibit such requirements of acceptance by a lender.~~

*Rulemaking Authority 624.308, 626.9611 FS. Law Implemented 624.307(1), 626.9551(1) FS. History–New 5-20-64, Repromulgated 12-24-74, Formerly 4-3.14, 4-3.014, 4-124.014.*

**690-124.015 Lender, Insurance Information.**

~~(1) Section 626.9521, F.S., is interpreted to mean that a lender shall not make use of or disclose any policy information to the detriment of the borrower, purchaser, mortgagor, insurer, insurance agent, or solicitor who furnished or transmitted such insurance policy information, nor shall such policy information be used to the advantage either directly or indirectly of such lender or insurance agents of such lender's selection to substitute, replace, change, or extend an insurance policy.~~

~~(2) The borrower, purchaser, or mortgagor in writing may authorize the lender to disclose such policy information to the persons and to the extent specified in such authorization.~~

*Rulemaking Authority 624.308, 626.9611 FS. Law Implemented 624.307(1), 626.9551(1), 626.9951(1)(d) FS. History–New 5-20-64, Repromulgated 12-24-74, Formerly 4-3.15, 4-3.015, 4-124.015.*

**690-124.016 Title Insurance.**

~~These rules and regulations do not apply as to title insurance.~~

*Rulemaking Authority 624.308, 626.9611 FS. Law Implemented 624.307(1), 626.9551(1) FS. History–New 5-20-64, Repromulgated 12-24-74, Formerly 4-3.16, 4-3.016, 4-124.016.*

**690-124.021 Purpose.**

~~The purpose of this chapter is to establish a procedure by which insurance companies shall give special notice to applicants for insurance who may also be interested in obtaining a student loan through that same insurance company. The purpose of the notice is to advise potential insurance applicants, prior to the submission of their application, that they are not required to purchase insurance from that insurance company as a prerequisite to qualifying for a student loan through that company.~~

*Rulemaking Authority 624.308(1) FS. Law Implemented 626.9541(1)(a), 624.307(1), 626.9551(1)(a) FS. History–New 11-24-85, Formerly 4-64.01, 4-64.001, 4-124.021.*

**690-124.022 Scope.**

~~This chapter shall apply to all insurance companies authorized to do business in Florida who are participating in any federally guaranteed student loan program established under 20 U.S.C. section 1070, et seq., or similar federal~~

~~statute, or in any guaranteed student loan program offered by or through the State of Florida, its agencies or subdivisions under part IV of chapter 240, or similar F.S.~~

*Rulemaking Authority 624.308(1) FS. Law Implemented 624.307(1), 626.9541(1)(a), 626.9551(1)(a) FS. History—New 11-24-85, Formerly 4-64.02, 4-64.002, 4-124.022.*

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**M E M O R A N D U M**

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**DATE:** November 18, 2019

**TO:** David Altmaier, Commissioner, Office of Insurance Regulation

**THROUGH:** Anoush Brangaccio, General Counsel

**FROM:** Michael Lawrence, Jr., Assistant General Counsel


**SUBJECT:** Cabinet Agenda for December 3, 2019  
Request for Approval to Publish Amendments to  
Rule 69O-154.104  
Assignment # 248790-19

The Office of Insurance Regulation requests that these proposed rule amendments be presented to the Cabinet aides on November 27, 2019, and to the Financial Services Commission on December 3, 2019, with a request for Final Approval to Adopt the proposed rules and for final adoption if no member of the public timely requests a rule hearing or if a hearing is requested and no notice of change is needed.

Chapter 2019-129, Laws of Florida, amended Chapters 624, 627, and 641, F.S., and created a definition for "short-term health insurance." The creation of this definition requires the deletion of subsection 69O-104(16), F.A.C., which defines "short-term limited duration insurance."

Michael Lawrence, Jr. is the attorney handling this rule. Attached is the proposed rule.

Approved for signature:

  
Anoush Brangaccio, General Counsel

Approved for submission to Financial Services  
Commission:

  
David Altmaier, Commissioner  
Office of Insurance Regulation

**690-154.104 Definition of Terms.**

(1) through (15) No change.

~~(16) “Short term, limited duration insurance” means health insurance coverage with an issuer that has specified in the contract an expiration date that is within 12 months of the date the contract becomes effective, taking into account any extensions that may be elected by the policyholder without the issuer’s consent.~~

~~(16)(17) Sickness.~~

(a) through (c) No change.

~~(17)(18) Total Disability.~~

(a) through (d) No change.

*Rulemaking Authority 624.308, 627.643, 641.36 FS. Law Implemented 624.307(1), 627.642, 627.643 FS. History—New 1-1-75, Formerly 4-37.04, 4-37.004, Amended 9-19-00, Formerly 4-154.104.*

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**M E M O R A N D U M**

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**DATE:** November 18, 2019

**TO:** David Altmaier, Commissioner, Office of Insurance Regulation

**THROUGH:** Anoush Brangaccio, General Counsel

**FROM:** Michael Lawrence, Jr., Assistant General Counsel


**SUBJECT:** Cabinet Agenda for December 3, 2019  
Request for Approval to Publish Amendments to  
Rule 69O-186.013  
Assignment # 233255-18

The Office of Insurance Regulation ("Office") requests that this proposed rule amendments be presented to the Cabinet aides on or before November 27, 2019, and to the Financial Services Commission on December 3, 2019, with a request for Final Approval to Adopt the proposed rules and for final adoption if no member of the public timely requests a rule hearing or if a hearing is requested and no notice of change is needed.

The Office initiated a data call in 2014 regarding the collection of data for the adoption of title insurance rates pursuant to Sections 624.307 and 627.782, F.S., and Chapter 69O-186.013-14, F.A.C. Two workshops were held. The amendments simplify the rule and update the incorporated form.

Michael Lawrence, Jr. is the attorney handling this rule. Attached is the proposed rule. Form OIR-EO-2087, "Title Insurance Experience Reporting – Agents and Retail Offices of Direct Writing Title Insurance Underwriters," is currently being finalized and is not available at this time.

Approved for signature:

  
Anoush Brangaccio, General Counsel

Approved for submission to Financial Services  
Commission:

  
David Altmaier, Commissioner  
Office of Insurance Regulation

69O-186.013 Title Insurance Statistical Gathering: Licensed Title Insurance Agencies and Florida Retail Offices of Direct-Writing Title Insurance Underwriters.

Substantial rewording of Rule 69O-186.013, F.A.C. follows. See Florida Administrative Code for present text.

On or before May 31 of each year, each licensed title insurance agency and Florida retail offices of direct-writing title insurance underwriters shall submit Form OIR-E0-2087, "Title Insurance Experience Reporting – Agents and Retail Offices of Direct-Writing Title Insurance Underwriters," effective 10/19, hereby incorporated by reference and available at [www.flrules.org/XXXXXX](http://www.flrules.org/XXXXXX). The filing shall be submitted electronically at <https://irfs.fldfs.com/>.

*Rulemaking Authority 624.308(1), 627.782(8) FS. Law Implemented 624.307(1), 627.782 FS. History–New 2-13-95, Formerly 4-186.013, Amended 6-13-14.*

Form OIR-EO-2087 (11/19)

Rule 69O-186.013

# Title Insurance Experience Reporting - Agents and Retail Offices of Direct-Writing Title Insurance Underwriters

Pursuant to Sections 624.307 and 627.782, Florida Statutes, and Rule 69O-186.013, F.A.C.

Every title agency that held a Florida license during the preceding calendar year is required to file these electronic data collection forms.

If you need any assistance during the filing process,  
please contact the Office at

[TitleAgencyReporting@florir.com](mailto:TitleAgencyReporting@florir.com)



FLORIDA OFFICE OF  
INSURANCE REGULATION

**Florida Office of Insurance Regulation**  
**Title Insurance Agencies Data Call**

*If you have any questions during your submission process, please contact*  
[TitleAgencyReporting@flor.com](mailto:TitleAgencyReporting@flor.com)

**Data call related specifically to Annual Reporting by Agencies of Title Insurance**  
**Please Read All Instructions Below Carefully**

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The Florida Office of Insurance Regulation is conducting its annual Title Insurance Agencies Data Call pursuant to Sections 624.307 and 627.782, F.S. and Rule 690-186.013, F.A.C.

The agency's submission is to be submitted on an individual agency basis.

**Your submission is due to the Office no later than 11:59PM ET on May 31.**

The Insurance Regulation Filing System (IRFS) application is required to be used to submit your data. Locate IRFS at the following web address:

<https://irfs.fldfs.com/>

The required reporting template will be available within IRFS on January 1. These are the items that will be required in your agency's submission:

- The data template, which must be downloaded from within IRFS, completed in your office, and then uploaded in Excel format. Excel format ".xlsx" will be accepted.  
The full template contains eight tabs:
  - (1) Version - includes OIR contact information and reporting date reminder
  - (2) Instructions - data template must be downloaded from IRFS for the purpose of reporting information
  - (3) Report\_Lines - Select Agent/Agency Type at top; Two columns extend down a series of questions and required responses (enter either text or numeric in the two columns, as shown);
  - (4) Schedule A - Additional agency information
  - (5) Schedule B - Agent activities
- The Contacts component is required. All subscribed email accounts to your agency will be listed and any may be added as "cc:" contacts, meaning they will also receive notice of your filing. (Contact us if an unknown account appears!) Here you may also designate another account as the primary filer for your filing. There is an open box below that allows you to include additional email addresses that are not subscribers of the company. Include all you need, separating each email account with a semicolon and space ("; "). When done click on the "Save" button.
- Your agency's submission must contain a Filing Certification, signed by an agency officer (electronic signature accepted), stating the information provided is accurate, to the best of their knowledge and belief. A sample copy is available on the OIR website at:  
<http://www.flor.com/siteDocuments/CertificationOfTitleDataSubmissionExample.pdf>
- Include a cover letter if you choose. This is an optional component for the filing.
- Include any additional and optional information that is deemed important to the overall submission. These optional items may be uploaded as PDF documents under the "Other Information/Documents" component.
- The "Response to Request for Clarification" component should be used only as a response area after submission; upload documents to this component should the Office request additional information to complete your filing.

Please note: Additional underlying documentation shall be made available upon request of the Office.

**OVERVIEW PROCESS:**

The steps for setting up an account in IRFS, electronically subscribing to your agency, and creating a filing are described within the steps below.

- > Enter IRFS using the link: <https://irfs.fldfs.com/>
- > If you have not used IRFS first create an account and electronically subscribe to your agency. Instructions are provided within IRFS, or contact the Office if you need more assistance.
- > Choose "Other Filing Entity" and enter the license number of the agency for which you are creating the filing. NOTE: If you choose "Company" you will be presented with a list of subscribed insurance companies. Within OIR, companies are the underwriters, so agencies are not companies. They are "other entities".
- > Select the option "Create a Filing"
- > Select the menu option for the Module and Event questions (Select "Title Agency Data Call" options)
- > Select the Period associated with this exam (The title is "Title Agency Data Call"). If this does not appear please notify the Office at the email address above or by calling 850-413-3147.
- > Select the DATA option. There is not a NO DATA option because all required filers were chosen for this data call.
- > Complete the filing then go back to the workbench. View the components by clicking on the work file number, which shows in blue type.
- > Select components by clicking directly on the component name.
- > The data template is a required component of this filing. Click on the data template name then download to a local drive (separate screen).
- > Complete the template according to instructions below for the prior calendar year, then save under your agency's template. Note that validation columns appear on tabs requiring data entry. These columns are titled "Required Data Fields Complete?". These columns must all show TRUE (as validated) before the template can be submitted. Values showing as FALSE indicate a problem with the responses. If you cannot determine a cause for a FALSE value, contact the Market Data Collections Unit (information below).
- > When completed with all TRUE validation values, upload that template from this same component screen.
- > Make corrections to your data template if you receive validation errors after uploading your template.
- > Complete a certification, signed by an agency officer and formatted as a PDF document, and upload it to the Filing Certification Component. You are required to submit a certification covering the year for each template

<http://www.flor.com/siteDocuments/CertificationOfTitleDataSubmissionExample.pdf>



- > If you are unable to supply the information required in a particular row of the data template, please explain your reason as "Additional Information" and upload the explanation, along with supporting documentation, as a PDF in the "Other Information/Documents" component. Any supplemental or optional documents may also be uploaded there.
- > Do not upload documents to the "Response for Request for Clarification" component; this is for later use should questions arise about your submission.
- > When you have loaded the filing components submit your filing by clicking on the SUBMIT button in the pink box (scroll up if you don't see it).
- > Your submission is considered filed *only after* you receive an email receipt showing your file log number. This file log number IS NOT the same as the work file number on your workbench. If, after an hour or two, your filing is still on your workbench, then the filing was not accepted. Determine your error and re-submit the filing; if assistance is needed use the contact information above to reach the Market Data Collections Unit.

If you have any questions regarding this filing process, please contact the Market Data Collections Unit at 850-413-3147 or via email:

[TitleAgencyReporting@flor.com](mailto:TitleAgencyReporting@flor.com)

Your prompt cooperation in this effort will be greatly appreciated.

**Report Lines: By-Line Responses**  
**THIS IS REQUIRED INFORMATION that is to be provided each time the data template is submitted to the Office of Insurance Regulation**

**SELECT AGENT/AGENCY TYPE:** < CLICK TO SELECT AGENCY TYPE HERE >

Line No.	Line Description	Enter Alphanumeric Response	Enter Numeric Response	Required Data Field Complete?	General Instructions	Instructions Specific to Agency Type
<b>General Information</b>						
1	Calendar Year Reporting			FALSE		
2	State Reporting for			FALSE		
3	Agent/Agency/Firm Name			FALSE		
4	d/b/a (if applicable, else enter "N/A")			FALSE		
5	Federal Tax ID (for Underwriter Direct Operations use NAIC Company Code)			FALSE		
6	Parent Company EIN (if applicable, else enter zeroes, for Underwriter Direct Operations use NAIC Group Code)			FALSE		
7	Agency License Number (for Florida)			FALSE		
8	Street Address (Line 1)			FALSE		
9	Street Address (Line 2) (Enter "N/A" if not used)			FALSE		
10	City			FALSE		
11	State			FALSE		
12	Zip			FALSE		
13	Contact Person			FALSE		
14	Contact Phone			FALSE		
15	Contact E-mail			FALSE		
<b>Agency Information</b>						
16	Underwriter Affiliation			FALSE		<p>Direct - An office of an underwriter where all producers are direct employees of the underwriter.</p> <p>Affiliated - A licensed agency owned in whole or part by an underwriter or co-owned in a holding company but not a direct branch operation.</p> <p>Independent - A licensed agency not owned by an underwriter or part of an affiliated business arrangement.</p>

17	Real Estate Affiliation Affiliated Business Arrangement (Agency is affiliated with any real estate industry company or person who is in a position to refer title insurance business to an agency (a referrer), such as a real estate brokerage, a bank, a developer, or a mortgage company). (If Yes, please complete Schedule A, Columns A,B,C)			FALSE	NOTE: Affiliated business arrangements may exist as arrangements in which the reporting agency: 1. has an ownership interest in a referrer; 2. a referrer that has an ownership interest in the agency; or 3. a holding or parent company maintains control over the agency and one or more referrers.	
18	Agency/Branch Type			FALSE	Title & Closing (full service): Check this box if the reporting entity/person provides title insurance and closing services.  Title Only: Check this box if the reporting entity/person provides title insurance products, but does not perform closings	
19	State of Domicile of Reporting Entity			FALSE		
20	Number of states in which Reporting Entity operates (list all states on Schedule A, Column D)			FALSE		
21	How long has agency been performing business in Florida?			FALSE		
22	Percentage of business in Florida (by gross premium)			FALSE	Include all title insurance-related business, including searches for title insurance and closings. Do not include non-title insurance-related business, such as title reports and closings for which no title insurance policy is intended to be issued.	
23	Number of underwriter appointments, contracts, or agreements			FALSE		
24A	(A) Number of employees *** (Total FTE as of the last date of reporting period, December 31)			FALSE	NOTE: FTE (Full Time Equivalent) numbers may contain decimals if agent has part-time and/or unallocated employees (unallocated employees are ones who perform services for more than one state or who perform some services for other-than-title-insurance-related products, such as Human Resources or General Accounting). Leased employees are to be considered as regular employees. Please include licensed employees in this category.  *** = Note "employees" for this question includes sole proprietors and owners of small LLCs who also act as employees.	
24B	(B) Number of unallocated employees, including owners (Total FTE as of the last date of reporting period, December 31)			FALSE	NOTE: This line is only for multi-state operations and direct operations who may allocate non-title insurance FTE for certain support services. December 31 data for single state agents will be captured at the beginning of the following year.	
25A	(A) Number of licensed FTE *** as of the last date of reporting period, December 31			FALSE	Of the employees in Line 24A and/or 24B show the number of employees who hold active Florida title insurance agent licenses. NOTE: FTE (Full Time Equivalent) numbers may contain decimals if agent has part-time and/or unallocated employees (employees who perform services for more than one state or perform services other than title insurance-related services). Leased employees are to be considered as regular employees.  *** = Note "employees" for this question includes sole proprietors and owners of small LLCs who also act as employees.	
25B	(B) Number of licensed unallocated FTE as of the last date of reporting period, December 31			FALSE	NOTE: This line is only for multi-state operations and direct operations, who may allocate non-title insurance FTE for certain support services.	
<b>Risk Assumption</b>						

26	Total orders opened for title commitments/policies during reporting period			FALSE		
27	Total Orders Cancelled During Reporting Period			FALSE		
28	Total number of transactions in which a policy was intended to be issued but was not issued for any reason. (Pending files not yet closed)			FALSE	Total number of pending files not yet closed. A transaction is when an agent intends to act as a settlement agent and issue a policy, begins performing the work, but the deal is not completed for any reason. A transaction begins with the initial order and includes any work done up to and through an uncompleted closing. Does not include cancelled files from line 27.	Total number of pending files not yet closed. A transaction is when an agent intends to act as a settlement agent and issue a policy, begins performing the work, but the deal is not completed for any reason. A transaction begins with the initial order and includes any work done up to and through an uncompleted closing. Does not include cancelled files from line 27.
29	Total number of policies issued in reporting period			FALSE	For total number of policies, include simultaneously issued lender's and owner's policies as a single policy. For example, if a transaction consisted of both an owners and a lenders policy, these should be counted as one policy. Likewise, refinance orders with two policies should be counted as one policy.	
30	Number of searches purchased from underwriters and third parties			FALSE	A search is any search report prepared specifically for the purpose of producing a commitment for the issuance of a title insurance policy. A search does not include title examination. Do not include searches performed for abstracts, property profiles, guarantees, or other products that are not specifically intended for title insurance policies.	
30A	(A) Number of searches which included suggested or draft exceptions and/or requirements to be considered for inclusion in the commitment			FALSE	This category includes all partially examined products or pro-forma commitments by whatever name. The category includes any search purchased from an underwriter or third party vendor which is more comprehensive than a listing of instruments and copies of those instruments. Expenses are to be included on 58(A and/or B).	
30B	(B) Number of searches which did NOT include suggested or draft exceptions and/or requirements.			FALSE	This category includes all other searches purchased from an underwriter or third party that are not included in category 29(A). Expenses are to be included on 59 (A and/or B).	
31	Number of non-insurance title products produced by the agency.			FALSE	A "non-title- insurance title product" is any product produced by the reporting entity which is intended for some use other than a title insurance commitment or policy. Examples of a non-insurance product are Property and Information Reports, property profiles, abstracts, opinions, guarantees, etc. Do not include any items counted on Line 29.	
32	Number of non-sale/purchase closing transactions from Line 29 (Auto-Calculated from sum of 32(A) through 32(C))		0		The number of non-sale/purchase closing transactions conducted during the reporting period. These include refinancing's, junior loans, and leasehold transactions. Simultaneously issued policies should not be counted here.	
	(A) Number of Refinance transactions included in 32			FALSE		
	(B) Number of Leasehold transactions included in 32			FALSE		
	(C) All Other transactions included in 32			FALSE		
33	Total closing transactions completed			FALSE	A closing transaction completed is when an agent is acting as a settlement agent throughout the closing process. Include closings without actual policy issuance.	
<b>Income</b>						
34	Premium written			FALSE	Enter Total Gross Direct Premium. Gross premium is the total policy premium before remittance to the underwriter and any rebates.	
35	Premium remitted			FALSE	NOTE: Only include premiums actually remitted during the reporting period. If premiums have been collected but not yet remitted, they should be reported on the next annual report.	
36	Retained Premium		\$0	TRUE	Auto-Calculated Field	

37	Closing services income			FALSE	Enter closing service fees income only for which the reporting entity actually issued or intended to issue a policy. 627.7711(1)(a) "Closing services" means services performed by a licensed title insurer, title insurance agent or agency, or attorney agent in the agent's or agency's capacity as such, including, but not limited to, preparing documents necessary to close the transaction, conducting the closing, or handling the disbursing of funds related to the closing in a real estate closing transaction in which a title insurance commitment or policy is to be issued.	
38	Reporting Method for Search			FALSE	Indicate how you will report revenue and expenses for searches conducted in conjunction with the issuance of a title insurance policy searches are reported. Select "operating account" if they are explicitly reported. Select "Escrow pass through" if they are not explicitly reported but are instead included as "pass-through" items in a clients escrow account. Select Both if you use both methods in a reporting year.	
39a	Title Search Fees Charged to Consumer and deposited into the Agency's Operating Account			FALSE	S. 627.7711(4) "Title search" means the compiling of title information from official or public records. This category is intended to capture the separate search fee for title policies issued or intended to be issued by the agency. It does not include an examination of the records found in the search. It does not include Property Information Reports or non-title-insurance-related searches.	
39b	Title Search Fees Charged to Consumer and Paid from the Agency's Escrow Account			FALSE	If Escrow Pass Through or Both is selected in Line 38, this cell must be greater than 0.	
40	Abstract/search income received from third parties			FALSE	Enter abstract/search income only for which the reporting entity did not actually issue or intend to issue a policy.	
41	Income from cancelled orders (Enter 0 if none)			FALSE	If applicable, income for cancelled orders should include cancelled title insurance orders. Cancelled fees are not premium foregone.	
42	Investment Income or Loss (Enter 0 if none)			FALSE	Enter investment income as a positive amount. Investment loss must be entered as a negative number.	
43	Income from non-title insurance products produced (Enter 0 if none)			FALSE	Enter income from such non-title insurance products as Property Information reports not more specifically reported elsewhere on this report.	
44	All other income (Enter 0 if none)			FALSE	Enter all other income not reported above.	
45	Rebate Amounts (Enter 0 if none)			FALSE		
46	Total Income (Auto-Calculated) Determined by Lines 34 through 45.		\$0			
<b>Expenses</b>						
47	Employee Compensation (Auto-Calculated) Sum of 47(A) and 47(B)		\$0		This category includes the gross amount of compensation paid to the employee, without adjustment for amounts withheld from the employee's portion for taxes, social security, Medicare, insurance, pensions, and 401(k) contributions, and the like.  Do not include leased employee expense.	
	(A) Employee Compensation (Excluding Owners and Partners)			FALSE	For these purposes, Owners and Partners do not include any person owning, directly or indirectly, less than 5% of a publicly traded reporting entity	
	(B) Employee Compensation (Owners and Partners)			FALSE	For these purposes, Owners and Partners do not include any person owning, directly or indirectly, less than 5% of a publicly traded reporting entity	



48	Contracted Labor (Auto-Calculated) Sum of 48(A) and 48(B)		\$0		Not including leased employee expense	
	(A) Amounts paid to contractors connected to owners or investors of the agency.			FALSE	This category includes marketing contracts, any management contract or any other contract with a person or entity connected with an owner or investor in the agency.	
	(B) Amounts paid to contractors <b>not</b> connected to owners or investors in the agency..			FALSE		
49	Dividends paid to investors			FALSE		
50	Employee Leasing Expense (Auto-Calculated) Sum of 50(A) and 50(B)		\$0		Although leased employees are counted as regular employees in the employee-count section above, show employee leasing expense separate from regular employee compensation in Line 47.	
	(A) Employee Leasing Expense Paid to Entity Connected with Owners or Investors in Agency					
	(B) Employee Leasing Expense Paid to Entity <b>Not</b> Connected with Owners or Investors in Agency					
51	Payroll Taxes			FALSE	This category includes the employer's share of social security, unemployment, Medicare, and state taxes. Do not include payroll taxes paid through employee leasing companies in line 50 or any other amount withheld from the employee's portion of the pay.	
52	Employee Benefits (Auto-Calculated) Sum of 52(A) and 52(B)		\$0		Employee benefits do not include bonuses, which are included above as employee compensation, nor amounts paid through an employee leasing company reflected in line 53.	
	(A) Employees other than Owners & Partners			FALSE	For these purposes, Owners and Partners do not include any person owning, directly or indirectly, less than 5% of a publicly traded reporting entity	
	(B) Owners and Partners			FALSE	For these purposes, Owners and Partners do not include any person owning, directly or indirectly, less than 5% of a publicly traded reporting entity	
53	Aggregate Directors' Fees			FALSE	Include separate fees paid to corporate directors beyond normal compensation paid to them as officers or employees of the agency. Do not include travel expenses, which should be included under Travel and Lodging Expenses.	
54	Rent, utilities, and repair; occupancy cost, including mortgage interest and real estate taxes			FALSE	Enter amounts incurred for Rent, utilities, permanently attached equipment, repairs, and any other occupancy cost, including mortgage interest and real estate taxes during the reporting period in Florida.	
55	Real estate depreciation			FALSE	Although accounting rules give some flexibility as to the methodology and timing used for depreciation of real property, for these purposes depreciation expense should be based on what is claimed on the reporting entity's federal tax return.	
56	Non-mortgage interest expense			FALSE	Enter any interest paid other than mortgage interest on real property. Also, do not include interest paid with respect to delays or errors in payoffs or resulting from transactions in which the reporting entity was acting as a settlement agent. Such interest is to be reported in the appropriate categories in line 80.	

57	Non-Labor Costs of Title plant maintenance/ access expenses			FALSE	This category applies to non-labor costs of maintaining a title plant or to fees paid to access a title plant belonging to another. i.e. Black Knight, the Fund, Courthouse, etc.	
58	Abstract/search expenditures with third parties (Including Underwriters with Examination)		\$0		This category applies when the agency is buying a search from any third party or underwriter, but only when the search <i>does</i> include suggested or draft exceptions and/or requirements to be considered for inclusion in the commitment. This category is to reflect the cost of those searches identified in line 30(A).	
	(A) Title Search Expense Paid from Operating Account			FALSE	This category is to reflect the cost of those searches identified in lines 30(A).	
	(B) Title Search Expense Paid through Escrow Account as a Pass Through			FALSE	This category is to reflect the cost of those searches identified in lines 30(A).	
59	Abstract/search expenditures with third parties (Including Underwriters without Examination)		\$0		This category applies when the agency is buying a search from any third party or underwriter, but only when the search <i>does not</i> include suggested or draft exceptions and/or requirements to be considered for inclusion in the commitment. This category is to reflect the cost of those searches identified in line 30(B).	
	(A) Title Search Expense Paid from Operating Account			FALSE	This category is to reflect the cost of those searches identified in line 30(B).	
	(B) Title Search Expense Paid through Escrow Account as a Pass Through			FALSE	This category is to reflect the cost of those searches identified in line 30(B).	
60	Expense from non-title insurance products produced			FALSE	A "non-title- insurance title product" is any product produced by the reporting agent which is intended for some use other than a title insurance commitment or policy. Examples of a non-insurance product are Property Information reports, property profiles, abstracts, opinions, guarantees, etc. Do not include any items counted on Line 29. Do not include payroll expense or any expense reported elsewhere.	
61	Aggregate Computer/closing software/ software expenses		\$0		Include the names of software vendors used in Schedule A.	
61A	Non-Title Software (i.e. operational accounting, Microsoft programs/suite, Microsoft 365, Marketing Software)			FALSE	Enter amounts incurred for Computer and software expenses during the reporting year in Florida.	
61B	Title related closing software (Include the names of software vendors on Schedule A, Column G. Include portal fees, recording fees, escrow software, digital closing software, etc.)			FALSE	Enter amounts incurred for Computer and software expenses during the reporting year in Florida. (Software purchased specifically for title insurance related activities)	
62	Non-real estate depreciation			FALSE		
63	Equipment & vehicle lease expense			FALSE	Limit this amount to actual lease expense incurred during the reporting period	

64	Business insurance			FALSE	Enter the amount incurred for business insurance costs during the reporting year in Florida (Note: do not include E&O insurance or fidelity/surety bonds; include those expenses on Lines 81 and 82 below). Do not include health insurance.	
65	Business legal			FALSE	Enter business legal expenses incurred during the reporting year in Florida (Note: Do not include legal expenses for losses)	
66	Accounting, external expenses		\$0		Enter external accounting expenses incurred during the reporting year in Florida.	
	(A) Accounting external expenses from operating expense account			FALSE		
	(B) Accounting external expense from escrow expense account			FALSE		
67	Licenses, taxes, and fees			FALSE	Enter the amount incurred for licenses, taxes, and other governmental fees incurred during the reporting year in Florida (Note: do not include recording charges or federal income taxes here). This category includes agency and agent appointment fees.	
68	Marketing/sales			FALSE		
69	Travel and Lodging (Auto-Calculated) Sum of 69(A) through 69(C)		\$0			
	(A) For marketing and sales			FALSE		
	(B) For employee and owner education			FALSE	Include travel and lodging expense for association events on Line 75	
	(C) For all other business purposes			FALSE		
70	Employee and owner education		\$0			
	(A) Title education expense			FALSE	Enter the amount of education expenses paid during the reporting year for title expense.	
	(B) Non-title related education			FALSE	Enter the amount of education expenses paid during the reporting year for non-related title expense.	
71	Bank charges		\$0			
	(A) Bank charges from operating account			FALSE		
	(B) Bank charges from escrow account			FALSE		



72	Charge offs and expenses incurred for canceled orders (Such as Estoppels fees)			FALSE		
73	Governmental Fines and Penalties (Federal, State and Local; include 1099 reporting fines)			FALSE	Enter amounts paid in governmental fines and penalties. These amounts will not be included in total expenses. Amounts paid to lenders with regard to delayed closings packages and the delivery of notes and policies are not to be included in this category.	
74	Political Donations			FALSE	Include PAC donations in this line (Include PAC contributions deducted from related industry association dues.)	
75	Title Related Professional Association fees and contributions (i.e. Dues and non-educational events that are not included in Line 70)			FALSE		
76	Lobbying Expense (Independent lobbying expenses paid)			FALSE	This category is for hiring or direct expense of lobbying efforts. Industry related lobbying contributions to associations is direct to line 75.	
77	Statutorily Mandated File Storage Expenses (Physical and digital storage)			FALSE	Enter total annual expense for storing files when such storage is mandated by Florida Statutes. Do not include such expense if paid for by underwriter.  Do not allocate a portion of amounts otherwise reflected in Lines 54 and 55 for on-site storage.	
78	Additional Insurance Expenses			FALSE		
79	Total Business Expense (Auto-Calculated). Determined by summing Lines 47 through 78	\$0				
<b>Direct Agency Error Expense</b>						
80	Amounts paid directly by agent for agent errors not reimbursed by underwriter or any other party, and not included in underwriter loss reserves			FALSE		
<b>Loss Avoidance Expenses</b>						
81	E&O insurance premiums including cyber insurance			FALSE		
82	Fidelity/Surety bond premiums			FALSE		
83	Total Loss Avoidance Expense (Auto-Calculated) Sum of Lines 81 and 82	\$0			Total lines 81 and 82	
84	Total Expenses (Auto-Calculated)	\$0				

85	Net Income Before Taxes (Auto-Calculated)		\$0			
86	Federal Income Tax Incurred			FALSE		
87	Net Income (Auto-Calculated)		\$0			
88	Net Worth			FALSE	Enter net worth from the agency's balance sheet, which is required for the office to comply with s. 627.782, That statute requires the Financial Services Commission to "give due consideration to a reasonable margin for underwriting profit and contingencies, including contingent liability under s. 627.7865, sufficient to allow title insurers, agents, and agencies to earn a rate of return on their capital that will attract and retain adequate capital investment in the title insurance business . . ."	





## Schedule B: Agent Activities

THIS IS REQUIRED INFORMATION that is to be provided each time the title data template is submitted to the Office of Insurance Regulation

### INSTRUCTIONS

Specify annual hours spent on each item designated by Roman numerals and the unique hourly cost per item. (Alternatively: Estimate percentage of time spent on each item.) DO NOT BREAK DOWN THE PERCENTAGE OF TIME OR HOURS SPENT PER FUNCTION. DO SO ONLY FOR THE 7 CATEGORIES. The subcategories designated by letters or Arabic numerals are for illustrative purposes only.

		ANNUAL EFFORT (TIME SPENT) Enter Responses in First Column And/or the Last Column		VALIDATION CHECKS
		By Number of Hours	Percentage of Time	Required Data Fields Complete?
<b>I. Search</b>	Defined in 627.7711(4) as the compiling of title information from official or public records.			<b>FALSE</b>
<b>II. Examination of Documents</b> <i>Includes the below functions:</i>	Evaluating results of a reasonable title search and other information uncovered. (Primary Title Service-627.7711(1)(b))			<b>FALSE</b>
A. Examining documents uncovered in title search B. Isolating possible underwriting objections and requirements found in documents for in depth evaluation				<b>TRUE</b>
<b>III. Determination of Insurability</b> <i>Includes the below functions:</i>	Determination of underwriting objections (exceptions) and requirements for commitment, preparing commitment (adding exceptions and requirements to it), and issuing commitment. (Primary Title Service-627.7711(1)(b))			<b>FALSE</b>

<ul style="list-style-type: none"> <li>A. Uncovering and evaluating liens</li> <li>B. Uncovering and evaluating other covenants</li> <li>C. Uncovering and evaluating judgments</li> <li>D. Uncovering and evaluating legal proceedings in process</li> <li>E. Uncovering and evaluating HAO/Condominium assessments</li> <li>F. Uncovering and evaluating boundary disputes</li> <li>G. Verifying payment of property taxes</li> <li>H. Evaluating vesting deed</li> <li>I. Evaluating Easements</li> <li>J. Reviewing Plats/CCRs</li> <li>K. Reviewing complex title issues <ul style="list-style-type: none"> <li>1. Mineral rights</li> <li>2. Fissionable materials reserved to federal government</li> <li>3. Sovereign rights</li> <li>4. Tribal rights</li> <li>5. Riparian rights</li> <li>6. Probate</li> <li>7. Divorce</li> <li>8. Foreclosure</li> <li>9. Bankruptcy</li> <li>10. Short sales</li> <li>11. Reverse mortgage</li> </ul> </li> <li>L. Making decisions as to which exceptions to include in commitment and crafting their wording</li> <li>M. Making decisions as to which requirements to include in commitment and crafting their wording</li> </ul>		<b>TRUE</b>	
<b>IV. Curative Efforts</b> <span style="float: right;">Clearance of underwriting objections and requirements for insuring and issuing policy. (Primary Title Service-627.7711(1)(b))</span> <i>Includes the below functions:</i>			<b>FALSE</b>
<ul style="list-style-type: none"> <li>A. Ordering and evaluating survey</li> <li>B. Ordering lien and mortgage payoff inquiries</li> <li>C. Obtaining releases on liens and mortgage</li> <li>D. Curing defective instruments</li> <li>E. Clearing physical property issues</li> <li>F. Curing estate and family ownership issues</li> <li>G. Curing legal description issues</li> <li>H. Curing other issues discovered in Section III C above</li> <li>I. Preparation and issuance of policy <ul style="list-style-type: none"> <li>1. Verifying proper clearance of underwriting objections</li> <li>2. Verifying proper completion of underwriting requirements</li> <li>3. Deciding on which exception to include in policy</li> <li>4. Deciding on which endorsements to attach to policy</li> </ul> </li> <li>J. Execution of curative documents at closing</li> <li>K. Wire payments of liens and mortgages</li> <li>L. Escrow account reconciliations</li> <li>M. Correcting title errors that impacts insurability</li> <li>N. Claims</li> <li>O. Preparing insured documents for closing</li> </ul>		<b>TRUE</b>	
<b>V. Closing</b> <span style="float: right;">Closing Services as defined in 627.7711(1)(a)</span> <i>Includes the below functions:</i>			<b>FALSE</b>

<ul style="list-style-type: none"> <li>A. Review and follow lender's closing instructions</li> <li>B. Take measures to avoid Closing Protection Letter claims</li> <li>C. Review contract/title order for document preparation information</li> <li>D. Prepare documents for closing</li> <li>E. Conducting the closing (Non-curative)</li> <li>F. Execution of documents (Non-curative)</li> <li>G. File documents and Completion of Requirements to Perfect Instruments</li> <li>H. Escrow disputes</li> </ul>			<b>TRUE</b>
<b>VI. Consumer Protection</b> <i>Includes the below functions:</i>			<b>FALSE</b>
<ul style="list-style-type: none"> <li>A. Escrow accounting functions such as reconciliations etc.,</li> <li>B. Escheating</li> <li>C. ALTA Best Practices Compliance</li> </ul>			<b>TRUE</b>
<b>VII. Government Requirements</b> <i>Includes the below functions:</i>			<b>FALSE</b>
<ul style="list-style-type: none"> <li>A. 1099 submission to IRS</li> <li>B. Financial Crimes Enforcement Network(FinCEN)</li> <li>C. Patriot Act</li> <li>D. Foreign Investment Real Property Tay Act (FIRPTA)</li> </ul>			<b>TRUE</b>

**CHAPTER 690-193  
CONTINUING CARE CONTRACTS**

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**690-193.001 Purpose and Scope.**

The purpose of this rule chapter is to implement the provisions of chapter 651, F.S., to govern the issuance of a Certificate of Authority and the regulation and operation of Continuing Care Facilities as provided therein.

*Rulemaking Authority 651.015 FS. Law Implemented 651 FS. History—New 6-25-90, Formerly 4-45.010, 4-193.001, Repealed \_\_\_\_\_.*

**690-193.002 Definitions.**

- (1) All terms defined in chapter 651, F.S., which are used in these rules shall have the same meaning as in chapter 651, F.S.
- (2) “Administrator or executive director” means a natural person who has the general day-to-day administrative charge of a facility.
- (3) “Affiliate” means any person that exercises control over or is directly or indirectly controlled by the provider, ~~directly or indirectly~~ through:
- (a) Equity ownership of voting interests or securities;
  - (b) Common managerial control; or
  - (c) Collusive participation by the management of the provider and affiliate in the management of the provider or the affiliate, ~~or~~
  - ~~(d) A party as defined by section 624.310, F.S.~~
- (4) “Affiliated person” of another person means:
- (a) The spouse of the other person;
  - (b) The parents of the other person and their lineal descendants, or the parents of the other person’s spouse and their lineal descendants;
  - (c) A person who directly or indirectly owns or controls, or holds with the power to vote, 10 percent or more of the outstanding voting interest or securities of the other person;
  - (d) A person, 10 percent or more of whose outstanding voting interests or securities are directly or indirectly owned or controlled, or held with power to vote, by the other person;
  - (e) A person or group of persons who directly or indirectly control, are controlled by, or are under common control with the other person;



(f) An officer, director, partner, copartner, or employee of the other person;  
(g) If the other person is an investment company, an investment adviser of such company, or a member of an advisory board of such company;

(h) If the other person is an unincorporated investment company not having a board of directors, the depositor of such company;  
or

(i) A person who has entered into a written or unwritten agreement to act in concert with the other person in acquiring or limiting the disposition of ownership interest or voting securities of a provider or controlling company.

“Audited financial statements” means a statement prepared by an independent Certified Public Accountant, which includes:

- (a) An audit opinion from the independent Certified Public Accountant concerning the financial statements;
- (b) Balance sheet;
- (c) Statement of operations;
- (d) Statement of changes in cash flow; and,
- (e) Notes to the financial statement prepared on the basis of generally accepted accounting principles on an accrual basis covering the latest annual reporting period.

(5) “Comparable unit” means a unit similar in floor plan, size or design to a unit vacated, but does not necessarily mean the same unit.

(5)(6) “Construction of a model residence unit” means and is limited to the actual construction of a structure containing not more than one unit of each floor plan to be offered to prospective residents of the proposed facility.

(6)(7) “Control,” including the terms “controlling,” “controlled by,” and “under common control with”, means the direct or indirect possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a person, whether through ownership of voting interests or securities, by contract, or otherwise. Control is presumed to exist if a person, directly or indirectly, owns, controls, holds with the power to vote, or holds proxies representing 10 percent or more of the voting interests or securities of another person.

(8) “Escrow account” means money physically located and deposited in a bank, savings and loan association, or trust company located within the State of Florida in an account governed by an escrow agreement which meets the requirements of section 651.033, F.S., and in the custody of a third party for delivery only upon the fulfillment of the conditions specified by chapter 651, F.S., and the escrow agreement.

(9) “Food” as used in section 651.011(2), F.S., means meals available or accessible to residents as a covered benefit or on a fee-for service basis.

(10) “Furnishing” as used in section 651.011(2), F.S., means to make available, arrange, or provide through one or more intermediaries shelter, food, or health care as a covered benefit or on a fee-for service basis.

(7)(11) “Independent consultant” means:

- (a) A person who is not related by blood or marriage, employed, affiliated, or controlled by a provider; and,
- (b) An independent actuary or independent Certified Public Accountant who in the regular practice of his profession is engaged by a provider to perform a specific function in accordance with professional standards and conduct required by that profession.

(8)(12) “Long-term financing or debt” means any debt with a duration of more than twelve (12) months.

(13) “Manager” or “management company” means a person who, pursuant to a written contract with a provider, agrees to administer the day-to-day business operations of a facility for a provider, subject to the policies, directives, and oversight of the provider.

(9)(14) “Material adverse deviation or change” means any change or extraordinary occurrence which creates or causes, or could create or cause, a provider or a facility to become insolvent or no longer financially viable.

(10)(15) “Nominee of” means:

- (a) A person other than the resident who has been designated in writing by the resident to receive any notices given or required to be given to a resident, and who may participate on behalf of the resident in any meetings between the resident and the provider or its agent or employee concerning the resident, the facility, or the rights of the resident, or in any complaint proceeding or legal action on behalf of the resident; and,

(b) A person who is not a provider or any agent, employee, or affiliate of the provider.

(16) “Nursing care” as defined by section 651.011(2), F.S., means access to those services or acts that might be rendered to a resident by individuals as defined by chapter 464, F.S.

(17) “Occupancy” means a date certain on which a resident is notified by a provider in writing that a unit is ready for the resident to move into, or the date on which the resident actually takes possession of the unit, whichever occurs first.

(11) “Occupied” means a date certain on which a resident takes possession of a unit or begins paying monthly maintenance fees, whichever occurs first.

(12)(18) “Opening date or commencement of operations” means the day a certificate of occupancy is issued.

(13)(19) “Payment-in-full” means that 100 percent of the entrance fee charged by a provider to a resident for a residency agreement has been paid by the resident to the provider.

~~(14)(20)~~ “Phase” means a planned incremental stage of construction in the development of a facility.

~~(15)(24)~~ “Preparation of the construction site” means, and is limited to, the clearing and grading of land of a proposed facility site, except when additional work is required to comply with any city, county, state, or federal laws, rules or ordinances in connection with the clearing and grading of a proposed facility site. Site preparation does not include the pouring of foundations or the stubbing in of plumbing.

~~(16)(22)~~ “Reservation agreement” means an agreement executed by a prospective resident or a nominee of a prospective resident for the purpose of reserving a specific unit in a facility.

~~(23)~~ “Resident” as used in section 651.011(9), F.S., does not mean a provider or any agent, employee, or affiliate of the provider.

~~(17)(24)~~ “Residency agreement” means an agreement executed by a resident or a nominee of a resident which gives the resident the right to occupy a unit and receive continuing care.

~~(25)~~ “Shelter” as used in section 651.011(2), F.S., means an independent living unit, room, apartment, cottage, villa, personal care unit, nursing bed, or other living area within a facility set aside for the exclusive use of one or more identified residents.

~~(18)(26)~~ “Total operating expenses” means all expenses incurred in the operations of a facility, net of depreciation and amortization.

~~(27)~~ “Unincorporated association” as used in section 651.022, F.S., means a Florida limited or general partnership.

~~(19)(28)~~ “Unit” means the shelter in which a resident may reside.

~~(20)(29)~~ “Waiting list deposit” means any payment made by a prospective resident to a provider in return for a preferential right to subscribe to a continuing care agreement.

*Rulemaking Authority 651.015(3) FS. Law Implemented 651.011, 651.021, 651.022, ~~651.022(2)(b)10., (7),~~ 651.023, 651.026, 651.033, 651.035, 651.055, 651.091, 651.106, 651.1151, 651.118, 651.125 FS. History—New 7-16-92, Formerly 4-193.002, Amended, \_\_\_\_\_.*

### **690-193.003 Applications and Management Change.**

Substantial rewording of Rule 690-193.003, F.A.C. follows. See Florida Administrative Code for present text.

#### (1) Application for Certificate of Authority

(a) An application for a person applying for a certificate of authority for a continuing care provider consists of the following:

1. Form OIR-C1-473, “Application for Certificate of Authority for a Continuing Care Provider,” effective 9/19, hereby incorporated by reference and available at [www.flrules.org/XXXXX](http://www.flrules.org/XXXXX);

2. Form OIR-C1-144, “Service of Process Consent & Agreement,” effective 6/04, hereby incorporated by reference and available at [www.flrules.org/XXXXX](http://www.flrules.org/XXXXX);

3. Form OIR-C1-905, “Instructions for Furnishing Background Investigative Reports,” effective 11/19, hereby incorporated by reference and available at [www.flrules.org/XXXXX](http://www.flrules.org/XXXXX);

4. Form OIR-C1-938, “Fingerprint Payment and Submission Procedures,” effective 11/19, hereby incorporated by reference and available at [www.flrules.org/XXXXX](http://www.flrules.org/XXXXX);

5. Form OIR-C1-2221, “Management Information Form,” effective 11/19, hereby incorporated by reference and available at [www.flrules.org/XXXXX](http://www.flrules.org/XXXXX); and

6. Form OIR-C1-1423, “Biographical Affidavit,” effective 4/19, hereby incorporated by reference and available at [www.flrules.org/XXXXX](http://www.flrules.org/XXXXX).

(b) A person applying for a certificate of authority as a continuing care provider shall submit forms in paragraph (1)(a) as directed by the Office electronically at <https://www.floir.com/iportal>.

#### (2) Application for Provisional Certificate of Authority

(a) An application for a person applying for a provisional certificate of authority for a continuing care provider consists of the following:

1. Form OIR-C1-471, “Application for Provisional Certificate of Authority for a Continuing Care Provider,” effective 9/19, hereby incorporated by reference and available at [www.flrules.org/XXXXX](http://www.flrules.org/XXXXX);

2. Form OIR-C1-144, incorporated by reference in paragraph (1)(a);

3. Form OIR-C1-905, incorporated by reference in paragraph (1)(a);

4. Form OIR-C1-938, incorporated by reference in paragraph (1)(a);

5. Form OIR-C1-2221, incorporated by reference in paragraph (1)(a); and

6. Form OIR-C1-1423, incorporated by reference in paragraph (1)(a).

(b) A person applying for a provisional certificate of authority as a continuing care provider shall submit forms in paragraph (2)(a) as directed by the Office electronically at <https://www.floir.com/iportal>.

(3) Consolidated Application for Provisional Certificate of Authority and Certificate of Authority

(a) A consolidated application for a provisional certificate of authority and certificate of authority for a continuing care provider consists of the following:

1. Form OIR-C1-2220, "Consolidated Application for Provisional Certificate of Authority and Certificate of Authority for a Continuing Care Provider," effective 9/19, hereby incorporated by reference and available at [www.flrules.org/XXXXX](http://www.flrules.org/XXXXX);
2. Form OIR-C1-144, incorporated by reference in paragraph (1)(a);
3. Form OIR-C1-905, incorporated by reference in paragraph (1)(a);
4. Form OIR-C1-938, incorporated by reference in paragraph (1)(a);
5. Form OIR-C1-2221, incorporated by reference in paragraph (1)(a); and
6. Form OIR-C1-1423, incorporated by reference in paragraph (1)(a).

(b) A person filing a consolidated application for provisional certificate of authority and certificate of authority for a continuing care provider shall submit forms in paragraph (3)(a) as directed by the Office electronically at <https://www.flair.com/iportal>.

(4) Application for Simultaneous Acquisition of a Continuing Care Facility and Issuance of a Certificate of Authority to a Provider

(a) An application for the simultaneous acquisition of a continuing care facility and issuance of a certificate of authority consists of the following:

1. Form OIR-C1-2219, "Application for Simultaneous Acquisition of a Continuing Care Facility and Issuance of a Certificate of Authority to a Provider," effective 9/19, hereby incorporated by reference and available at [www.flrules.org/XXXXX](http://www.flrules.org/XXXXX);
2. Form OIR-C1-144, incorporated by reference in paragraph (1)(a);
3. Form OIR-C1-905, incorporated by reference in paragraph (1)(a);
4. Form OIR-C1-938, incorporated by reference in paragraph (1)(a);
5. Form OIR-C1-2221, incorporated by reference in paragraph (1)(a); and
6. Form OIR-C1-1423, incorporated by reference in paragraph (1)(a).

(b) A person applying for simultaneous acquisition of a continuing care facility and issuance of a certificate of authority shall submit forms in paragraph (4)(a) as directed by the Office electronically at <https://www.flair.com/iportal>.

(c) Disclaimer of Control

1. A person may attempt to rebut a presumption of control pursuant to section 651.0245, F.S., by electronically filing at <https://www.flair.com/iportal> one of the following forms with the Office:

- a. Form OIR-C1-1467, "Disclaimer of Control Affidavit – Individual", effective 08/18, hereby incorporated by reference and available at [www.flrules.org/XXXXX](http://www.flrules.org/XXXXX);
- b. Form OIR-C1-1468, "Disclaimer of Control Affidavit – Entity", effective 08/18, hereby incorporated by reference and available at [www.flrules.org/XXXXX](http://www.flrules.org/XXXXX);
- c. Form OIR-C1-2211, "Disclaimer of Control Affidavit – Investment Companies," effective 08/18, hereby incorporated by reference and available at [www.flrules.org/XXXXX](http://www.flrules.org/XXXXX).

2. A person may attempt to rebut a presumption of control pursuant to section 651.0245, F.S., by filing a copy of a Schedule 13G filed with the Securities and Exchange Commission pursuant to Rule 13d-1(b) or (c), 17 C.F.R. s. 240.13d-1, under the Securities Exchange Act of 1934, as amended, to the Office electronically at <https://www.flair.com/iportal>.

3. Pursuant to section 651.0245(6), F.S., the Office is authorized to disallow a disclaimer of control filed pursuant to subparagraphs (4)(c)1. and (4)(c)2.

(5) Application for Expansion

(a) An application for a person applying for expansion of a certificated continuing care facility consists of the following:

1. Form OIR-C1-2218, "Application for Expansion of a Certificated Continuing Care Facility," effective 9/19, hereby incorporated by reference and available at [www.flrules.org/XXXXX](http://www.flrules.org/XXXXX);
2. Form OIR-C1-905, incorporated by reference in paragraph (1)(a);
3. Form OIR-C1-938, incorporated by reference in paragraph (1)(a);
4. Form OIR-C1-2221, incorporated by reference in paragraph (1)(a); and
5. Form OIR-C1-1423, incorporated by reference in paragraph (1)(a).

(b) A person applying for expansion of a certificated continuing care facility shall submit forms in paragraph (5)(a) as directed by the Office electronically at <https://www.flair.com/iportal>.

(6) Manager or Management Company

(a) To comply with the filing requirements of section 651.043(2), F.S., for each new management company or manager not employed by a management company within 10 business days of a change in management, the provider shall submit the following:

1. Form OIR-C1-905, "Instructions for Furnishing Background Investigative Reports," effective 2/15, hereby incorporated by reference and available at [www.flrules.org/XXXXX](http://www.flrules.org/XXXXX);
2. Form OIR-C1-938, "Fingerprint Payment and Submission Procedures," effective 10/18, hereby incorporated by reference and available at [www.flrules.org/XXXXX](http://www.flrules.org/XXXXX); and

3. Form OIR-C1-1423, "Biographical Affidavit," effective 4/19, hereby incorporated by reference and available at [www.flrules.org/XXXXX](http://www.flrules.org/XXXXX).

4. A copy of the written management contract, if applicable.

(b) The documents in paragraph (6)(a) shall be submitted to the Office electronically at <https://www.floir.com/iportal>.

(1) An application shall be submitted to the Office on forms prescribed in rule 69O-193.065, F.A.C., and must include all of the following:

(a) Proper filing fee;

(b) Original manual signatures;

(c) Complete responses to the information requested;

(d) Background information as required in the application for each person, together with any required fees;

(e) Feasibility study;

(f) Financial statements;

(g) Continuing care agreement; and;

(h) Escrow agreements.

(2) Any application that does not meet the requirements in subsection (1), above, is unacceptable for filing pursuant to section 651.022(5), F.S., and will be returned to the applicant without further processing.

Rulemaking Authority 651.015(3), 651.021(2), 651.022(2), 651.0245(3), (5), (6), 651.0246(1), 651.043 FS. Law Implemented 651.0215, 651.022, 651.023, 651.024, 651.0245, 651.0246 FS. History—New 7-16-92, Formerly 4-193.003, Amended,

### **69O-193.005 Monthly, Quarterly, and Annual Required Financial Reports.**

Substantial rewording of Rule 69O-193.005, F.A.C. follows. See Florida Administrative Code for present text.

#### (1) Monthly Statements

If required by the Office pursuant to section 651.0261(3), F.S., a provider shall file Form OIR-A3-973 within 25 days after the end of each month. Form OIR-A3-973, "Monthly Financial Report," effective 11/19, is hereby incorporated by reference and available at [www.flrules.org/XXXXX](http://www.flrules.org/XXXXX). The filing shall be submitted electronically via the Office's system at <https://www.floir.com/iportal>.

#### (2) Quarterly Statements

(a) As required by section 651.0261(2), F.S., a provider shall file Form OIR-A3-974 within 45 days after the end of the fiscal quarter. Form OIR-A3-974, "Quarterly Financial Report," effective 11/19, is hereby incorporated by reference and available at [www.flrules.org/XXXXX](http://www.flrules.org/XXXXX). The filing shall be submitted electronically via the Office's system at <https://www.floir.com/iportal>.

(b) In addition to Form OIR-A3-974, a provider shall submit Form OIR-A3-1245, "Sales and Financial Report for a Non-Operational Facility," effective 9/19, for any facility for which a certificate of occupancy has not yet been issued.

#### (3) Annual Report

An Annual Report shall be filed with the Office, on or before May 1 of each year if the provider's fiscal year end is December 31 or within 120 days of the last day of the fiscal year of the provider if the provider has declared a fiscal year other than the calendar year, on Form OIR-A3-470, "Annual Financial Report," effective 9/19, hereby incorporated by reference and available at [www.flrules.org/XXXXX](http://www.flrules.org/XXXXX). The filings shall be submitted electronically via the Office's system at <https://www.floir.com/iportal>.

(1) Each provider, unless otherwise specified by the Office, shall file in addition to the annual report, a quarterly report on Form OIR 974 within 45 days of the end of the preceding quarter, and other information and data showing its financial condition as of the last day of the preceding quarter.

(2)(a) Additional financial reports and information may be required if the Office deems such reports necessary to monitor and evaluate the financial condition of a provider who is subject to:

1. Administrative supervision proceedings;

2. A corrective action plan;

3. A declining financial position;

4. Refinancing;

5. An acquisition; or

6. Delinquency, receivership, or bankruptcy proceedings.

(b) Additional financial reports and information when required shall be due within 25 days from the end of the period requested by the Office.

- (3) Fines for the late filing of any required report are set forth in rule chapter 69O-207, F.A.C.
- (4) Prescribed forms are set forth in rule 69O-193.06, F.A.C.

Rulemaking Authority 651.015(3), 651.026(2), (9), 651.0261(1), (2), (4) FS. Law Implemented 651.026, 651.0261 FS. History--New 7-16-92, Formerly 4-193.005, Amended, \_\_\_\_\_.

**69O-193.006 Financial Viability.**

(1) In addition to days cash on hand, debt service coverage ratio, and occupancy as defined in section 651.011, F.S., the Office may utilize measures set forth in this rule to assess the financial viability of a provider. In order to determine the financial viability of a Florida facility or a provider, the Office shall utilize one or more of the factors set forth in this rule to evaluate the financial condition of the facility or provider by comparing the financial information submitted by the provider with prior reports.

(2) The information derived from the factors set forth in this rule shall be used for the purpose set forth in subsection (1), through an evaluation of financial trends of a facility or provider. Due to the diversity in ownership structure, operation, debt structure, and economic models, the information obtained shall not be used as a basis of comparison to other facilities or providers.

(2)(3) The Office may shall analyze the trends in performance of a provider or facility using the information filed pursuant to rule 69O-193.005, F.A.C., and any other relevant information available to the Office pursuant to chapter 651, F.S., chapter 69O-193, F.A.C., or an order of the Office, and shall consider the effects that any unusual occurrence may have on the outcome of the calculations specified in subsection (6) prior to making a determination regarding the financial condition of a facility or provider.

(3) Prior to making a determination regarding the financial viability of a facility or provider, the Office shall consider the impact of any extraordinary or unusual occurrences affecting the facility or provider.

(4) The Office may seek the assistance of members of the Continuing Care Advisory Council or other experts in reviewing and evaluating the information regarding a obtained from any facility or provider.

(5) In the event that additional information is necessary to assess further evaluate the financial viability condition of a that facility or provider, the Office may shall request and consider such additional information. Additional information includes information, reports, data, and documentation related to the following: to further evaluate the condition of that facility or provider, and shall consider such factors as:

- (a) The governing body of the provider, and its financial policy statements, and its financial policies;
- (b) The management Management or management company;
- (c) The organization's financial plans;
- (d) Financial feasibility studies, projections, examinations, professional studies, opinions, reports, or other similar documents prepared by or on behalf of a provider;
- (e) Compliance with local, state and federal laws, rules, or ordinances;
- (f) Marketing plans;
- (g) Continuing care contract benefits and services;
- (h) Pricing;
- (i) Commitment of financial support from other organizations; and,
- (j) Other financial information;

(6) The Office may consider Net Operating Margin – Adjusted Ratio set forth in this subsection in assessing the financial viability of a provider. In calculating the ratio, the Office may use data pertaining to either the facility or provider, as appropriate, based upon the debt and operating structure of a provider. In addition to calculating the ratio, the Office will consider the relevance of the ratio to a provider based on the provider's debt and operating structure. The ratio will be calculated using corresponding line items in the reports adopted pursuant to rule 69O-193.005, F.A.C., and calculations which shall be utilized by the Office to determine the financial viability as provided in subsection (1) are defined below, and are based on Generally Accepted Accounting Principles (GAAP) using the accrual method (unless otherwise defined) except that ratios related to revenue are adjusted and calculated on a basis excluding amortized entrance fees as revenue and including actual entrance fees received net of refunds paid during the period under review. The calculations are divided into four categories: Profitability, Leverage, Liquidity, and Occupancy Ratios.

(a) NET OPERATING MARGIN – ADJUSTED RATIO – The Net Operating Margin – Adjusted Ratio is a measure of the operating performance calculated by dividing operating revenue plus net proceeds from entrance fees minus operating expenses by operating revenue plus net proceeds from entrance fees.

<u>Net Operating Margin – Adjusted Ratio</u>	=	<u>Operating Revenue</u> <u>+ Net Proceeds from Entrance Fees</u> <u>- Operating Expenses</u>
		<u>Operating Revenue</u> <u>+ Net Proceeds from Entrance Fees</u>

(a) PROFITABILITY RATIO:

OPERATING RATIO—The Operating Ratio is a measure of the percentage of expenses incurred based on generated revenue and is defined as cash operating revenues divided by cash operating expenses.

Operating Ratio	=	$\frac{\text{Cash Operating Revenues}}{\text{Cash Operating Expenses}}$
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(b) LIQUIDITY RATIOS:

1. ADJUSTED CURRENT RATIO—The Adjusted Current Ratio is a measure of liquidity and is defined as the number of dollars held in current assets plus cash and investments that are available for operations without violating loan agreements, contracts, chapter 651, F.S., or any rule promulgated pursuant thereto, per dollar of current liabilities. (Current means occurring within one year.)

Adjusted Current Ratio	=	$\frac{\text{Current Assets}}{\text{Current Liabilities}}$
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2. DAYS CASH ON HAND—The Days Cash On Hand Ratio reflects the number of days that a facility maintains adequate cash and/or readily marketable securities to cover average cash expenditures.

Cash Expenses per Day	=	$\frac{\text{Cash Operating Expenses}}{\text{\# of Days in Period}}$
Days Cash on Hand	=	$\frac{\text{Unrestricted Cash} + \text{Unrestricted Investments}}{\text{Cash Expenses Per Day}}$

(c) LEVERAGE RATIO:

DEBT SERVICE COVERAGE RATIO—The Debt Service Coverage Ratio is a measure of a facility's ability to pay its debt service payments through operations and is calculated on a cash flow basis. It is defined as the number of times net revenue is available for total debt service.

Debt Service Coverage Ratio	=	$\frac{\text{Cash Operating Revenues} - \text{Cash Operating Expenses}}{\text{Total Debt Service}}$
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(d) OCCUPANCY RATIOS:

OCCUPANCY is defined as the total number of occupied units in a facility divided by the total number of units in that facility. Occupancy shall be tracked by each level of care.

1. Occupancy of Independent Living Units (ILU's)	=	$\frac{\text{Occupied ILU's}}{\text{Total ILU's}}$
2. Occupancy of Assisted Living Units (ALU's)	=	$\frac{\text{Occupied ALU's}}{\text{Total ALU's}}$
3. Occupancy of Skilled Nursing Beds (SNF)	=	$\frac{\text{Occupied SNF}}{\text{Total SNF}}$
4. Occupancy of Rental Units (Rentals)	=	$\frac{\text{Occupied Rentals}}{\text{Total Rentals}}$

Notwithstanding the foregoing, the Office shall utilize such other information, criteria, ratios or other factors as necessary in assessing or determining the financial viability of a facility or provider whose financial viability is in question.

(b)(e) DEFINITIONS:

As used in this rule, the following terms shall have the following meanings:

1. NET PROCEEDS FROM ENTRANCE FEES means actual entrance fees received under the period under review less actual entrance fees refunded during the same period. CASH OPERATING EXPENSES means total expenses less interest, depreciation and amortization expense.
2. OPERATING EXPENSES means all expenses for the period under review less interest expense, depreciation, amortization, and other non-cash expenses including a change in the future service obligation. CASH OPERATING REVENUE means all revenue excluding amortized entrance fees and including actual entrance fees received during the period under review.
3. OPERATING REVENUE means all revenues for the period under review excluding earned/amortized entrance fees, non-cash revenue, and a change in the future service obligation. TOTAL DEBT SERVICE is defined as the total principal and interest expense that is due or paid on the facility within the audited period.
4. TOTAL UNITS means the sum of independent living units (ILU's), assisted living units (ALU's) and skilled nursing beds (SNF's) in a facility.

~~(7) DEFINITIONS: As used in this rule, the following terms shall have the following meanings:~~

~~(a) CASH OPERATING EXPENSES means total expenses less interest, depreciation and amortization expense.~~

~~(b) CASH OPERATING REVENUE means all revenue excluding amortized entrance fees and including actual entrance fees received during the period under review.~~

~~(c) TOTAL DEBT SERVICE is defined as the total principal and interest expense that is due or paid on the facility within the audited period.~~

~~(d) TOTAL UNITS means the sum of independent living units (ILU's), assisted living units (ALU's) and skilled nursing beds (SNF's) in a facility.~~

*Rulemaking Authority 651.015(3), 651.026(3) FS. Law Implemented 651.026 FS. History—New 1-5-93, Amended 5-10-94, Formerly 4-193.006, Amended, \_\_\_\_\_.*

### **690-193.007 Manager or Management Company.**

~~Each manager or management company must demonstrate that it meets the requirements of section 651.022, F.S., and that the management agreement conforms with the cancellation requirements of section 651.1151, F.S.~~

*Rulemaking Authority 651.015(3) FS. Law Implemented 651.022, 651.023, 651.026, 651.1151 FS. History—New 7-16-92, Formerly 4-193.007, Repealed \_\_\_\_\_.*

### **690-193.010 Place.**

~~(1) The term “place” as used in section 651.011(5), F.S., means where continuing care is furnished, in one or more physical plants on a primary or contiguous site or an immediately accessible site.~~

~~(2) As used in the preceding paragraph, the term “primary or contiguous site” means the real property contemplated by the feasibility study required by chapter 651, F.S., and the term “immediately accessible site” means a parcel of real property separated by not more than a reasonable distance, measured along public thoroughfares, from the facility.~~

*Rulemaking Authority 651.015(3) FS. Law Implemented 651.011(5) FS. History—New 7-16-92, Formerly 4-193.010, Repealed \_\_\_\_\_.*

### **690-193.012 Phases.**

(1)(a) A provider intending to develop a facility in phases shall submit a feasibility study as required by chapter 651, F.S., which contains all information required by law for each phase of the proposed project, as well as the project as it will exist upon completion of all construction.

(b) Subsequent to the Office’s approval of an application containing a feasibility study providing for a facility to be developed in phases, a provider must notify the Office in writing within 10 business days of becoming aware of a material adverse deviation or change. Within 60 days of the provider becoming aware of the material adverse deviation or change, the provider must also submit any necessary revisions or amendments to the feasibility study required to account for the material adverse deviation or change. Any material adverse changes or deviations subsequent to approval by the Office must be immediately reported in writing to the Office and necessary adjustments or corrections made.

(2) The Office shall not deem feasible any project proposed to be built in phases if the initial phase does not include the ability to deliver all contract benefits promised to the residents. Contract benefits may be delivered pursuant to a written contractual agreement, which must be disclosed in the contract for continuing care, until the additional phases are completed. Note that pursuant to section 651.118(6), F.S., the provider must construct the non-nursing home portion of the facility and the nursing home portion of the facility at the same time unless the provider already has a component that is to be a part of the continuing care facility and that is licensed under chapter 395, part II of chapter 400, or part I of chapter 429 at the time of construction of the continuing care facility.

(3) The provider must comply with the reservation and entrance fee escrow requirements of section 651.0215, 651.023(5), or 651.0246, section 651.023(4) F.S., which shall apply to each phase in the development of a facility. The funds for each phase should be escrowed separately as evidenced by a separate escrow accounts or sub-accounts agreement for each phase. The escrow agreement(s) establishing the accounts or sub-accounts for each phase must meet which meets the requirements of section 651.033, F.S.

*Rulemaking Authority 651.015(3) FS. Law Implemented 651.023, 651.091 FS. History—New 7-16-92, Formerly 4-193.012, Amended, \_\_\_\_\_.*

### **690-193.015 Expansion of a Facility.**

~~(1) An expansion of 20 percent or more of an existing facility, which is not a phase presented in the feasibility study required by chapter 651, F.S., shall not be approved by the Office until the facility has demonstrated the following:~~

~~(a) The facility:~~

- ~~1. Is in compliance with chapter 651, F.S., and these rules;~~
- ~~2. Is not in an insolvent condition or engaged in any hazardous or injurious transactions, methods, or practices; and,~~
- ~~3. The expansion as proposed will not cause one of these conditions to exist;~~

~~(b) The expansion as proposed is deemed feasible by an independent consultant; and,~~

~~(c) A minimum of 50 percent of the units to be constructed in the expansion phase have been reserved.~~

~~(2) All or part of any entrance fee received in connection with any expansion must be placed in an escrow account and is not eligible for release except in accordance with the provisions of chapter 651, F.S., and these rules.~~

*Rulemaking Authority 651.015(3) FS. Law Implemented 651.021 FS. History—New 7-16-92, Formerly 4-193.015, Repealed \_\_\_\_\_.*

#### **690-193.023 Escrow Agreements and Amendments.**

(1) Each escrow agreement or amendment required by chapter 651, F.S., shall be filed and approved by the Office Department prior to its use in this state.

(2) Each escrow agreement or amendment must be signed by:

(a) The provider;

(b) The escrow agent, which must be a Florida financial institution or trust acceptable to the Office Department.

(3) Each escrow agreement, in addition to all other requirements of law, must contain:

(a) The escrow account number, which may be added to the agreement after the form of the agreement has been approved by the Office;

~~(b) A The physical location in Florida where the funds may be accessed; and of each escrow account governed by the escrow agreement;~~

~~(c) A statement citing the specific provision of chapter 651, F.S., for which the escrow agreement is drawn and for which the escrow account is established; and~~

~~(d) A statement that the provider and the escrow agent will notify the Department in writing at least ten (10) days prior to any change in any of the terms and conditions of the escrow agreement, escrow account numbers, or location of the escrow accounts.~~

*Rulemaking Authority 651.015(3) FS. Law Implemented 651.022, 651.023, 651.033 FS. History—New 7-16-92, Formerly 4-193.023, Amended 9-15-05, Amended, \_\_\_\_\_.*

#### **690-193.028 Feasibility Studies.**

~~(1) Each feasibility study or supplement thereto shall contain:~~

~~(a) A signed opinion by the person who prepared the study; and,~~

~~(b) A statement of all assumptions made that cannot be evaluated.~~

~~(2) A feasibility study required by section 651.023, F.S., if prepared by an Independent Certified Public Accountant shall:~~

~~(a) Be prepared in accordance with standards promulgated by the American Institute of Certified Public Accountants in its Guide for Prospective Financial Statements; and,~~

~~(b) Contain a financial forecast with:~~

~~1. An examination opinion for the first three years of operations; and,~~

~~2. Financial projections with a compilation opinion for the next five years thereafter.~~

~~(3) A feasibility study required by section 651.023, F.S., if prepared by an Independent Consulting Actuary, shall:~~

~~(a) Be prepared in accordance with standards promulgated by the American Academy of Actuaries using Actuarial Standards of Practice Relating to Continuing Care Retirement Communities; and,~~

~~(b) Contain:~~

~~1. An actuary's signed opinion that the project as proposed is feasible and that the feasibility study has been prepared in accordance with standards promulgated by the American Academy of Actuaries; and,~~

~~2. Mortality and morbidity data.~~

~~(4) A facility shall not be deemed feasible by the Office if the feasibility study or any supplemental feasibility study required demonstrates during the forecast and projection period that one or more of the following conditions exist:~~

~~(a) The facility is not deemed feasible by the consultant;~~

~~(b) The assumptions used in the feasibility study are not deemed by the consultant to be reasonable or proper;~~

~~(c) The provider or facility is not demonstrated to be financially viable or is insolvent;~~

~~(d) The feasibility study does not contain all of the data and information required by law; or~~



~~(e) The feasibility study does not contain or express an opinion on the contents of the study.~~

*Rulemaking Authority 651.015(3) FS. Law Implemented 651.021, 651.022, 651.023 FS. History—New 7-16-92, Formerly 4-193.028, Repealed*

### **690-193.030 Updated Feasibility Study.**

Substantial rewording of Rule 690-193.030, F.A.C. follows. See Florida Administrative Code for present text.

(1) Definitions of terms as used in this rule.

(a) An “extraordinary or unusual change” means a material change to the market conditions upon which the feasibility study was based that may cause an adverse impact to the facility.

(b) A “material deviation” includes, but is not limited to, the following:

1. A change to the type or value of the health care benefits provided in the continuing care contracts to be offered by the facility;

2. A change regarding whether entrance fees will amortize to 0% refundability or if a portion of the entrance fee will be refundable regardless of how long the resident resides at the unit;

3. A change or deviation from the projected financial statements provided in the feasibility study that does or will result in a decrease in the days cash on hand or debt service coverage ratio projected in the provider’s application filing;

4. A change of 15% or more in:

a. The number of units at a particular level of care, i.e., independent living units, assisted living units, or skilled nursing units; or

b. The total number of units at the facility; or

5. A change in the healthcare delivery system available at the facility.

(2) If the Office has exempted a provider from sections 651.034(1) or 651.034(2), F.S., pursuant to section 651.034(6), F.S., the Office may require a provider to submit an amended or updated feasibility study when:

(a) An extraordinary or unusual change affecting the viability of the provider’s business plan as approved in an application filing occurs; or

(b) The provider requests in writing to make a material deviation from the feasibility study filed with the Office as part of an application filing under sections 651.0215, 651.023, 651.024, or 651.0246, F.S.

(3) The amended or updated feasibility study must be submitted to the Office:

(a) Within sixty (60) days of the extraordinary or unusual change or

(b) Thirty (30) days prior to any material deviation.

(4) Upon request of the provider and showing of good cause, the Office may extend the time to submit the updated feasibility study.

(5) Based on its review of the amended or updated feasibility study and any additional information requested with respect to the feasibility study, the Office may disapprove a material deviation on the following grounds:

(a) The deviation is not demonstrated to be financially feasible;

(b) The deviation will or is likely to result in the provider or facility failing to meet the requirements of chapter 651, F.S., or this chapter;

(c) The deviation will or is likely to result in the provider being unable to provide continuing care or continuing care at-home pursuant to its continuing care agreements; or

(d) The deviation will or is likely to result in the provider being unable to meet all financial and contractual obligations related to its operations, including obligations to residents.

~~(1)(a) A provider who has not begun operation or who has been in operation for less than five (5) years beginning January 1, 1989, must submit an amended or updated feasibility study when an extraordinary or unusual change occurs.~~

~~(b) Failure to amend or update the feasibility study could impair the feasibility study so that it becomes virtually worthless as a guideline for the continuing financial feasibility of the facility and therefore constitutes grounds for suspension or revocation pursuant to section 651.106(1), F.S.~~

~~(c) The amended or updated feasibility study must:~~

~~1. Be submitted to the Office within sixty (60) days of the change or occurrence; and,~~

~~2. Contain an assessment by an independent consultant on whether there is an adverse impact on the facility.~~

~~(d) The Office may extend the time the updated feasibility study is due.~~

~~(2) The provider has a duty to supply the Office with any new information and any additional information requested by the Office with respect to the feasibility study.~~

Rulemaking Authority 651.015(3) 651.034(7) FS. Law Implemented 651.021, 651.022, 651.023, 651.034 FS. History—New 7-16-92, Formerly 4-193.030, Amended, \_\_\_\_\_.

#### **690-193.040 Advertisement Enforcement Procedures.**

(1) Each provider shall maintain ~~for at least three (3) years~~ at its home or principal office in this state a complete file containing every printed, published, or prepared advertisement it has used in this state, with a notation attached to each indicating the manner and extent of distribution and the form number of any contract advertised.

(2) This file shall be subject to inspection by the Office.

(3) The file shall be maintained for at least three (3) years for providers subject to triennial examinations or at least five (5) years for accredited providers subject to examination at least once every five (5) years, as provided in s. 651.105(1), F.S. Each provider shall retain the advertisements, notations, and form numbers until such time that an exam report has been issued for the period of time in which the advertisement was used in this state.

Rulemaking Authority 651.015(3) FS. Law Implemented 651.095, 651.105 FS. History—New 7-16-92, Formerly 4-193.040.

#### **690-193.045 Administrative Supervision Proceedings.**

(1) ~~A continuing care facility is subject to administrative supervision proceedings under part VI of chapter 624, F.S. Pursuant to this part, a continuing care facility is a type of specialty insurer within the meaning of section 624.80(1)(b), F.S.~~

(2) ~~The confidentiality provisions of part VI of chapter 624, F.S., shall prevail over the provisions of chapter 651, F.S., with respect to any facility subject to administrative supervision proceedings.~~

Rulemaking Authority 651.015(3) FS. Law Implemented 651.018 FS. History—New 7-16-92, Formerly 4-193.045, Repealed \_\_\_\_\_.

#### **690-193.048 Letters of Credit.**

~~A financial institution providing a letter of credit pursuant to section 651.035(7), F.S., will be deemed to satisfy the long-term debt rating category of section 651.035(7)(b), F.S., if the issuing financial institution is a wholly owned subsidiary of a holding company which meets the long-term debt rating requirements of this subsection.~~

Rulemaking Authority 651.015(3) FS. Law Implemented 651.035 FS. History—New 7-16-92, Formerly 4-193.048, Repealed \_\_\_\_\_.

#### **690-193.050 ~~Calculation of the~~ Minimum Liquid Reserve Requirement.**

(1) ~~A Minimum Liquid Reserve (MLR) Calculation shall be filed with the Office, on or before May 1 of each year if the provider's fiscal year end is December 31 or within 120 days of the last day of the fiscal year of the provider if the provider has declared a fiscal year other than the calendar year, on Form OIR-A3-477, "Minimum Liquid Reserve (MLR) Calculation," effective 11/19, hereby incorporated by reference and available at [www.flrules.org/XXXXX](http://www.flrules.org/XXXXX). The filings shall be submitted electronically at <https://www.floir.com/portal>. The minimum liquid reserve (MLR) must be funded not later than sixty one (61) days after the MLR calculation is due to be filed, except as provided in subsection (5) of this rule. Thus, the MLR must be fully funded not later than the first day of the provider's year, whether fiscal or calendar, or the first day of operations, whichever applies.~~

(2) ~~(a) The Office may require a recalculation of the minimum liquid reserve requirement and resubmission of Form OIR-A3-477 in the event of additional long-term financing or other occurrences resulting in a change to the aggregate amount of all principal and interest payments due during the fiscal year on any mortgage loans or other long-term financing or a change to all leasehold payments and all costs related to such payments financing of the facility. Any increase in required minimum liquid reserves must be funded not later than 61 days after the minimum liquid reserve calculation is filed. If the date for filing the MLR calculation has passed, the MLR may not be recalculated until the next due date for filing.~~

~~(b) Additional long-term financing or other extraordinary occurrences may cause the Office to require a recalculation of the MLR, which could result in an increase or decrease in the MLR, notwithstanding the date of filing the MLR calculation.~~

~~(3) Pursuant to section 651.041, F.S., an escrow account maintained under chapter 651, F.S., must be funded and meet the diversification requirements as prescribed in part II, chapter 625, F.S.~~

~~(3)(4) For purposes of the MLR requirement, long-term financing includes, but is not limited to, lease payments, mortgage payments, the long-term portion of any construction loan, and any long-term debt between affiliates or controlling parties of the provider that relate to the real property or fixtures of a facility.~~

~~(4)(5) Where a provider has elected to fund the MLR upon release of entrance fees as provided by section 651.023(6)(d) 651.023(4)(e), F.S., the funds shall be deposited directly from the entrance fee account into the MLR accounts ~~account~~.~~

~~(5)~~(6) A provider shall have and maintain reserves for property real estate taxes and hazard insurance as provided in section 651.035, F.S., even if ~~where~~ there is no long-term debt or financing on the facility.

(6) To request Office approval of a withdrawal of MLR funds, a provider must file Form OIR-A3-1284, "Request for Withdrawal from Minimum Liquid Reserves," effective 11/19, hereby incorporated by reference and available at [www.flrules.org/XXXXX](http://www.flrules.org/XXXXX). The filing shall be submitted electronically at <https://www.floir.com/iportal>.

(7) If a provider, or its escrow agent or trustee, intends to use funds from a debt service reserve that is included in computing a provider's minimum liquid reserve pursuant to section 651.035(1)(b), F.S., rather than filing Form OIR-A3-1284 as required in (6) above, the following process applies:

(a) The provider, or its escrow agent or trustee if so authorized in the agreement under which such debt service reserve is held, shall submit the documents listed below.

1. An affidavit, sworn to by an officer or director of the provider, stating that the provider anticipates being unable to make its scheduled debt service payment and a withdrawal from the debt service reserve included in the minimum liquid reserves pursuant to section 651.035(1)(b), F.S., is required to avoid a payment default. The affidavit shall include all of the following information:

- a. The amount of the payment;
- b. The payment due date;
- c. The maximum amount of the withdrawal needed to make the payment;
- d. The date the anticipated date of the withdrawal;
- e. The account(s) from which the withdrawal will be made, which should match the account information and escrow statements previously provided to the Office; and

f. If there is a discrepancy in this account information, a written explanation of the discrepancy and any relevant documentation at the time of filing.

2. A document providing the following information with respect to the effect of the withdrawal on the provider's minimum liquid reserves and compliance with section 651.035, F.S.

a. A statement of whether the lender or trustee will require the provider to deposit additional funds in the debt service reserve to repay the amount withdrawn.

b. If the provider will be required to deposit additional funds in the debt service reserve to repay the amount withdrawn, the anticipated or proposed schedule for funding.

c. If the withdrawal will result in the provider being out of compliance with section 651.035, F.S., the provider shall submit a preliminary plan or anticipated timeline for coming into compliance. If the provider intends to work with a consultant to establish a plan, as proscribed in its financing documents, the provider should provide a brief explanation of that process and the anticipated date that such a plan will be completed.

(b) The request must be made at least 30 days before the anticipated date of the withdrawal.

(c) The Office will approve requests that contain all of the components specified in paragraph (7)(a) within 30 days of filing.

(d) The Office's approval of a withdrawal from a debt service reserve included in the minimum liquid reserves pursuant to section 651.035(1)(b), F.S., does not constitute approval of the plan submitted pursuant to sub-subparagraph (7)(a)2.c. above.

(e) The filing shall be submitted electronically at <https://www.floir.com/iportal>.

*Rulemaking Authority 651.015(3), 651.026(2)(d), 651.035(9) FS. Law Implemented 651.026, 651.035 FS. History--New 7-16-92, Formerly 4-193.050, Amended, \_\_\_\_\_.*

### **690-193.053 Waiver of Minimum Liquid Reserves.**

Substantial rewording of Rule 690-193.053, F.A.C. follows. See Florida Administrative Code for present text.

(1) If principal and interest payments are paid to a trust that is beneficially held by residents as described in section 651.023(7), F.S., the Office may waive all or any portion of the escrow requirements for mortgage principal and interest if the Office finds that such waiver is not inconsistent with the security protections intended by Chapter 651, FS.

(2) To obtain a waiver for all or any part of the escrow requirement for mortgage principal and interest contained in section 651.035(1), F.S., the provider must meet the requirements of section 651.023(7), F.S., and file Form OIR-A3-1068, "Request for Waiver of Minimum Liquid Reserve," effective 11/19, hereby incorporated by reference and available at [www.flrules.org/XXXXX](http://www.flrules.org/XXXXX), electronically at <https://www.floir.com/iportal>;

(3) For a new facility commencing operations, Form OIR-A3-1068 must be submitted no later than 30 days before the provider requests the release of moneys held in escrow pursuant to section 651.023(6), Florida Statutes. For a provider whose after escrowed funds have been released, Form OIR-A3-1068 shall be filed with the Office, on or before May 1 of each year if the provider's fiscal year end is December 31 or within 120 days of the last day of the fiscal year of the provider if the provider has declared a fiscal year other than the calendar year.

(4) Any previous waiver granted by the Office terminates as of the date the provider is required to file its next MLR calculation. If the subsequent request for waiver is denied, the provider shall have 61 days from the date MLR calculation and Request for Waiver of Minimum Liquid Reserve were due to be filed to fully fund the required reserve accounts.

(1) A provider may obtain a waiver for all or any part of the escrow requirement for mortgage principal and interest contained in section 651.035(1), F.S., if the Office finds that such a waiver is not inconsistent with the security protections intended by chapter 651, F.S. To obtain a waiver, the provider must:

- (a) Submit an application in a form prescribed by the Office;
- (b) Demonstrate in the application that sufficient funds are in an escrow account to meet all outstanding debts on the facility and equipment, and upon release will be used, and are used, to satisfy such debts; and,
- (c) Demonstrate that the residents will be granted a first mortgage or that a first mortgage will be granted to a trust which is beneficially held by the residents in perpetuity, free and clear of any encumbrances for the land, buildings, and equipment that constitute the facility.

(2) Any application for waiver granted by the Office pursuant to this rule shall be in writing and shall be reviewable and renewable each year at the time the required annual MLR calculation is filed.

(3) Any previous waiver granted by the Office terminates as of the date the facility is required to file its next MLR calculation and is subject to review and renewal in accordance with this rule. If the application for renewal of this waiver is denied, the provider shall have six (6) months from the date of loss of the waiver to fully fund the required reserve accounts.

*Rulemaking Authority 651.015(3) FS. Law Implemented 651.023, 651.035 FS. History—New 7-16-92, Formerly 4-193.053, Amended, \_\_\_\_\_.*

#### **690-193.055 Accreditation.**

(1) A provider or facility is accredited for the purposes of sections 400.235(5)(b)1. and 651.105(1), F.S., if it is accredited without stipulations or conditions by Commission on Accreditation of Rehabilitation Facilities International (“CARF International”). The Office may, upon written request by the provider, waive the quarterly reporting requirement and the tri-annual examination of a provider for a facility if:

(a) The facility is accredited by the National Continuing Care Accreditation Commission and submits to the Office current evidence that the facility is in good standing.

(b) The provider agrees to furnish the Office, within five business days, a copy of any communication from the National Continuing Care Accreditation Commission which may directly or indirectly threaten the facility’s accreditation, or the accreditation of any facility owned or operated by the provider, wherever located.

(2) The provider will file evidence that the provider or facility is accredited and in good standing each year with its annual report filing. Any request for waiver granted by the Office is valid only for the reporting period for which the request is made and may not be approved for subsequent reporting periods if any of the following are applicable:

(a) Any action by the National Continuing Care Accreditation Commission which results or could result in loss of accreditation.

(b) Any action by any federal or state agency or regulatory body which could result in revocation, denial or suspension of a license or certificate.

(c) Any action by any federal or state agency or regulatory body which results or could result in a provider or facility’s being out of compliance with the provisions of chapter 651, F.S., or any similar laws or rules of any other state.

(d) Initiation of any criminal or civil action, including bankruptcy or receivership proceedings by any federal or state agency or regulatory body having jurisdiction over the provider or over any business operations of the provider.

(e) Failure by a provider to notify the Office of any of the above within five business days.

(f) Any circumstances that may exist which would be grounds for the Office to conduct an investigation of the provider.

(3) The provider shall furnish the Office, within five business days, a copy of any communication from CARF International concerning the loss or potential loss of accreditation of the provider or any facility owned or operated by the provider, wherever located. Nothing in this rule shall be construed to restrict or modify the Office’s authority to conduct investigations or examinations, request information or otherwise enforce the provisions of chapter 651, F.S.

*Rulemaking Authority 651.015(3), 651.028 FS. Law Implemented 651.028 FS. History—New 7-16-92, Formerly 4-193.055, Amended, \_\_\_\_\_.*

#### **690-193.058 Continuous Updates.**

~~Each~~ Regardless of the information filed with the annual license renewal application, each provider shall immediately notify the Office and file pertinent documents within five business days regarding:

- (1) Any litigation alleging a felonious act by a provider or any person affiliated with or controlled by a provider;
- (2) Any proceeding for denial, suspension, or revocation of any license or permit needed to operate a facility;
- (3) Any other information that might adversely affect the ability of a provider, facility, or its management to operate under the assumptions made in the most recent license application; or
- ~~(4) Any change in the management company of a facility; or~~
- ~~(4)(5) Any change in the name or fictitious name of a provider or facility.~~

*Rulemaking Authority 651.015(3) FS. Law Implemented 651.023, 651.0235, 651.026 FS. History—New 7-16-92, Formerly 4-193.058, Amended, \_\_\_\_\_.*

**690-193.060 Background Information.**

~~(1) In order for the Office to determine that each person required to be named in an application submitted to the Office is reputable and of responsible character and has not been convicted of or pled nolo contendere to a felony or been held liable or enjoined in a civil action involving fraud, embezzlement, fraudulent conversion, or misappropriation of property, pursuant to section 651.022(2)(c), F.S., each person who is required to be named in an application submitted to the Department must submit:~~

- ~~(a) A biographical statement on Form OIR 422;~~
- ~~(b) A fingerprint card furnished by the Office, together with the required fees; and,~~
- ~~(c) A financial and character report by an independent reporting company approved by the Office.~~

~~(2) The Office may waive the requirements of subsection (1), above if:~~

- ~~(a) The person has, within the last two years, submitted all the required background information in subsection (1), above;~~
- ~~(b) The information was found to be acceptable to the Office; and,~~
- ~~(c) The person certifies that there have been no material adverse changes to any of the information submitted since the date of submission and acceptance by the Office.~~

~~(3) The Office may waive the requirement for a financial and character report required in paragraph (1)(c), above if:~~

- ~~(a) 1. The person is applying with an entity that has held a Certificate of Authority pursuant to chapter 651, F.S., for at least five (5) consecutive years; and,~~
- ~~2. There are currently and have not been any unresolved complaints or civil, criminal, or administrative actions taken or pending against the certificate holder or the person applying; or~~
- ~~(b) Where an acquisition occurs pursuant to section 628.4615, F.S., and the acquiring party meets the conditions set forth in paragraph (a), above.~~
- ~~(4) For purposes of this rule, “application” does not include application for expansion or release of funds.~~

*Rulemaking Authority 651.015(3) FS. Law Implemented 651.022(2)(c), 651.023, 651.0235, 651.026 FS. History—New 7-16-92, Formerly 4-193.060, Repealed \_\_\_\_\_.*

**690-193.065 Forms Incorporated by Reference.**

(1) The following forms are incorporated into this rule chapter by reference to implement the provisions of chapter 651, F.S.

Title	Form Number
(a) Application for Provisional Certificate of Authority	OIR 471 (03/92)
(b) Application for Certificate of Authority	OIR 474 (03/92)
(c) Application for Renewal	OIR 474 (03/92)
(d) Verification Form for Release of Funds	OIR 475 (03/92)
(e) Authority to Release Information	OIR 450 (08/91)
(f) Biographical Statement and Affidavit	OIR 422 (11/90)
(g) Abbreviated Biographical Statement	OIR 449 (01/91)
(h) Statement of Acquisition	OIR 448 (05/89)
(i) Application for Expansion of Certificated Facility	OIR 476 (03/92)
(j) Fingerprint Instructions	OIR 938 (04/91)
(k) Fingerprint Fee Invoice	OIR 903 (09/91)
(l) Equivoque Instructions	OIR 934 (10/91)
(m) Minimum Liquid Reserve Calculation	OIR A3 477 (Rev. 07/03)
(n) Waiver of Minimum Liquid Reserve	OIR 1068 (03/92)
(o) Sales and Financial Report	OIR 974 (03/92)

<del>(p) Annual Report</del>	<del>OIR 470 (Rev. 02/98)</del>
<del>(q) Request for Withdrawal From the Renewal and Replacement Reserve (RRR)</del>	<del>OIR 1284 (02/98)</del>

~~(2) These forms shall become effective on the date this rule becomes effective. Copies of the forms may be obtained from the Office of Insurance Regulation, Bureau of Specialty Insurers, Larson Building, 200 East Gaines Street, Tallahassee, FL 32399-0331.~~

*Rulemaking Authority 624.308(1), 651.013, 651.015(1), (3) FS. Law Implemented 624.307(1), 651.021, 651.022, 651.023, 651.024, 651.026, 651.033, 651.035 FS. History—New 6-25-90, Formerly 4-45.035, Amended 7-16-92, 11-29-98, 12-24-03, Formerly 4-193.065, Repealed \_\_\_\_\_.*

**690-193.066 Corrective Action Plan**

(1) The Office shall approve a corrective action plan submitted pursuant to section 651.034, F.S., if the plan includes:

(a) A statement of the fundamental problems causing the regulatory action level event to occur;

(b) A description of the pricing, operational, or other changes to be made that are reasonably expected to result in the elimination of the regulatory action level event;

(c) A specific reasonable time schedule for implementation of the changes described in (1)(b);

(d) Occupancy projections for three years broken down by level of care;

(e) A financial forecast or projected financial statements for three years demonstrating the effect of the proposed changes;

(f) A forecast or projection of the debt service coverage ratio and days cash on hand for the periods included in the financial forecast or projected financial statements, which may be included in the financial forecast or projected financial statements or provided as a separate document; and

(g) Key assumptions supporting the financial forecast or projected financial statements.

(2) The Office shall accept and approve a document prepared for a lender or other third party by the provider or a consultant as the required corrective action plan if the document complies with paragraph (1) of this rule and is accompanied by a sworn statement of the provider that it is a full and true representation of the provider’s plan for coming into compliance with chapter 651, F.S.

*Rulemaking Authority 651.015(3), 651.034(7) FS. Law Implemented 651.034, FS. History-New \_\_\_\_\_.*



**Florida Office of Insurance Regulation**

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**ANNUAL FINANCIAL REPORT**

**FLORIDA COMPANY CODE:**

**FLORIDA PROVIDER GROUP CODE:**

**FEDERAL EMPLOYER IDENTIFICATION NUMBER:**

**ANNUAL FINANCIAL REPORT OF**

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(Continuing Care Provider)

**FOR**

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(Continuing Care Facility)

**TO THE  
FLORIDA OFFICE OF INSURANCE REGULATION**

Life & Health Financial Oversight  
200 East Gaines Street Tallahassee, FL 32399 - 0331

**FOR PERIOD ENDED**

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Facility Name:  
Period Ending:

## GENERAL INFORMATION AND INSTRUCTIONS

The Florida Office of Insurance Regulation (“Office”) issues a Certificate of Authority to the Provider, which is the legal entity that issues contracts for continuing care for a Facility, including residency agreements, reservation agreements, and waitlist agreements. Separate Certificates of Authority are issued for each Facility, which can result in a single Provider holding multiple Certificates of Authority and, therefore, submitting multiple reports for the same period. In addition to operating multiple Facilities, it is not unusual for Providers to engage in business other than providing continuing care in Florida. As a result, the Office requires financial information at the Provider and Facility level to evaluate the financial condition.

Further, many continuing care Providers are part of holding company structures through which they are affiliated with other Florida Providers through common ownership or control. These instructions are intended to clarify reporting requirements so that the Office has a clear understanding of the participants in the Florida market, regardless of organizational structure.

1. Financial statements must be prepared in accordance with generally accepted accounting principles and as prescribed in the Florida Statutes.
2. All terms used in this report will have their general meaning except where specific statutory language applies under the applicable provisions of the Florida Insurance Code.
3. Submit this form electronically via the Office’s system at <https://www.floir.com/portal>.
4. All questions and portions of this form must be completed in order for the filing to be considered complete—do not leave any items blank. For the financial statements, please ensure to enter 0 for numerical values and N/A for text responses, as appropriate, rather than leaving the field blank.
5. If additional explanations, supporting statements, documentation, or schedules are necessary, please upload them to the filing by attaching them as a Miscellaneous Document. Please add a label to the Miscellaneous Document that describes the attachment for ease of reference. Any attachments should be in a readable electronic format (i.e. Word, Excel, PDF, etc.).
6. Attestation. After completing this form, at least two individuals must attest to the filing, as explained on the Attestation. Signatures affixed to the Attestation must be under seal of a notary public. After the Attestation(s) are physically signed and notarized, upload PDFs of them into filing. Please review the Attestation(s) to ensure that the name of the notary public, commission number, commission expiration date, and any required seal or stamp are visible on the form before submitting the filing.
7. Financial Statements. Provide a Balance Sheet, Statement of Operations, and Statement of Cash Flows (collectively “Financial Statements”) for both the Facility and the Provider. If operating the Facility is the Provider’s only business, we would expect the Financial Statements for the Provider and Facility to be identical. If the Provider has more than one Facility or is engaged in other business in addition to operating the Facility, we would expect the Facility’s Financial Statements to reflect the financial position and operations of the Facility as a sub-unit of the Provider and the Provider’s Financial Statements to reflect the financial position of the Provider and all of its operations.
8. Minimum Liquid Reserves. Section 651.035, Florida Statutes, establishes minimum liquid reserve requirements that must be maintained by a Provider for each Facility. Minimum liquid reserve (“MLR”) funds must be maintained in escrow or on deposit with the Department of Financial Services, Bureau of Collateral Management. MLR funds are recorded in Lines 6a and 11a of the Balance Sheet.

In addition, Providers shall submit a schedule detailing MLR funding and accounts. Providers with financing on the Facility should complete SCHEDULE A and not SCHEDULE B. Providers without financing on the Facility should complete SCHEDULE B and not SCHEDULE A.

9. Escrow Statements. To document compliance with the Minimum Liquid Reserve Requirement, please upload escrow statements as a component of this filing. For the purpose of SCHEDULE A and SCHEDULE B, if a Provider uses a single MLR account for one or more of the Facility’s MLR reserves, the Provider



Facility Name:

Period Ending:

should evenly apportion the funds between the appropriate reserve types for the purpose of completing the MLR schedule.

10. If a Provider owns more than one Facility, or if the Provider is affiliated through common ownership or control with additional Providers owning Facilities in Florida, please include a Provider Group Code on the cover page for the monthly, quarterly, and annual filings.
11. Obligated Groups. A Provider that is a member of an Obligated Group should complete SCHEDULE D and should not complete SCHEDULE C. A Provider that is not a member of an Obligated Group should complete SCHEDULE C and should not complete SCHEDULE D.
12. Before submitting this filing, please compare this report, the Minimum Liquid Reserve Calculation, and the audited financial statements to ensure that all of the required filings are accurate and that amounts reported are consistent between documents.



Facility Name:  
Period Ending:

**PROVIDER INFORMATION**

Provider Name: \_\_\_\_\_

Provider Street Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Phone: \_\_\_\_\_

Provider Mailing Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Contact Name: \_\_\_\_\_

Contact Title: \_\_\_\_\_

Phone: \_\_\_\_\_ Ext: \_\_\_\_\_

Email Address: \_\_\_\_\_

Federal Employer Identification Number (FEIN): \_\_\_\_\_

1. Please select the type of organization that describes the Provider.

- For-profit corporation
- Not-for-profit corporation
- General Partnership
- Limited Partnership
- Trust
- Joint Venture
- Limited Liability Company
- Other: \_\_\_\_\_

2. Is the Provider affiliated with or sponsored by a not-for-profit organization?

- Yes
- No
- a. If yes, please provide the name of the affiliated or sponsoring organization. \_\_\_\_\_

3. Is the Provider affiliated with a religious organization?

- Yes
- No
- a. If yes, please provide the name of the religious organization. \_\_\_\_\_

4. Please provide the Florida Company Code of every CCRC in Florida for which the Provider is licensed pursuant to Chapter 651, Florida Statutes. Please separate Florida Company Codes with a comma.

\_\_\_\_\_

5. Provide the following information regarding every CCRC owned or managed by the Provider.

<b>Facility Name</b>	<b>Location</b> <i>(select state)</i>	<b>Owned</b> <i>(check box if yes)</i>	<b>Managed</b> <i>(check box if yes)</i>



Facility Name:  
 Period Ending:

8. Were debt service payments due for the Provider during the reporting period?
- Yes
  - No
  - a. If yes, for each lender, please provide the information below regarding the debt service payments due during the reporting period.

Lender(s)	A Principal	B Interest	C Taxes	D Insurance	E Debt Service per Lender <i>(Sum of A through D)</i>	Payments Timely Made? <i>(Select Yes or No)</i>
1.						
2.						
3.						
4.						
5.						
<b>6. Total Debt Service</b>						

9. Does the Provider have any balloon payments due on debt related to this Facility within 3 years of the period ended date of this filing?
- Yes
  - No
- If yes, please provide the following:
- a. The amount of the balloon payment: \_\_\_\_\_
  - b. Name of the lender: \_\_\_\_\_
  - c. The due date for the balloon payment: \_\_\_\_\_

10. Upload an audited financial report for the Provider that meets the requirements of section 651.026(2)(b) and (c)(6), Florida Statutes.

Facility Name:  
Period Ending:

**FACILITY INFORMATION**

Facility Name: \_\_\_\_\_

Facility Street Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Phone: \_\_\_\_\_ County: \_\_\_\_\_

Provider Mailing Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Executive Director: \_\_\_\_\_

Phone: \_\_\_\_\_ Ext: \_\_\_\_\_

Email Address: \_\_\_\_\_

1. What is the estimated market value of the Facility? \_\_\_\_\_
2. What is the as of date for the estimated value provided above? \_\_\_\_\_
3. Provide the following information regarding all insurance coverage and upload proof of coverage as an attachment to this filing.

<b>Insurer</b>	<b>Coverage Type</b>	<b>Coverage Limit</b>	<b>Deductible /Retention</b>

4. Facility owned by: \_\_\_\_\_
5. Name of entity which the Facility or any part of Facility (ex. ground lease, building lease, etc.) is leased to: \_\_\_\_\_
6. Name of entity which the Facility or any part of Facility (ex. ground lease, building lease, etc.) is leased from: \_\_\_\_\_
7. If the Facility's records are not located on site, please provide the address where its records are located: \_\_\_\_\_

Please provide the following information regarding any units that have been added to the Facility during the reporting period (a certificate of occupancy has been issued) or are currently under construction.

For Assisted Living and Memory Care Units, please report the number of Assisted Living Units that the Provider does not consider to be Memory Care Units as of the reporting date in Line 9. Report the number of units that the Provider considers to be Memory Care Units as of the reporting date in Line 10. If the Provider does not make a distinction between Assisted Living and Memory Care or if a decision regarding whether the units will be used for Memory Care has not been made, please report all units as Assisted Living in Line 9 and enter 0s for Line 10.

Facility Name:  
 Period Ending:

	<b>A Added</b>	<b>B Under Construction</b>
8. Independent Living Units		
9. Assisted Living Units		
10. Memory Care Units		
11. Total Assisted Living (Line 9 + Line 10)		
12. Community Beds		
13. Sheltered Beds		
14. Total Skilled Nursing Beds (Line 12 +Line 13)		
15. Total Units (Sum of Lines 8, 11, and 14)		

16. Where any additional independent living/community common spaces constructed this year?  
 Yes  
 No

17. Was a new assisted living or memory care facility constructed during this year?  
 Yes  
 No

18. Was a new skilled nursing facility constructed during this year?  
 Yes  
 No

19. Did the Provider undertake a substantial renovation project for existing units?  
 Yes  
 No

20. Has the Provider remodeled or reconfigured the Facility to combine or otherwise permanently reduce the number of units?  
 a. Yes  
 b. No

21. Did the Provider incur any additional debt to related to construction costs?  
 Yes  
 No  
 i. If yes, how much new debt was incurred? \_\_\_\_\_

If the Provider's plans for future construction projects at the Facility are publicly available, please provide the following information regarding any units that the Provider plans to add to the Facility in the next 3 years (3 years from the period ended date of this filing).

For Assisted Living and Memory Care Units, please report the number of Assisted Living Units that the Provider does not consider to be Memory Care Units as of the reporting date in Line 23. Report the number of units that the Provider considers to be Memory Care Units as of the reporting date in Line 24. If the Provider does not make a distinction between Assisted Living and Memory Care or if a decision regarding whether the units will be used for Memory Care has not been made, please report all units as Assisted Living in line 23 and enter zeroes for line 24.

	<b>A Number of Units to Be Added</b>
22. Independent Living Units	
23. Assisted Living Units	
24. Memory Care Units	
25. Total Assisted Living (Line 22 + Line 23)	
26. Community Beds	
27. Sheltered Beds	
28. Total Skilled Nursing Beds (Line 26 + Line 27)	
29. Total Units (Sum of Lines 22, 25, and 28)	

30. Does the plan to any additional independent living/community common spaces to the Facility in the next three years?  
 Yes

Provider construct

Facility Name:

Period Ending:

- No

31. Does the Provider plan to construct a new assisted living or memory care facility within the next 3 years?

- Yes
- No

32. Does the Provider plan to construct a new skilled nursing facility within the next 3 years?

- Yes
- No

33. Does the Provider plan to begin a substantial renovation project for existing units within the next 3 years?

- Yes
- No

34. Does the Provider plan to remodel or reconfigure the Facility to combine or otherwise permanently reduce the number of units within the next 3 years?

- Yes
- No

35. Does the Provider plan to incur any additional debt to related to construction costs within the next 3 years?

- Yes
- No.

a. If yes, how much new debt is estimated to be incurred? \_\_\_\_\_

36. Were debt service payments due specifically related to this Facility during the reporting period?

- Yes
- No

If yes, for each lender, please provide the following information regarding the Provider's debt service payments that were due during the reporting period.

Lender(s)	A Principal	B Interest	C Taxes	D Insurance	E Debt Service per Lender (Sum of A through D)	Payments Timely Made? (Select Yes or No)
37.						
38.						
39.						
40.						
41.						
<b>42. Total Debt Service</b>						

43. Does the Provider have any balloon payments due on debt related to this Facility within 3 years of the period ended date of this filing?

- Yes
- No

If yes, please provide the following:

a. The amount of the balloon payment: \_\_\_\_\_

b. The name of the lender: \_\_\_\_\_

c. The due date for the balloon payment: \_\_\_\_\_



Facility Name:  
Period Ending:

### RESIDENTS' COUNCIL AND MEETING INFORMATION

1. Please provide the following information for the President, Chair, or person performing a similar function, of the Residents' Council or similar body:

a. Name: \_\_\_\_\_

b. Phone: \_\_\_\_\_

c. Email Address: \_\_\_\_\_

2. Please provide the following information regarding the quarterly meetings required by section 651.085, Florida Statutes:

<b>Date of Quarterly Meeting</b>	<b>Date Notice of Quarterly Meeting Was Provided</b>	<b>Name &amp; Title of Provider Representative(s) in Attendance</b>	<b>Monthly Fee Increases Discussed?</b> (select yes or no)	<b>Summary of Reasons for Fee Increase Provided in Writing?</b> (select yes or no)

Facility Name:  
 Period Ending:

**FEES AND CHARGES**

1. Please upload the fee schedules in affect as-of the period ended date of this filing in as Excel file or in readable PDF format. As applicable, please provide a fee schedule for each of the following:
  - a. Entrance fees – continuing care contracts;
  - b. Monthly maintenance fees – continuing care contracts;
  - c. Fees charged for assisted living care;
  - d. Fees charged for memory care; and
  - e. Fees charged for skilled nursing care.

Please provide the following range of fees for continuing care contracts:

	<b>A Lowest Fee</b>	<b>B Highest Fee</b>
2. Entrance fee		
3. 2 <sup>nd</sup> person entrance fee		
4. Monthly maintenance fee		
5. 2 <sup>nd</sup> person maintenance fee		

6. How does the Provider apply the proceeds of entrance fees received? Please check all that apply:
  - To pay down long-term debt
  - To pay operating expenses
  - To fund construction or renovation
  - To pay resident refunds
  - Other: \_\_\_\_\_
  
7. If the entrance fee is not the same in all cases, how is the amount of the entrance fee determined? Please check all that apply:
  - Entrance fee varies by unit type
  - Entrance fee changes based on market conditions or marketing promotions
  - Entrance fee varies based on healthcare services provided
  - Entrance fee varies based on services provided other than healthcare benefits (number of meals, housekeeping, etc.)
  - Entrance fee varies based on whether a portion of the entrance fee is refundable regardless of the length of the resident's occupancy or if the entrance fee will amortize to 0% refundable
  - Entrance fee varies based on timing of the refund payment
  - Entrance fees vary by the age or health of the prospective resident
  - Other: \_\_\_\_\_

Regardless of whether the change involves the basic rate or only those services available at additional cost the resident, please provide the following information:

8. Has the Provider changed or increased fees during the reporting period?
  - Yes, fees increased, If so, by how much on average? a. \_\_\_\_\_%
  - No, fees stayed the same
  - No, fees decreased. If so, by how much on average? b. \_\_\_\_\_%
  
9. Has the Provider changed the scope of care or services during the reporting period?
  - Yes, the provider provides a broader scope of care or services than last year
  - Yes, the provider provides a narrower scope of care or services than last year
  - No, the scope of care or services is the same as last year
  
10. Has the Provider changed the rates for care or services during the reporting period?
  - Yes, the rates for care or services increased, If so, by how much on average? a. \_\_\_\_\_%
  - Yes, the rates for care or services decreased. If so, by how much on average? b. \_\_\_\_\_%
  - No, the rates for care or services stayed the same

Facility Name:  
Period Ending:

### RESIDENT COUNT

For each category below, specify the total number of individuals at this Facility as of the end of the reporting period. Continuing care at-home residents should not be included in lines 1 through 4.

Level of Care	A Pursuant to a Continuing Care Contract	B Without a Continuing Care Contract
1. Independent Living		
2. Assisted Living and Memory Care		
3. Skilled Nursing		
4. Total (Sum of Lines 1, 2 and 3)		

- 5. Please specify how many individuals have contracted with the Provider pursuant to a continuing care at-home contract for this Facility: \_\_\_\_\_
- 6. Provide the average age of the resident population: \_\_\_\_\_

Facility Name:  
 Period Ending:

**CONTINUING CARE CONTRACTS**

Using the definitions below, please complete the following table regarding the number of continuing care contracts in force at this Facility. Please provide the number of the Provider's in force continuing care contracts that fit in each category. Choose the best fit using the definitions below.

Type A or "Extensive" or Life Care" Contracts: continuing care contracts that provide lifetime access to independent living and assisted living or skilled nursing care with little or no increase in the monthly fee as the result of moving to a higher level of care.

Type B or "Modified" Contracts: continuing care contracts that offer a less extensive health care benefit than Type A contracts, but more benefits than a fee-for-service contract. Type B contracts may provide for a slightly discounted rate for assisted living or skilled nursing care, a limited period of assisted living or skilled nursing care, or a set amount of funds to be credited toward charges for assisted living or skilled nursing care. If residents exhaust their healthcare credit or remain at a higher level of care for a greater period of time than the number of days established in their continuing care contract, they pay a stated daily rate for care.

Type C or "Fee-for-Service" Contracts: continuing care contracts that grant residents exclusive or priority access to assisted living or skilled nursing care, but do not provide any discounts for assisted living or skilled nursing care. Residents at a higher level of care are charged the stated daily rate.

Traditional Refund Clause: a clause in a Type A, Type B, or Type C continuing care contract whereby the resident's entrance fee amortizes down to a 0% refund of the entrance fee based on months of occupancy by the resident.

Refundable Clause : a clause in a Type A, Type B, or Type C continuing care contract that provides the resident with a right to a refund of a specified percentage their entrance fee regardless of the number of months of occupancy, subject to terms and conditions.

	<b>A Traditional Refund Clause</b>	<b>B Refundable Clause</b>
<b>1. Type A</b>		
<b>2. Type B</b>		
<b>3. Type C</b>		

Please provide the following information regarding the Provider's refund liability for this Facility.

	<b>A Current Reporting Period</b>	<b>B Previous Annual Reporting Period</b>
<b>4. Contractual liability for refundable entrance Fees</b>		
<b>5. Contractual refund obligations assuming all contracts were terminated</b>		

6. Please provide the OIR Form Filing Numbers for the continuing care contracts that the Provider has not discontinued writing at this Facility. Please separate each form filing number with a comma.

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Facility Name:  
Period Ending:

7. Is the estimated present value of the net cost of future services and use of facilities less than the deferred revenue from entrance fees?
- Yes
  - No
- a. If the estimated present value of the net cost of future services and use of facilities exceeds the deferred revenue from entrance fees, has the Provider recorded a liability representing the obligation to provide future services and use of facilities to residents?
- Yes
  - No
  - Not Applicable
- b. If a liability was recorded, what is the amount of the liability representing the obligation to provide future services and use of facilities? \_\_\_\_\_

Facility Name:  
Period Ending:

## ASSISTED LIVING/MEMORY CARE AND SKILLED NURSING INFORMATION

### Skilled Nursing

1. Do the Provider's continuing care contracts provide for skilled nursing services?
  - Yes
  - NoIf yes, please provide the following:
  1. The name of the skilled nursing provider \_\_\_\_\_
  2. Is the skilled nursing provider an affiliate of the Provider?
    - Yes
    - No
2. Does the Provider offer continuing care at-home contracts that provide for skilled nursing services?
  - Yes
  - No
3. How are these services provided? Select all that apply.
  - On site at a Facility owned by the Provider
  - On site at a facility owned by an affiliate
  - On site by an unaffiliated provider
  - Off site by at a Facility owned by the Provider
  - Off site at a facility owned by an affiliate
  - Off site by an unaffiliated provider

4. Upload a copy of the nursing provider's most recent license renewal and nursing home rating.

If the skilled nursing facility is owned by the Provider, does it participate in the following:

5. Medicare
  - Yes. If yes, Annual Receipts \_\_\_\_\_
  - No
6. Medicaid
  - Yes. If yes, Annual Receipts \_\_\_\_\_
  - No

### Assisted Living/Memory Care

7. Do the Provider's continuing care contracts provide for assisted living or memory care services?
  - Yes
  - NoIf yes, please provide the following:
  - a. The name of the assisted living provider. \_\_\_\_\_
  - b. Is the assisted living provider an affiliate of the Provider?
    - Yes
    - No
8. Does the Provider offer continuing care at-home contracts that provide for assisted living or memory care services?
  - Yes
  - No
9. How are these services provided? Select all that apply.
  - On site at a Facility owned by the Provider
  - On site at a facility owned by an affiliate
  - On site by an unaffiliated provider
  - Off site by at a Facility owned by the Provider
  - Off site at a facility owned by an affiliate
  - Off site by an unaffiliated provider

Facility Name:

Period Ending:

10. Upload a copy of the assisted living provider's most recent license renewal.
11. Does this facility require long-term care insurance, Medicare supplement insurance, or similar types of insurance policies on behalf of the residents or the facility? Check all that apply.
- No
  - Long-term care insurance
  - Medicare supplement insurance
  - Other: a. \_\_\_\_\_
12. Does this facility arrange long-term care insurance, Medicare supplement insurance, or similar types of insurance policies on behalf of the residents or the facility? Check all that apply.
- No
  - Long-term care insurance
  - Medicare supplement insurance
  - Other: a. \_\_\_\_\_

Facility Name:  
 Period Ending:

### UNIT ANALYSIS

Please complete the table below regarding the units at the Facility. For the purposes of completing the Unit Analysis, please refer to the descriptions below.

**Continuing Care Units:** Units, other than Skilled Nursing Units, occupied by or to be occupied by at least one continuing care contract holder. Units that are *Available to Market and Unsold* or *Unavailable to Market* should be reported in this section, rather than the Rental Units section, unless the Provider has discontinued marketing all or a specific portion of the Facility to prospective continuing care contract holders.

**Assisted Living and Memory Care Units:** For lines 2, 7 and 15, please report the number of Assisted Living Units that the Provider does not consider to be Memory Care Units as of the reporting date. For lines 3, 8, and 16, please report the number of units that the Provider considers to be Memory Care Units as of the reporting date. If the Provider does not make a distinction between Assisted Living and Memory Care, please report all units as Assisted Living in lines 2, 7, and 15, and enter 0s for lines 3, 8, and 16.

**Rental Units:** Rental Units are those occupied by individuals who are not continuing care contract holders. *Available to Market and Unsold* and *Unavailable to Market Units* should be reported as Continuing Care Units unless the Provider has discontinued marketing all or a specific portion of the Facility to prospective continuing care contract holders.

**Skilled Nursing Units:** Community Beds refers to Skilled Nursing Units occupied by or available to individuals who are not continuing care contract holders. Sheltered Beds refers to Skilled Nursing Units occupied by or available only to continuing care contract holders.

**Other Continuing Care Contracts:** This section refers to continuing care contract holders residing at a location that is not operated by the Provider. Line 14 refers to individuals with continuing care at-home contracts that are not currently residing at the Facility. Lines 15 through 19 refer to continuing care or continuing care at-home contract holders residing at a location that is not operated by the Provider.

	A Occupied or Sold	B Available to Market and Unsold	C Unavailable to Market	D Reserved by Prospective Residents	E Total (A+B+C+D)
<b>Continuing Care Units</b>					
1. Independent Living Units					
2. Assisted Living					
3. Memory Care					
4. Total Assisted Living (2. + 3.)					
5. Total Continuing Care Units (1. + 4.)					
<b>Rental Units</b>					
6. Independent Living Rental					
7. Assisted Living Rental					
8. Memory Care Rental					
9. Total Assisted Living Rental (7. + 8.)					
10. Total Rental Units (6. + 9.)					
<b>Skilled Nursing Units</b>					
11. Community Beds					
12. Sheltered Beds					
13. Total Skilled Nursing Beds (11. + 12.)					
<b>Other Continuing Care Contracts</b>					
14. Independent Living					
15. Assisted Living					
16. Memory Care					
17. Total Assisted Living (15. + 16.)					
18. Skilled Nursing					



Facility Name:

Period Ending:

19. Total Other Continuing Care Contracts (14. + 17. + 18.)					
<b>20. Total of All Units (5. + 10. + 13. + 19.)</b>					

**UNIT SALES**

	<b>Number</b>
1. Total CCRC units available beginning of this period:	
2. Plus units returned to inventory due to cancellation of sale, death, transfer, move-out, etc. this period:	
3. Plus units added during this period:	
4. Less CCRC units sold this period:	( )
5. Less CCRC units removed from inventory for renovation, rental, or other purposes during this period:	( )
6. Total CCRC units available end of this period: <i>(Sum of lines 1, 2, and 3, minus lines 4 and 5)</i>	

**WAITING LIST**

Complete the table below regarding waiting list deposits. A waiting list deposit is any payment made by or on behalf of a prospective resident to a Provider in return for a preferential right to subscribe to a continuing care agreement.

	<b>A Number</b>	<b>B Amount</b>
1. Deposits on hand beginning of this period:		
2. Deposits received this period:		
3. Less Deposits utilized or returned this period:	( )	( )
4. Net deposits on hand end of this period: <i>(Sum of lines 1 and 2, minus line 3)</i>		

Facility Name:  
Period Ending:

### RESERVATION DEPOSITS

A reservation deposit is a payment made by or on behalf of a prospective resident for the purpose of reserving a specific unit in a Facility.

	<b>A Number</b>	<b>B Amount</b>
1. Deposits on hand beginning of this period:		
2. Deposits received this period:		
3. Less Deposits utilized or returned this period:	( )	( )
4. Net deposits on hand end of this period: <i>(Sum of lines 1 and 2, minus line 3)</i>		

Facility Name:  
 Period Ending:

**ENTRANCE FEE CASH SUMMARY REPORT**

1. Total Entrance Fees Collected this period: (Include all initial entrance fee deposits and installments collected):		
	<b>A Number</b>	<b>B Amount</b>
2. Beginning Refunds Due		
3. Refunds Incurred this Period		
4. Refunds Paid this Period	(            )	(            )
5. Refunds Due End of Period <i>(Sum of lines 2 and 3, minus line 4)</i>		
<b>Refund Balances at End of Period (Aging)</b>	<b>A Number</b>	<b>B Amount</b>
6. Less than 30 Days		
7. 30 - 60 Days		
8. 61 - 90 Days		
9. 91 - 120 Days		
10. * Over 120 Days		
<b>11. TOTAL (Must agree with Line 5 above)</b> <i>(Sum of lines 6 through 10)</i>		

12. Please provide an explanation for any refunds that are unpaid but have been due for more than 120 days.

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

13. For refunds paid during this reporting period for contracts terminated by residents, please provide the average number of days from the time a resident's contract was terminated and their unit was vacated until the date their refund was issued. \_\_\_\_\_

Facility Name:  
 Period Ending:

**PROVIDER FINANCIAL STATEMENTS  
 BALANCE SHEET – ASSETS**

<b>CURRENT ASSETS</b>		
1.	Cash and Cash Equivalents – Unrestricted	
2.	Short-Term Investments – Unrestricted	
3.	Accounts Receivable, Net	
4.	Entrance Fees Receivable	
5.	Other Receivables	
6.	Current Portion Assets Limited as to Use:	
	a. Excess of Minimum Liquid Reserve Funds	
	b. Other Assets Limited as to Use	
7.	Prepaid Expenses	
8.	Other Current Assets	
9.	<b>TOTAL CURRENT ASSETS (Sum of Lines 1 through 8)</b>	
<b>NON-CURRENT ASSETS</b>		
10.	Investments – Restricted	
11.	Assets Limited as to Use:	
	a. Required Minimum Liquid Reserve	
	b. Debt Service Reserve – Held by Trustee	
	c. Other Funds – Held by Trustee	
	d. Other – Not Held by Trustee	
	e. Total Assets Limited as to Use (Sum of Lines 11a through 11d)	
12.	Unrestricted Investments	
13.	Property, Plant, and Equipment	
	a. Less Accumulated Depreciation	(            )
14.	Other	
15.	<b>TOTAL NON-CURRENT ASSETS (Sum of Lines 10 through 14)</b>	
16.	<b>TOTAL ASSETS (Line 9 plus Line 15)</b>	

Facility Name:  
 Period Ending:

**PROVIDER FINANCIAL STATEMENTS  
 BALANCE SHEET – LIABILITIES**

<b>CURRENT LIABILITIES</b>	
17.	Accounts Payable
18.	Accrued Expenses
19.	Accrued Interest
20.	Current Portion of Entrance Fee Refunds Payable
21.	Current Portion of Long-Term Debt:
a.	On Facility
b.	Other
22.	Current Portion of Notes Payable
23.	Other Short Term Liabilities
<b>24.</b>	<b>TOTAL CURRENT LIABILITIES (Sum of Lines 17 through 23)</b>
<b>NON-CURRENT LIABILITIES</b>	
25.	Long-Term Debt:
a.	On Facility
b.	Other
26.	Notes Payable
27.	Refundable Entrance Fees
28.	Deferred Revenue from Entrance Fees
29.	Other Long Term Liabilities
<b>30.</b>	<b>TOTAL NON-CURRENT LIABILITIES (Sum of Lines 25 through 29)</b>
<b>31.</b>	<b>TOTAL LIABILITIES (Line 24 plus Line 30)</b>
<b>NET ASSETS (DEFICIT) / EQUITY</b>	
32.	Beginning Net Assets (Deficit) / Equity
33.	Change in Net Assets (Deficit) / Net Income (Loss) (This must agree with Line 31 of the Statement of Operations)
34.	Other Contributions or Adjustments
<b>35.</b>	<b>TOTAL NET ASSETS (DEFICIT) / EQUITY (Line 16 minus Line 31)</b>
<b>36.</b>	<b>TOTAL LIABILITIES AND NET ASSETS (DEFICIT) / EQUITY (Line 31 plus Line 35)</b>

Facility Name:  
 Period Ending:

**PROVIDER FINANCIAL STATEMENTS  
 PROVIDER STATEMENT OF OPERATIONS**

<b>REVENUES</b>	
1.	Resident Service Fees
2.	Healthcare Fees
3.	Rental Revenues
4.	Total Resident Revenues (Sum of Lines 1 through 3)
5.	Amortization of Earned Entrance Fees
6.	Investment Income, Net
7.	Realized Gains (Losses) from Investments
8.	Unrealized Gains (Losses) from Investments
9.	Net Assets Released from Restrictions (This must agree with Line 29)
10.	Other Income
<b>11.</b>	<b>TOTAL REVENUES (Sum of Lines 4 through 10)</b>
<b>EXPENSES</b>	
12.	Resident Services
13.	Dietary Services
14.	Housekeeping, Maintenance and Utilities
15.	Insurance:
a.	On Facility
b.	Other
16.	Interest:
a.	Long-Term Debt on Facility
b.	Other
17.	Leasehold Payments
18.	General and Administrative
19.	Management Fees
20.	Marketing
21.	Healthcare Services
22.	Taxes:
a.	Property
b.	Other
23.	Other Expenses
24.	Amortization
25.	Depreciation

Facility Name:

Period Ending:

26.	Other Non-Cash Operating Expenses (Including interest rate swaps and changes in future service obligation)	
27.	<b>TOTAL EXPENSES (Sum of Lines 12 through 26)</b>	
<b>OTHER INCOME (EXPENSE)</b>		
28.	Net Realized Gain on Investments and Assets Limited as to Use	
29.	Net Assets Released from Restrictions (This must agree with Line 9)	
30.	Contributions	
31.	<b>CHANGE IN NET ASSETS (DEFICIT) / NET INCOME (LOSS)</b> <b>(Line 11 minus the sum of Lines 26 through 30)</b>	

Facility Name:  
 Period Ending:

**PROVIDER FINANCIAL STATEMENTS  
 PROVIDER STATEMENT OF CASH FLOWS**

<b>A. OPERATING ACTIVITIES</b>	
1.	Change in Net Assets (Deficit) / Net Income (Loss) (This must agree with Line 31 of the Statement of Operations)
2.	Adjustments to Reconcile to Change in Net Assets (Deficit) / Net Income (Loss)
<b>3. Cash Provided (Used) by Operations:</b>	
a.	Entrance Fees Received
b.	Entrance Fee Refunds Paid ( )
c.	Earned Entrance Fees ( )
d.	Depreciation
e.	Amortization
f.	
g.	
h.	
i.	
j.	
k.	
l.	
m.	
n.	Total Operations Adjustments (Sum of Lines A3a through A3m)
4.	Net Cash Provided (Used) by Operating Activities (Sum of Lines A1 through A3)
<b>B. INVESTING ACTIVITIES</b>	
1.	Change in Investments and Assets Limited as to Use
2.	Purchase of Property and Equipment
3.	
4.	
5.	Net Cash Provided (Used) by Investing Activities (Sum of Lines B1 through B4)
<b>C. FINANCING ACTIVITIES</b>	
1.	Repayment of Long Term Debt ( )
2.	Entrance Fees Refunded
3.	
4.	
5.	
6.	Net Cash Provided (Used) by Financing Activities (Sum of Lines C1 through C5)



Facility Name:

Period Ending:

<b>D.</b>	<b>Increase (Decrease) in Cash (Sum of Lines A4, B5, and C6)</b>	
<b>E.</b>	<b>Cash at Beginning of Period (This must agree with Line 1 of the Balance Sheet and Line F of the Statement of Cash Flows in the prior year's Financial Statements)</b>	
<b>F.</b>	<b>Cash at End of Period (Line D plus Line E) (This must agree with Line 1 of the Balance Sheet)</b>	

Facility Name:  
 Period Ending:

**FACILITY FINANCIAL STATEMENTS  
 BALANCE SHEET – ASSETS**

<b>CURRENT ASSETS</b>	
1.	Cash and Cash Equivalents – Unrestricted
2.	Short-Term Investments – Unrestricted
3.	Accounts Receivable, Net
4.	Entrance Fees Receivable
5.	Other Receivables
6.	Current Portion Assets Limited as to Use:
a.	Excess of Minimum Liquid Reserve Funds
b.	Other Assets Limited as to Use
7.	Prepaid Expenses
8.	Other Current Assets
<b>9.</b>	<b>TOTAL CURRENT ASSETS (Sum of Lines 1 through 8)</b>
<b>NON-CURRENT ASSETS</b>	
10.	Investments – Restricted
11.	Assets Limited as to Use:
a.	Required Minimum Liquid Reserve
b.	Debt Service Reserve – Held by Trustee
c.	Other Funds – Held by Trustee
d.	Other – Not Held by Trustee
e.	Total Assets Limited as to Use (Sum of Lines 11a through 11d)
12.	Unrestricted Investments
13.	Property, Plant, and Equipment
a.	Less Accumulated Depreciation ( )
14.	Other
<b>15.</b>	<b>TOTAL NON-CURRENT ASSETS (Sum of Lines 10 through 14)</b>
<b>16.</b>	<b>TOTAL ASSETS (Line 9 plus Line 15)</b>

Facility Name:  
 Period Ending:

**FACILITY FINANCIAL STATEMENTS  
 BALANCE SHEET – LIABILITIES**

<b>CURRENT LIABILITIES</b>	
17.	Accounts Payable
18.	Accrued Expenses
19.	Accrued Interest
20.	Current Portion of Entrance Fee Refunds Payable
21.	Current Portion of Long-Term Debt:
a.	On Facility
b.	Other
22.	Current Portion of Notes Payable
23.	Other Short Term Liabilities
<b>24.</b>	<b>TOTAL CURRENT LIABILITIES (Sum of Lines 17 through 23)</b>
<b>NON-CURRENT LIABILITIES</b>	
25.	Long-Term Debt:
a.	On Facility
b.	Other
26.	Notes Payable
27.	Refundable Entrance Fees
28.	Deferred Revenue from Entrance Fees
29.	Other Long Term Liabilities
<b>30.</b>	<b>TOTAL NON-CURRENT LIABILITIES (Sum of Lines 25 through 29)</b>
<b>31.</b>	<b>TOTAL LIABILITIES (Line 24 plus Line 30)</b>
<b>NET ASSETS (DEFICIT) / EQUITY</b>	
32.	Beginning Net Assets (Deficit) / Equity
33.	Change in Net Assets (Deficit) / Net Income (Loss) (This must agree with Line 31 of the Statement of Operations)
34.	Other Contributions or Adjustments
<b>35.</b>	<b>TOTAL NET ASSETS (DEFICIT) / EQUITY (Line 16 minus Line 31)</b>
<b>36.</b>	<b>TOTAL LIABILITIES AND NET ASSETS (DEFICIT) / EQUITY (Line 31 plus Line 35)</b>

Facility Name:  
 Period Ending:

**FACILITY FINANCIAL STATEMENTS  
 PROVIDER STATEMENT OF OPERATIONS**

<b>REVENUES</b>	
1.	Resident Service Fees
2.	Healthcare Fees
3.	Rental Revenues
4.	Total Resident Revenues (Sum of Lines 1 through 3)
5.	Amortization of Earned Entrance Fees
6.	Investment Income, Net
7.	Realized Gains (Losses) from Investments
8.	Unrealized Gains (Losses) from Investments
9.	Net Assets Released from Restrictions (This must agree with Line 29)
10.	Other Income
11.	<b>TOTAL REVENUES (Sum of Lines 4 through 10)</b>
<b>EXPENSES</b>	
12.	Resident Services
13.	Dietary Services
14.	Housekeeping, Maintenance and Utilities
15.	Insurance:
a.	On Facility
b.	Other
16.	Interest:
a.	Long-Term Debt on Facility
b.	Other
17.	Leasehold Payments
18.	General and Administrative
19.	Management Fees
20.	Marketing
21.	Healthcare Services
22.	Taxes:
a.	Property
b.	Other
23.	Other Expenses
24.	Amortization
25.	Depreciation

Facility Name:

Period Ending:

26.	Other Non-Cash Operating Expenses (Including interest rate swaps and changes in future service obligation)	
<b>27.</b>	<b>TOTAL EXPENSES (Sum of Lines 12 through 26)</b>	
<b>OTHER INCOME (EXPENSE)</b>		
28.	Net Realized Gain on Investments and Assets Limited as to Use	
29.	Net Assets Released from Restrictions (This must agree with Line 9)	
30.	Contributions	
<b>31.</b>	<b>CHANGE IN NET ASSETS (DEFICIT) / NET INCOME (LOSS)</b> <b>(Line 11 minus the sum of Lines 26 through 30)</b>	

Facility Name:  
 Period Ending:

**FACILITY FINANCIAL STATEMENTS  
 PROVIDER STATEMENT OF CASH FLOWS**

<b>A. OPERATING ACTIVITIES</b>		
2.	Change in Net Assets (Deficit) / Net Income (Loss) (This must agree with Line 31 of the Statement of Operations)	
2.	Adjustments to Reconcile to Change in Net Assets (Deficit) / Net Income (Loss)	
<b>3. Cash Provided (Used) by Operations:</b>		
a.	Entrance Fees Received	
b.	Entrance Fee Refunds Paid	(            )
c.	Earned Entrance Fees	(            )
d.	Depreciation	
e.	Amortization	
f.		
g.		
h.		
i.		
j.		
k.		
l.		
m.		
n.	Total Operations Adjustments (Sum of Lines A3a through A3m)	
4.	Net Cash Provided (Used) by Operating Activities (Sum of Lines A1 through A3)	
<b>B. INVESTING ACTIVITIES</b>		
1.	Change in Investments and Assets Limited as to Use	
2.	Purchase of Property and Equipment	
3.		
4.		
5.	Net Cash Provided (Used) by Investing Activities (Sum of Lines B1 through B4)	
<b>C. FINANCING ACTIVITIES</b>		
1.	Repayment of Long Term Debt	(            )
2.	Entrance Fees Refunded	
3.		
4.		
5.		
6.	Net Cash Provided (Used) by Financing Activities (Sum of Lines C1 through C5)	

Facility Name:

Period Ending:

<b>D.</b>	<b>Increase (Decrease) in Cash (Sum of Lines A4, B5, and C6)</b>	
<b>E.</b>	<b>Cash at Beginning of Period (This must agree with Line 1 of the Balance Sheet and Line F of the Statement of Cash Flows in the prior year's Financial Statements)</b>	
<b>F.</b>	<b>Cash at End of Period (Line D plus Line E) (This must agree with Line 1 of the Balance Sheet)</b>	

Facility Name:  
Period Ending:

## EXHIBIT A – INTERROGATORIES

For any “Yes” responses, please upload an explanation and any required documentation into the filing. The supporting documentation should be uploaded as a Miscellaneous Document. Please label the documentation appropriately for ease of reference when reviewing the filing.

1. If the Provider is a limited partnership, has the general partner changed since the last filing submission?
  - Yes
  - No
2. Has any individual or entity assumed ownership or possession of or control over 10% or more of the Provider, a controlling company of the Provider, or the Provider’s assets, based on the balance sheet from the most recent audited financial report filed with the Office, since the last filing submission?
  - Yes
  - No
3. Have there been any other changes in the officers, directors, shareholders of the Provider since the last filing submission?
  - Yes
  - No
4. Have there been any changes to managers of or management company for the Facility, including the Executive Director, Facility Administrator, or equivalent position, since the last filing submission?
  - Yes
  - No
5. Have there been any changes to the Provider’s organizational structure since the last filing submission?
  - Yes
  - No
6. Have there been any changes to the Provider’s organizational documents since the last filing submission? Organizational documents include but are not limited to: articles of incorporation, by-laws, partnership agreement, articles of association, trust agreement, etc.
  - Yes
  - No
7. Have any judgments or fines been entered against the Provider since the last filing submission?
  - Yes
  - No
8. With respect to any business operations of the Provider, have any bankruptcy, delinquency, receivership, foreclosure or loan default proceedings been initiated since the last filing submission?
  - Yes
  - No
9. Is the Provider out of compliance with any terms, conditions, or covenants established in lending agreements for long-term financing?
  - Yes
  - No



Facility Name:

Period Ending:

10. Since the last filing submission, have any administrative actions been initiated against any of the following:
- the Provider or any of its officers, directors, or controlling persons;
  - any affiliates of the Provider;
  - the managers or management company of the Facility, including the Executive Director, Facility Administrator, or equivalent position; or
  - any entity providing shelter, nursing care, or personal services pursuant to the Provider's continuing care contracts.
- Yes  
 No
11. Since the last filing was submitted, have any of individuals described below been convicted of or pled nolo contendere to a crime, other than a minor traffic violation:
- any officer, director, or controlling person of the Provider; or
  - any managers of the Facility, including the Executive Director, Facility Administrator, or equivalent positions; or
  - any employees or principals of the Facility's management company performing roles similar to those listed above.
- Yes  
 No
12. During the reporting period or at any time since the last filing submission, has the Provider failed to pay its obligations as they come due in the normal course of business? For the purposes of this question, "the normal course of business" is defined as the time agreed upon by the involved parties.
- Yes  
 No
13. If the answer is yes to item 12, please select all applicable creditor types that the Provider was or is unable to pay timely.
- Residents or prospective residents (refunds)
  - Health care providers
  - Prescription drug vendors
  - Food vendors
  - Lenders
  - Employees
  - Contract employees or consultants
  - Construction, maintenance, or similar companies
  - Insurers
  - Local, state, or federal government entities (taxes, fees)
  - Other:
14. Has the Provider closed on any new financing, additional financing, or refinancing since the last filing submission?
- Yes  
 No





Facility Name:  
Period Ending:

## SCHEDULE A – MINIMUM LIQUID RESERVES FOR FACILITIES WITH FINANCING

- Providers with a mortgage loan or other long-term financing on the Facility for which this report is filed must complete this schedule and are not required to complete SCHEDULE B.
  - Providers without a mortgage loan or other long-term financing on the Facility for which this report is filed must complete SCHEDULE B and are not required to complete this schedule.
1. In Row A, enter the Required Reserve Amounts in effect as of the period ended date of this filing. Lines 1A, 3A, 5A, and 7A must agree with the amounts in Lines 58 through 61, Schedule VI(A) of the Minimum Liquid Reserve (“MLR”) Calculation, Form OIR-A3-477, (“MLR Calculation”) filed for the Provider’s current MLR funding year. The MLR funding year is specified in Line 4 of the MLR Calculation and begins 61 days after a Provider’s Annual Report is due, which is 181 days after the end of the Provider’s fiscal year. However, in event of a change to the aggregate amount of all principal and interest payments due during the fiscal year, the Office may require a recalculation of the MLR. In the event of a recalculation, the funding year begins 61 days after the recalculation of the MLR is filed and ends 60 days after the Provider’s annual statement is due, which is 180 days after the last day of the Provider’s fiscal year.
  2. In Row B, record the balance as of the period ended date of this filing for the escrow accounts included in the Provider’s minimum liquid reserves.
    - a. Funds on deposit the Department of Financial Services Bureau of Collateral Management (DFS) should be entered on Lines 1a, 3a, or 5c, as applicable.
    - b. For escrow accounts established pursuant to Section 651.033, Florida Statutes, enter the name of the financial institution in which the account is established and the last 4 digits of the account number in Lines 1b, 1c, 3b, 3c, 5e, or 5f, as applicable.
    - c. If the Provider comingles debt service, operating, or renewal and replacement reserves on deposit with DFS or in one or more unencumbered escrow accounts established pursuant to Section 6510.033, Florida Statutes, the Provider may allocate the balance(s) between Lines 1a, 1b, 1c, 3a, 3b, 3c, 5c, 5d, and 5e, as applicable. However, in no event may encumbered debt service reserve funds be used to offset shortfalls in the operating or renewal and replacement reserve.
    - d. If the Provider has a debt service reserve established pursuant to a trust indenture or mortgage lien on the facility, it may be included in Lines 1d and 1e if the Provider has filed the documents specified in Section 651.035(1)(b), Florida Statutes, with the Office. The sum of Lines 1dB and 1eB cannot exceed the Allowable Amount specified in Column 74, Schedule VII, number 74 of the Minimum Liquid Reserve Calculation,
  3. Funds included in the Provider’s MLR are recorded in Lines 6a and 11a of the Facility’s Balance Sheet. Trustee Held Debt Service Reserve funds in excess of the Allowable Amount should be recorded in Line 11b of the Facility’s Balance Sheet.

Facility Name:  
 Period Ending:

Please provide the following information regarding the Provider's minimum liquid reserves for this Facility and its compliance with Section 651.035, Florida Statutes.

	<b>A Required Reserve Amount</b>	<b>B Account Balance</b>
<b>1. Debt Service Reserve</b>		
a. DFS		
Escrow Accounts:		
b.		
c.		
Total Trustee Held Debt Service Reserve Funds:		
d.		
e.		
<b>2. Total Debt Service Reserve (Sum of Lines 1.a-c.)</b>		
<b>3. Operating Reserve</b>		
a. DFS		
Escrow Accounts		
b.		
c.		
<b>4. Total Operating Reserve (Sum of Lines 3.a.-b.)</b>		
<b>5. Renewal &amp; Replacement Reserve</b>		
a. <i>(Less any approved withdraw for which the Provider is making timely repayments)</i>		
b. Current Renewal & Replacement Requirement		
c. DFS		
Escrow Accounts		
d.		
e.		
<b>6. Total Renewal and Replacement Reserve (Sum 5a.-d.)</b>		
<b>7. Total Minimum Liquid Reserves (Sum of Lines 2, 4, and 6)</b>		

Facility Name:  
Period Ending:

## SCHEDULE B – MINIMUM LIQUID RESERVES FOR FACILITIES WITHOUT FINANCING

- Providers without a mortgage loan or other long-term financing on the Facility for which this report is filed must complete this schedule and are not required to complete SCHEDULE A.
  - Providers with a mortgage loan or other long-term financing on the Facility for which this report is filed must complete SCHEDULE A and are not required to complete this schedule.
1. Calculating the Debt Service Reserve - Tax Reserve Requirement
    - a. Annual Property Tax Liability as indicated in the most recent tax notice provided pursuant to s. 197.322(3)
    - b.  $1.a / 12 =$  Monthly Tax Reserve Deposit Amount
    - c. Date the Property Taxes were paid:
    - d.  $(\text{number of months since property taxes were paid}) \times 1.b =$  Line 1A below.
  2. In Row A, enter the Required Reserve Amounts in effect as of the period ended date of this filing. Lines 1A, 3A, 5A, and 7A must agree with the amounts in Lines 58 through 61, Schedule VI(A) of the Minimum Liquid Reserve ("MLR") Calculation, Form OIR-A3-477, ("MLR Calculation") filed for the Provider's current MLR funding year. The MLR funding year is specified in Line 4 of the MLR Calculation and begins 61 days after a Provider's Annual Report is due, which is 181 days after the end of the Provider's fiscal year. However, in event of a change to the aggregate amount of all principal and interest payments due during the fiscal year, the Office may require a recalculation of the MLR. In the event of a recalculation, the funding year begins 61 days after the recalculation of the MLR is filed and ends 60 day after the Provider's annual statement is due, which is 180 days after the last day of the Provider's fiscal year.
  3. In Row B, record the balance as of the period ended date of this filing for the escrow accounts included in the Provider's minimum liquid reserves.
    - a. Funds on deposit the Department of Financial Services Bureau of Collateral Management (DFS) should be entered on Lines 1a, 3a, or 5c, as applicable.
    - b. For escrow accounts established pursuant to Section 651.033, Florida Statutes, enter the name of the financial institution in which the account is established and the last 4 digits of the account number in Lines 1a, 1b, 1c, 3a, 3b, 3c, 5c, 5d, and 5e, as applicable.
    - c. If the Provider comingles debt service, operating, or renewal and replacement reserves on deposit with DFS or in one or more unencumbered escrow accounts established pursuant to Section 6510.033, Florida Statutes, the Provider may allocate the balance(s) between Lines However, in no event may encumbered debt service reserve funds be used to offset shortfalls in the operating or renewal and replacement reserve.
  4. Funds included in the Provider's MLR are recorded in Lines 6a and 11a of the Facility's Balance Sheet. Trustee Held Debt Service Reserve funds in excess of the Allowable Amount should be recorded in Line 11b of the Facility's Balance Sheet.

Facility Name:  
 Period Ending:

Please provide the following information regarding the Provider's minimum liquid reserves for this Facility and its compliance with Section 651.035, Florida Statutes.

	<b>A Required Reserve Amount</b>	<b>B Account Balance</b>
<b>1. Debt Service Reserve</b>		
a. DFS		
Escrow Accounts:		
b.		
c.		
<b>2. Total Debt Service Reserve (Sum of Lines 1.a-c.)</b>		
<b>3. Operating Reserve</b>		
a. DFS		
Escrow Accounts		
b.		
c.		
<b>4. Total Operating Reserve (Sum of Lines 3.a.-b.)</b>		
<b>5. Renewal &amp; Replacement Reserve</b>		
a. <i>(Less any approved withdraw for which the Provider is making timely repayments)</i>		
b. Current Renewal & Replacement Requirement		
c. DFS		
Escrow Accounts		
d.		
e.		
<b>6. Total Renewal and Replacement Reserve (Sum 5a.- e..)</b>		
<b>7. Total Minimum Liquid Reserves (Sum of Lines 2, 4, and 6)</b>		

**SCHEDULE C – ANNUAL CALCULATION OF FINANCIAL AND OPERATING RATIOS**

Facility Name:  
 Period Ending:

If the Provider has long-term debt on the Facility and the structure of such debt establishes an Obligated Group, complete SCHEDULE D instead of this schedule.

**Preliminary Questions:**

1. Has the Provider reached stabilized occupancy?
  - Yes
  - No
  
2. Has the time projected to achieve stabilized occupancy, as reported in the last feasibility study required by the Office as part of an application filing under s. 651.0215, s. 651.023, s. 651.024, or s. 651.0246, elapsed?
  - Yes
  - No
  - a. If yes, on what date was the Provider projected to reach stabilized occupancy? \_\_\_\_\_

**I. Days Cash on Hand**

1. Please complete the schedules below. Assets are recorded on the Facility Balance Sheet, and Expenses are recorded on the Facility Statement of Operations. Amounts reported below should match the Financial Statements' lines referenced and the amounts reported in the audited financial statements submitted by the Provider with this Annual Report. Lines 1 through 13 will prepopulate based on the Facility Financial Statements in this filing. If the Provider overwrites any of the prepopulated totals, please submit an explanation of the discrepancy.

Assets	Balance as of the Reporting Date
1. Unrestricted cash (Line 1 )	
2. Unrestricted short-term investments (Line 2)	
3. Unrestricted long-term investments (Line 12)	
4. Provider restricted funds (Sum of Lines 10 and 11b-d)	
5. Minimum liquid reserve (Line 11a)	
6. Excess of minimum liquid reserve (Line 6a)	
7. Days Cash on Hand Numerator (Sum of 1 through 6)	

2. Please complete the schedules below. Line items should match the Annual Financial Statements and the Audited Financial Statements submitted by the Provider with this Annual Report.

Expenses	Total as of the Reporting Date
8. Operating Expenses (Line 27)	
9. (Depreciation) (Line 25)	( )
10. (Amortization) (Line 24)	( )
11. (Other Noncash Expenses) (Line 26)	( )
12. Adjusted Expense Total (Sum of Lines 8 through 11)	
13. Days Cash on Hand Denominator (Line 12 divided by 365)	

3. Days Cash on Hand (Line 7 above divided by Line 13 above) = \_\_\_\_\_
  
4. Is a demand note or other parental guarantee included as a short-term or long-term investment for the calculation above?
  - Yes
  - No



Facility Name:

Period Ending:

- a. If yes, please complete the following table. Please provide the Filing ID for the filing number in which the Provider requested to approval to include the demand note or parental guarantee in the days cash on hand calculation. provide the following:

<b>Legal Name of Issuing Entity</b>	<b>Demand Note</b> (select yes or no)	<b>Parental Guarantee</b> (select yes or no)	<b>Amount</b>	<b>Filing ID</b>

- b. Please provide the total amount of all demand notes issued by the parent. \_\_\_\_\_

- c. Please upload an attachment to the filing that demonstrates that the total amount of all demand notes issued by the parent do not exceed the sum of unrestricted cash and unrestricted short-term and long-term investments held by the parent. The attachment should include a certification by an officer of the parent that the documentation provided is true and correct.

5. Do lenders require the Provider to maintain a minimum number of Days Cash on Hand pursuant to the Provider's financing agreements?

- Yes
- No

- a. If yes, what is the number of days cash on hand required. \_\_\_\_\_

- b. Pursuant to the calculation specified in the Provider's financing agreements, what is the Provider's Days Cash on Hand as of the reporting date. \_\_\_\_\_

Facility Name:  
Period Ending:

## II. Occupancy

Occupancy means the total number of occupied independent living units, assisted living/memory care units, and skilled nursing beds in a Facility divided by the total number of units and beds in that Facility, excluding units and beds that are unavailable to market or that are reserved by prospective residents.

1. The Facility's occupancy averaged over the 12-month period immediately preceding the reporting date is: \_\_\_\_\_
2. Please select the basis on which occupancy percentage was calculated:
  - On a daily basis—average of 365
  - On a weekly basis—average of 52
  - On a monthly basis—average of 12

Please note that the Provider should retain all data necessary for the Office or an auditor to verify this calculation.

3. Do lenders require the Provider to maintain an occupancy ratio pursuant to the Provider's financing agreements?
  - Yes
  - No
  - a. If yes, what is the required occupancy ratio? \_\_\_\_\_
  - b. Pursuant to the calculation specified in the Provider's financing agreements, what is the Provider's occupancy as of the reporting date. \_\_\_\_\_

Facility Name:  
 Period Ending:

**III. Debt Service Coverage Ratio**

1. Does the Provider have debt on the Facility?

- Yes
- No

2. Please complete the schedule below. Line items should match the Facility Financial Statements in this report and the audited financial statements.

Expenses	Total as of the Reporting Date
1. Total Expenses (Line 27)	
2. (Interest Expense on Debt Facility) (Line 16)	( )
3. (Depreciation) (Line 25)	( )
4. (Amortization) (Line 24)	( )
5. (Other Noncash Expenses) (Line 26)	( )
6. Adjusted Expense Total (Sum of Lines 1 through 5)	

3. Please complete the schedule below. Line items should match the Facility Financial Statements in this report and the audited financial statements.

Revenues	Total as of the Reporting Date
7. Total Revenues (Line 11)	
8. (Earned Entrance Fees) (Line 5)	( )
9. (Other Noncash Revenue) (Line 8)	( )
10. (Nonoperating Gains) (Sum of Lines 6, 7, and 9)	( )
11. Gross Entrance Fees (Line 3a)	
12. (Refunds Paid) (Sum of Lines 3b and C2)	( )
13. Adjusted Revenue Total (Sum of Lines 7 through 12)	

4. Please complete the schedule below. Line items should match the Facility Financial Statements in this report and the audited financial statements.

Debt Service	Total for the 12-Month Period Ending on the Reporting Date
14. Principal (6A)	
15. Interest (6B)	
16. Debt Service Denominator (Sum of Lines 14 and 15)	

3. Debt Service Coverage Ratio ((Line 13 above minus Line 6 above) divided by Line 16 above) = \_\_\_\_\_

4. Do lenders require the Provider to maintain a debt service coverage ratio pursuant to the Provider's financing agreements?

- Yes
- No

a. If yes, what is the required debt service coverage ratio. \_\_\_\_\_

b. Pursuant to the calculation specified in the Provider's financing agreements, what is the Provider's Debt Service Coverage Ratio as of the reporting date. \_\_\_\_\_

Facility Name:

Period Ending:

**IV. Additional Information Regarding Financial and Operating Ratios**

	<b>Lender Requirement</b>	<b>Lender Calculation</b>	<b>Statutory Requirement</b>	<b>Provider's Ratio</b>	<b>Meets Threshold</b> <i>(the form will prepopulate with yes or no based on the information provided)</i>
<b>Days Cash on Hand</b>	<i>(Populate with Line 5.a., Page 43 or NA)</i>	<i>(Populate with Line 5.b., Page 41 or NA)</i>	100	<i>(Populate with Line 3, Page 42)</i>	
<b>Occupancy</b>	<i>(Populate with Line 3.a. Page 44 or NA)</i>	<i>(Populate with Line 3.b., Page 44 or NA)</i>	80%	<i>(Populate with Line 1, Page 44)</i>	
<b>Debt Service Coverage Ratio</b>	<i>(Populate with Line 6.a., Page 45 or NA)</i>	<i>(Populate with Line 6.b., Page 45 or NA)</i>	1.20:1	<i>(Populate with Line 4, Page 45)</i>	

1. If a Provider falls below two or more of the thresholds set forth in Section 651.011(25), Florida Statutes, a Regulatory Action Level Event has occurred. Please file a Corrective Action Plan with the Office as a Periodic Filing through the iPortal within 30 days. Please see Rule 69O-193.066, Florida Administrative Code, for additional information regarding corrective action plans, and Section 651.034, Florida Statutes, for additional information regarding Regulatory Action Level Events.
2. Pursuant to Section 651.011(15)(b), Florida Statutes, beginning January 1, 2021, a Provider is impaired if:
  - a. The Provider has mortgage financing from a third-party lender or a public bond issue, and the Provider's debt service coverage ratio is less than 1.00:1 and the Provider's days cash on hand is less than 90; or
  - b. The Provider's days cash on hand is less than 90 if the Provider does not have mortgage financing from a third party lender or a public bond issue.

If the ratios in this schedule reflect an impairment, please upload an attachment to the filing explaining if there is a reasonable expectation that the impairment may be eliminated within 180 days.

Please see Section 651.1065, Florida Statutes, regarding soliciting or accepting new continuing care contracts by impaired or insolvent Providers.

Facility Name:  
Period Ending:

**SCHEDULE D – OBLIGATED GROUPS**

**ANNUAL CALCULATION OF FINANCIAL AND OPERATING RATIOS AND SUPPORTING FINANCIAL INFORMATION FOR OBLIGATED GROUPS**

Use this schedule, not SCHEDULE C, if the Provider has long-term debt on the Facility and the structure of such debt establishes an Obligated Group.

- 1. Provide the Florida Company Code for all Facilities in the Obligated Group who hold Certificates of Authority issued by the Office below, separated by commas.

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- 2. List all other entities that are members of the Obligated Group.

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- 3. Complete Schedules D(1) and D(2). The Provider must make available all necessary records to verify the information reported in this schedule.

- 4. The first time this Schedule is completed upload financing documents evidencing the members of Obligated Group, terms and conditions of the financing, any bond covenants or other necessary lender requirements, and other documents as necessary to evidence the financing transaction as an attachment to this filing.

- 5. If any of the terms and conditions of the financing change after the initial filing, please upload any revised documents, amendments, etc. to as an attachment to the this filing.

- 6. Has the lender determined that the Obligated Group is out of compliance with any terms, conditions, or covenants of its financing agreement?

- Yes
- No

- a. If Yes, please upload a document explaining the issue and the steps the Obligated Group is taking to come into compliance.

Facility Name:  
 Period Ending:

**SCHEDULE D(1) – OBLIGATED GROUP FINANCIAL STATEMENTS  
 BALANCE SHEET – ASSETS**

<b>CURRENT ASSETS</b>	
1.	Cash and Cash Equivalents – Unrestricted
2.	Short-Term Investments – Unrestricted
3.	Accounts Receivable, Net
4.	Entrance Fees Receivable
5.	Other Receivables
6.	Current Portion Assets Limited as to Use:
a.	Excess of Minimum Liquid Reserve Funds
b.	Other Assets Limited as to Use
7.	Prepaid Expenses
8.	Other Current Assets
<b>9.</b>	<b>TOTAL CURRENT ASSETS (Sum of Lines 1 through 8)</b>
<b>NON-CURRENT ASSETS</b>	
10.	Investments – Restricted
11.	Assets Limited as to Use:
a.	Required Minimum Liquid Reserve
b.	Debt Service Reserve – Held by Trustee
c.	Other Funds – Held by Trustee
d.	Other – Not Held by Trustee
e.	Total Assets Limited as to Use (Sum of Lines 11a through 11d)
12.	Unrestricted Investments
13.	Property, Plant, and Equipment
a.	Less Accumulated Depreciation
14.	Other
<b>15.</b>	<b>TOTAL NON-CURRENT ASSETS (Sum of Lines 10 through 14)</b>
<b>16.</b>	<b>TOTAL ASSETS (Line 9 plus Line 15)</b>

Facility Name:  
 Period Ending:

**OBLIGATED GROUP FINANCIAL STATEMENTS  
 BALANCE SHEET – LIABILITIES**

<b>CURRENT LIABILITIES</b>	
17.	Accounts Payable
18.	Accrued Expenses
19.	Accrued Interest
20.	Current Portion of Entrance Fee Refunds Payable
21.	Current Portion of Long-Term Debt:
a.	On Facility
b.	Other
22.	Current Portion of Notes Payable
23.	Other Short Term Liabilities
24.	<b>TOTAL CURRENT LIABILITIES (Sum of Lines 17 through 23)</b>
<b>NON-CURRENT LIABILITIES</b>	
25.	Long-Term Debt:
a.	On Facility
b.	Other
26.	Notes Payable
27.	Refundable Entrance Fees
28.	Deferred Revenue from Entrance Fees
29.	Other Long Term Liabilities
30.	<b>TOTAL NON-CURRENT LIABILITIES (Sum of Lines 25 through 29)</b>
31.	<b>TOTAL LIABILITIES (Line 24 plus Line 30)</b>
<b>NET ASSETS (DEFICIT) / EQUITY</b>	
32.	Beginning Net Assets (Deficit) / Equity
33.	Change in Net Assets (Deficit) / Net Income (Loss) (This must agree with Line 31 of the Statement of Operations)
34.	Other Contributions or Adjustments
35.	<b>TOTAL NET ASSETS (DEFICIT) / EQUITY (Line 16 minus Line 31)</b>
36.	<b>TOTAL LIABILITIES AND NET ASSETS (DEFICIT) / EQUITY        (Line 31 plus Line 35)</b>

Facility Name:  
 Period Ending:

**OBLIGATED GROUP FINANCIAL STATEMENTS  
 STATEMENT OF OPERATIONS**

<b>REVENUES</b>	
1.	Resident Service Fees
2.	Healthcare Fees
3.	Rental Revenues
4.	Total Resident Revenues (Sum of Lines 1 through 3)
5.	Amortization of Earned Entrance Fees
6.	Investment Income, Net
7.	Realized Gains (Losses) from Investments
8.	Unrealized Gains (Losses) from Investments
9.	Net Assets Released from Restrictions (This must agree with Line 29)
10.	Other Income
11.	<b>TOTAL REVENUES (Sum of Lines 4 through 10)</b>
<b>EXPENSES</b>	
12.	Resident Services
13.	Dietary Services
14.	Housekeeping, Maintenance and Utilities
15.	Insurance:
a.	On Facility
b.	Other
16.	Interest:
a.	Long-Term Debt on Facility
b.	Other
17.	Leasehold Payments
18.	General and Administrative
19.	Management Fees
20.	Marketing
21.	Healthcare Services
22.	Taxes:
a.	Property
b.	Other
23.	Other Expenses
24.	Amortization
25.	Depreciation



Facility Name:

Period Ending:

26.	Other Non-Cash Operating Expenses (Including interest rate swaps and changes in future service obligation)	
<b>27.</b>	<b>TOTAL EXPENSES (Sum of Lines 12 through 26)</b>	
<b>OTHER INCOME (EXPENSE)</b>		
28.	Net Realized Gain on Investments and Assets Limited as to Use	
29.	Net Assets Released from Restrictions (This must agree with Line 9)	
30.	Contributions	
<b>31.</b>	<b>CHANGE IN NET ASSETS (DEFICIT) / NET INCOME (LOSS)</b> <b>(Line 11 minus the sum of Lines 26 through 30)</b>	

Facility Name:  
 Period Ending:

**OBLIGATED GROUP FINANCIAL STATEMENTS  
 STATEMENT OF CASH FLOWS**

<b>A. OPERATING ACTIVITIES</b>		
1.	Change in Net Assets (Deficit) / Net Income (Loss) (This must agree with Line 31 of the Statement of Operations)	
2.	Adjustments to Reconcile to Change in Net Assets (Deficit) / Net Income (Loss)	
3.	Cash Provided (Used) by Operations:	
a.	Entrance Fees Received	
b.	Entrance Fee Refunds Paid	( )
c.	Earned Entrance Fees	( )
d.	Depreciation	
e.	Amortization	
f.		
g.		
h.		
i.		
j.		
k.		
l.		
m.		
n.	Total Operations Adjustments (Sum of Lines A3a through A3m)	
4.	Net Cash Provided (Used) by Operating Activities (Sum of Lines A1 through A3)	
<b>B. INVESTING ACTIVITIES</b>		
1.	Change in Investments and Assets Limited as to Use	
2.	Purchase of Property and Equipment	
3.		
4.		
5.	Net Cash Provided (Used) by Investing Activities (Sum of Lines B1 through B4)	
<b>C. FINANCING ACTIVITIES</b>		
1.	Repayment of Long Term Debt	( )
2.	Entrance Fees Refunded	
3.		
4.		
5.		
6.	Net Cash Provided (Used) by Financing Activities (Sum of Lines C1 through C5)	

Facility Name:

Period Ending:

<b>D.</b>	<b>Increase (Decrease) in Cash (Sum of Lines A4, B5, and C6)</b>	
<b>E.</b>	<b>Cash at Beginning of Period (This must agree with Line 1 of the Balance Sheet and Line F of the Statement of Cash Flows in the prior year's Financial Statements)</b>	
<b>F.</b>	<b>Cash at End of Period (Line D plus Line E) (This must agree with Line 1 of the Balance Sheet)</b>	

Facility Name:  
 Period Ending:

**SCHEDULE D(2) – ANNUAL OBLIGATED GROUP FINANCIAL AND OCCUPANCY RATIOS**

If the Provider has long-term debt on the Facility and the structure of such debt does not establish an Obligated Group, please complete SCHEDULE C instead of this schedule.

**I. Days Cash on Hand**

1. Please complete the schedule below. Line items should match the Obligated Group Financial Statements in this filing and any audited financial statements prepared for the Obligated Group. If such audited financial statements are completed, submit when submitting this Annual Report.

<b>Assets</b>	<b>Balance as of the Reporting Date</b>
1. Unrestricted cash (Line 1)	
2. Unrestricted short-term investments (Line 2)	
3. Unrestricted long-term investments (Line 12)	
4. Provider restricted funds (Sum of Lines 10. and 11.b.-d.)	
5. Minimum liquid reserve (Line 11.a..)	
6. Excess of minimum liquid reserve (Line 6.a.)	
7. Days Cash on Hand Numerator (Sum of 1. – 6.)	

2. Please complete the schedule below. Line items should match the Obligated Group Financial Statements in this filing and any audited financial statements prepared for the Obligated Group. If such audited financial statements are completed, submit when submitting this Annual Report.

<b>Expenses</b>	<b>Total as of the Reporting Date</b>
8. Operating Expenses (Line 27)	
9. (Depreciation) (Line 25.)	( )
10. (Amortization) (Line 24.)	( )
11. (Other Noncash Expenses) (Line 26.)	( )
12. Adjusted Expense Total (Sum of Lines 8. – 11.)	
13. Days Cash on Hand Denominator (Line 12. Divided by 365)	

3. Days Cash on Hand (Line 7 above divided by Line 13 above) = \_\_\_\_\_

4. Is a demand note or other parental guarantee included as a short-term or long-term investment for the calculation above?

- Yes
- No

a. If yes, please complete the following table. Please provide the Filing ID for the filing number in which the Provider requested to approval to include the demand note or parental guarantee in the days cash on hand calculation. provide the following:

<b>Legal Name of Issuing Entity</b>	<b>Demand Note</b> (select yes or no)	<b>Parental Guarantee</b> (select yes or no)	<b>Amount</b>	<b>Filing ID</b>

Facility Name:

Period Ending:

- b. Please provide the total amount of all demand notes issued by the parent. \_\_\_\_\_
  - c. Please upload an attachment to the filing that demonstrates that the total amount of all demand notes issued by the parent do not exceed the sum of unrestricted cash and unrestricted short-term and long-term investments held by the parent. The attachment should include a certification by an officer of the parent that the documentation provided is true and correct.
5. Do lenders require the Obligated Group to maintain a minimum number of Days Cash on Hand pursuant to its financing agreements?
- Yes
  - No
- a. If yes, what is the number of days cash on hand required. \_\_\_\_\_
  - b. Pursuant to the calculation specified in the Obligated Group's financing agreements, what is the Obligated Group's Days Cash on Hand as of the reporting date. \_\_\_\_\_

Facility Name:  
Period Ending:

## II. Occupancy

Occupancy means the total number of occupied independent living units, assisted living/memory care units, and skilled nursing beds in a Facility divided by the total number of units and beds in that Facility, excluding units and beds that are unavailable to market or that are reserved by prospective residents.

1. The Facility's occupancy averaged over the 12-month period immediately preceding the reporting date is: \_\_\_\_\_
2. Please select the basis on which occupancy percentage was calculated:
  - On a daily basis—average of 365
  - On a weekly basis—average of 52
  - On a monthly basis—average of 12

Please note that the Provider should retain all data necessary for the Office or an auditor to verify this calculation.

3. Do lenders require the Obligated Group to maintain an occupancy ratio pursuant to the Obligated Group's financing agreements?
  - Yes
  - No
  - a. If yes, what is the required occupancy ratio? \_\_\_\_\_
  - b. Pursuant to the calculation specified in the Obligated Group's financing agreements, what is the Obligated Group's Occupancy as of the reporting date. \_\_\_\_\_

Facility Name:  
 Period Ending:

**III. Debt Service Coverage Ratio**

1. Please complete the schedule below. Line items should match the Obligated Group Financial Statements in this filing and any audited financial statements prepared for the Obligated Group. If such audited financial statements are completed, submit when submitting this Annual Report.

<b>Expenses</b>	<b>Total as of the Reporting Date</b>
1. Total Expenses (Line 27)	
2. (Interest Expense on Debt Facility) (Line 16)	( )
3. (Depreciation) (Line 25)	( )
4. (Amortization) (Line 24)	( )
5. (Other Noncash Expenses) (Line 26)	( )
6. Adjusted Expense Total (Sum of Lines 1. – 5.)	

2. Please complete the schedule below. Line items should match the Obligated Group Financial Statements in this filing and any audited financial statements prepared for the Obligated Group. If such audited financial statements are completed, submit when submitting this Annual Report.

<b>Revenues</b>	<b>Total as of the Reporting Date</b>
7. Total Revenues (Line 11)	
8. (Earned Entrance Fees) (Line 5)	( )
9. (Other Noncash Revenue) (Line 8)	( )
10. (Nonoperating Gains) (Sum of Lines 6, 7, and 9)	( )
11. Gross Entrance Fees (Line 3a)	
12. (Refunds Paid) (Sum of Lines 3b and C2)	( )
13. Adjusted Revenue Total (Sum of Lines 7. – 12)	

3. Please complete the schedule below. Line items should match the Obligated Group Financial Statements in this filing and any audited financial statements prepared for the Obligated Group. If such audited financial statements are completed, submit when submitting this Annual Report.

<b>Debt Service for Obligated Group</b>	<b>Total for the 12-Month Period Ending on the Reporting Date</b>
14. Principal	
15. Interest	
16. Debt Service Denominator (Sum of Lines 14. And 15.)	

4. Debt Service Coverage Ratio ((Line 13 above minus Line 6 above) divided by Line 16 above) = \_\_\_\_\_
5. Do lenders require the Provider to maintain a debt service coverage ratio pursuant to the Provider's financing agreements?
- Yes
  - No
- a. If yes, what is the required debt service coverage ratio. \_\_\_\_\_
6. Pursuant to the calculation specified in the Provider's financing agreements, what is the Provider's Debt Service Coverage as of the reporting date. \_\_\_\_\_

Facility Name:

Period Ending:

**IV. Additional Information Regarding Financial and Operating Ratios**

	<b>Lender Requirement</b>	<b>Lender Calculation</b>	<b>Statutory Requirement</b>	<b>Provider's Ratio</b>	<b>Meets Threshold</b> <i>(the form will prepopulate with yes or no based on the information provided and statutory requirements)</i>
<b>Days Cash on Hand</b>	<i>(Populate with Line 5.a., Page 55 or NA)</i>	<i>(Populate with Line 5.b., Page 55 or NA)</i>	100	<i>(Populate with Line 3, Page 54)</i>	
<b>Occupancy</b>	<i>(Populate with Line 3.a. Page 56 or NA)</i>	<i>(Populate with Line 3.b., Page 56 or NA)</i>	80%	<i>(Populate with Line 1, Page 56)</i>	
<b>Debt Service Coverage Ratio</b>	<i>(Populate with Line 5.a., Page 57 or NA)</i>	<i>(Populate with Line 5.b., Page 57 or NA)</i>	1.20:1	<i>(Populate with Line 4, Page 57)</i>	

3. If a Provider falls below two or more of the thresholds set forth in Section 651.011(25), Florida Statutes, a Regulatory Action Level Event has Occurred. Please file a Corrective Action Plan with the Office as a Periodic Filing through the iPortal within 30 days. Please see Rule 69O-193.066, Florida Administrative Code, for additional information regarding corrective action plans, and Section 651.034, Florida Statutes, for additional information regarding Regulatory Action Level Events.
4. Pursuant to Section 651.011(15)(b), Florida Statutes, beginning January 1, 2021, a Provider is impaired if:
  - a. The Provider has mortgage financing from a third-party lender or a public bond issue, and the Provider's debt service coverage ratio is less than 1.00:1 and the Provider's days cash on hand is less than 90; or
  - b. The Provider's days cash on hand is less than 90 if the Provider does not have mortgage financing from a third party lender or a public bond issue.

If the ratios in this schedule reflect an impairment, please upload an attachment to the filing explaining if there is a reasonable expectation that the impairment may be eliminated within 180 days.

Please see Section 651.1065, Florida Statutes, regarding soliciting or accepting new continuing care contracts by impaired or insolvent Providers.

1. If a Provider falls below two or more of the thresholds set forth in Section 651.011(25), Florida Statutes, a Regulatory Action Level Event has Occurred. For a Provider that is a member of an Obligated Group, the Obligated Group's days cash on hand and debt service coverage ratio will be used. Please file a Corrective Action Plan with the Office as a Periodic Filing through the iPortal within 30 days. Please see Rule 69O-193.066, Florida Administrative Code, for additional information regarding corrective action plans, and Section 651.034, Florida Statutes, for additional information regarding Regulatory Action Level Events.
2. Pursuant to Section 651.011(15)(b), Florida Statutes, beginning January 1, 2021, a Provider is impaired if:
  - a. The Provider has mortgage financing from a third-party lender or a public bond issue, and the Provider's debt service coverage ratio is less than 1.00:1 and the Provider's days cash on hand is less than 90; or
  - b. The Provider's days cash on hand is less than 90 if the Provider does not have mortgage financing from a third party lender or a public bond issue.

If the ratios in this schedule reflect an impairment, please upload an attachment to the filing explaining if there is a reasonable expectation that the impairment may be eliminated within 180 days.

Please see Section 651.1065, Florida Statutes, regarding soliciting or accepting new continuing care contracts by impaired or insolvent Providers.



	<b>Asset</b>	<b>Asset Type</b>	<b>Date Acquired</b>	<b>Actual Cost</b>	<b>Market Value</b>
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3					
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5					
6					
7					
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**MINIMUM LIQUID RESERVE (MLR) CALCULATION**

**FLORIDA COMPANY CODE:**

**FLORIDA PROVIDER GROUP CODE:**

**FEDERAL EMPLOYER IDENTIFICATION NUMBER:**

**MINIMUM LIQUID RESERVE CALCULATION  
FILED BY**

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(Continuing Care Provider)

**FOR**

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(Continuing Care Facility)

**TO THE  
FLORIDA OFFICE OF INSURANCE REGULATION**

Life & Health Financial Oversight  
200 East Gaines Street Tallahassee, FL 32399 - 0331

**FOR PERIOD FROM**

**[MM/DD/YYYY] TO [MM/DD/YYYY]**

## **MINIMUM LIQUID RESERVE (MLR) CALCULATION**

### **GENERAL INSTRUCTIONS**

1. A Provider that holds more than one Certificate of Authority issued by the Office must complete and submit an MLR Calculation, including all supporting schedules, for each of its Facilities.
2. Submit this form electronically via the Office's system at <https://www.floir.com/iportal>.
3. Attestation. After completing the required report, at least two individuals must attest to the filing, as explained on the Attestation. Signatures affixed to the Attestation must be under seal of a notary public. After the Attestation(s) are physically signed and notarized, upload PDFs of them into filing. Please review the Attestation(s) to ensure that the name of the notary public, commission number, commission expiration date, and any required seal or stamp are visible on the form before submitting the filing.
4. This form, including all supporting schedules, must be completed and filed each year with the Annual Report, and may be required in the event of additional long-term financing or other occurrences that result in a change to the debt service or leasehold payments due during the fiscal year. Due dates for this form are provided below.
  - If the Provider's fiscal year-end is December 31, this form is due on May 1<sup>st</sup>.
  - If the Provider's fiscal year-end is not December 31, this form is due within 120 days of the last day of the Provider's fiscal year.
  - For a new Facility commencing operations, an updated version of this form and supporting schedules must be submitted no later than 30 days before the Provider requests the release of moneys held in escrow pursuant to Section 651.023(6), Florida Statutes. The Provider should reference the update to the Minimum Liquid Reserve calculation in the Periodic Filing requesting the release of initial entrance fees. If the Provider is requesting its release of initial entrance fees pursuant to Section 651.023(6), Florida Statutes, before an Annual Report Filing has been made, please submit it in the Periodic Filing requesting the release of funds.
  - For a Facility that has incurred additional financing or for which there has been a change in the aggregate amount of principal, interest, or leasehold payments due during the fiscal year, this form should be filed within 10 days from the date of closing of the new financing or change in the amount of payments due during the fiscal year.
5. In completing the first page of this filing, the "From" date refers to either:
  - the first day of a Provider's fiscal year if the Provider has previously secured release of moneys held in escrow have been released pursuant to Section 651.023(6), Florida Statutes;
  - for a new Facility commencing operations, the date the Provider intends to secure release of moneys held in escrow pursuant to Section 651.023(6), Florida Statutes, or
  - for a Facility that has incurred additional financing or for which there has been a change to the aggregate amount of all principal and interest payments due during the fiscal year on any mortgage loan or other long-term financing or a change to all leasehold payments and all costs relate to such payments, requiring a recalculation of the minimum liquid reserves, 61 days after the updated MLR Calculation is due to be filed.
6. New Facilities. For the first 12 months of operation, each Provider shall maintain in escrow an operating reserve equal to 30 percent of the total operating expenses projected in the feasibility study submitted with the Provider's application for issuance of a Certificate of Authority,
7. Facilities in operation more than 12 months. If a Provider has been in operation for more than 12 months, the total operating expenses is determined using the total operating expenses in the Annual Report. The total annual operating expenses is determined by averaging the total annual operating expenses reported to the Office by the number of annual reports filed with the Office within the preceding 3-year period, subject to adjustment if there is a change in the number of facilities owned.



8. Annualizing amounts. If any year for which revenue or expense data from the Annual Report is required to be used does not represent 12 full months of operation due to a change in fiscal year or a Facility being operational for less than a year, the Provider must provide an annualized amount. To annualize the amount, divide the amount of revenue or expense by the number of months in the short or long fiscal year, then multiply the quotient by 12. When it is necessary to annualize the revenue or expense data, it will be necessary to overwrite the prepopulated amounts.
9. This form is meant to be completed in order, beginning with Schedule I. As you complete the report form, totals will be calculated and subsequent fields will be pre-populated based on your responses. Due to the nature of the MLR Calculation, many of the prepopulated lines cannot be overwritten. If you feel you need to overwrite a prepopulated field, selecting the "highlight fields" box at the top right corner of the screen, will allow you to view which fields can be changed. Selecting the "highlight required fields" box at the top right corner will show all required fields in a red box.
10. Please note that not all schedules apply to every Provider. A cursory review of the instructions for each schedule may save you time in the preparation of this form or alert you to the need for pre-approval by the Office before a specific schedule may be used.
- Schedule I – Required
  - Schedule II – Required
  - Schedule III – Required unless the Facility has been in operation for less than 1 year
  - Schedule IV(A) – Required for Facilities with mortgage loans, leases, or other financing on the Facility.
  - Schedule IV(B) -Required for Facilities without a mortgage loan, lease, or other financing on the Facility.
  - Schedule V - Complete only if Section 651.035(4)(b), F.S., is applicable and the Office approval has been given.
  - Schedule VI(A)- Required
  - Schedule VI(B) – Complete only if monthly minimum liquid reserve required for facilities without mortgage loans, leases, or other financing on the Facility.
  - Schedule VII- Complete only if the Office has approved a reduced debt service reserve pursuant to Section 651.035(2)(b), F.S.
  - Schedule VIII-Complete only if the Office has given prior approval for the use of a letter of credit pursuant to Section 651.035(5), F.S.
  - Schedule IX-Required
11. The Enable Calculations check box (at the top of each page) will allow you to turn the auto calculation feature on or off. Turning off this feature allows for faster data entry, but in order to submit the form, this feature must be enabled to ensure all calculations and validations are correct.
12. The MLR Calculation is subject to review by the Office. The Office will review this calculation and may require amended or revised calculations if there are inconsistencies between this form and other information filed with the Office. Further, the Office may require a Provider to amend or revise this form if it does not approve a Request for Waiver of the Minimum Liquid Reserve or disallows a reduction in debt service reserves pursuant to Section 651.035(2)(b), Florida Statutes.

### ATTESTATION

This filing will not be considered complete unless it has been attested to by the Executive Director or Facility Administrator and, depending on the Provider's business structure, at least one other individual as set forth below.

- If the Provider is an individual, the report must be attested to by that individual.
- If the Provider is a corporation or a limited liability company, the report must be attested to by one of its corporate officers.
- If the Provider is a partnership or unincorporated association, the report must be attested to by the managing general partner.
- If the Provider is a trust, the report must be attested to by all trustees and officers. Please print additional copies of this page as necessary to provide all required attestations.

**The undersigned state that they are representatives of the Provider as specified above and that they are familiar with the laws of Florida relating to continuing care contracts. The undersigned acknowledge that this report is submitted for compliance with Chapter 651, Florida Statutes, and certify under penalty of filing false or misleading documents pursuant to Sections 817.2341 and 837.06, Florida Statutes, that the information provided herein is a full and true reporting of the requested information. The undersigned represent that they are authorized to file this report on behalf of the Provider and that by affixing their signatures to this document, the Provider has executed this instrument.**

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Title)

\_\_\_\_\_  
(Typed Name)

\_\_\_\_\_  
(Date)

State of \_\_\_\_\_  
County of \_\_\_\_\_

The foregoing was sworn to and subscribed before me this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by

\_\_\_\_\_, who is personally known to me or who has produced  
(Name of Affiant)  
\_\_\_\_\_ as identification.

(Notary Stamp)

\_\_\_\_\_  
(Signature of the Notary and Date Commission Expires)

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Title)

\_\_\_\_\_  
(Typed Name)

\_\_\_\_\_  
(Date)

State of \_\_\_\_\_  
County of \_\_\_\_\_

The foregoing was sworn to and subscribed before me this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by

\_\_\_\_\_, who is personally known to me or who has produced  
(Name of Affiant)  
\_\_\_\_\_ as identification.

(Notary Stamp)

\_\_\_\_\_  
(Signature of the Notary and Date Commission Expires)

**MINIMUM LIQUID RESERVE (MLR) CALCULATION**  
**SCHEDULE I**  
**GENERAL INFORMATION**

Contact: \_\_\_\_\_ Contact Title: \_\_\_\_\_

Phone: \_\_\_\_\_ Ext: \_\_\_\_\_

Email Address: \_\_\_\_\_

1. This MLR Calculation is (select one):
  - o The Facility's annual MLR Calculation, filed with the Annual Report, as required by Section 651.026(2)(e), Florida Statutes;
  - o A recalculation of the MLR due to incurred additional financing or for which there has been a change in the aggregate amount of principal, interest, or leasehold payments due during the fiscal year; or
  - o An updated calculation filed before the initial release of escrowed funds.

2. This calculation is based on (select one):
  - o Annual Report data for the period ending on \_\_\_\_\_ and debt service requirements for the one year period following the as-of date of the Annual Report, which is \_\_\_\_\_ to \_\_\_\_\_; or
  - o Feasibility study data and debt service requirements for the current fiscal year which is \_\_\_\_\_ to \_\_\_\_\_.

3. Provider's Fiscal Year End: \_\_\_\_\_
  - A. Has Provider's fiscal year end changed in the last 3 years?  Check if Yes
    - i. If Yes, Fiscal year-ending date of short/long fiscal year. \_\_\_\_\_
    - ii. If Yes, Number of months in short/long fiscal year. \_\_\_\_\_

4. For MLR Calculations filed with the Annual Report as required by 651.035(2)(e), Florida Statutes, the MLR Funding year begins 61 days after the Annual Report due date and ends one year later (61 days after the next year's Annual Report is due).

For new Facilities, Providers should enter the date that the Provider intends to secure release of moneys held in escrow pursuant to Section 651.023(6), Florida Statutes, as the beginning date for the MLR funding year.

For recalculations of the MLR based on a Facility incurring additional financing or a change to the aggregate amount of principal, interest, or leasehold payments due during the fiscal year, Providers should enter 61 days from the date this MLR Calculation is due to be filed as the beginning date for the MLR funding year.

The ending date for the MLR funding year is 181 days after the end of the Provider's current fiscal year.

The MLR funding year that applies to this filing is: \_\_\_\_\_ to \_\_\_\_\_.

5. Provide the following figures:
  - A. The number of continuing care and continuing care at-home residents at this Facility at the end of the most recent fiscal year. If the Facility has been open less than 12 months include the number of sales anticipated by the feasibility study for the MLR period ending date. Double occupancy pursuant to one continuing care contract constitutes two residents. \_\_\_\_\_
  - B. Provide the number of individuals, other than continuing care and continuing care at-home residents, at this Facility at the end of the most recent fiscal year. This includes renters, community patients, and any other individuals who reside at the Facility but are not the subject of a continuing care contract. If the Facility has been open less than 12 months, include the projected number of non-continuing care residents projected in the feasibility study. Double occupancy pursuant to one continuing care contract constitutes two residents. \_\_\_\_\_
  
6. Provide the information below regarding historical liability insurance premiums.
  - A. Provide the amount of liability insurance premium paid in calendar year 1999 or indicate if the Facility was not operational at that time.
    - o Not operational in 1999; or
    - o Liability premiums in 1999: \_\_\_\_\_
  - B. For Providers receiving a Certificate of Authority for this Facility during or after calendar year 1999, provide the amount of liability insurance premium paid during the first 12 months of operations. If the Facility has been open for less than 12 months, please provide the amount of liability insurance projected in the feasibility study. \_\_\_\_\_
  
7. Insurance Expense. Complete one row for each completed fiscal year. The most recently completed fiscal year should be entered as (A), the prior year as (B), and the period two years prior as (C). For a Facility that has been in operation for less than one year, use the insurance expense projected in the feasibility study. For a Facility that has been in operation for more than 12 months but less 3 years, enter data corresponding to each Annual Report that has been filed. Row (D) will compute automatically based on the values entered in Rows (A) through (C).
  - A. In Column C, please provide the amount of liability insurance expense paid during each of the MLR reporting years.
  - B. In Column D, please provide the amount of insurance expense paid for insurance other than liability insurance and property insurance during each of the MLR reporting years.

		C. Liability Insurance Expenses	D. Insurance Expense Other than Liability and Property Insurance
20	(A)		
20	(B)		
20	(C)		
Average	(D)		

**SCHEDULE II  
OPERATING EXPENSES FROM THE STATEMENT OF OPERATIONS**

Complete one row for each completed fiscal year. The most recently completed fiscal year should be entered as (A), the prior year as (B), and the period two years prior as (C). For a Facility that has been in operation for less than one year, enter the expenses projected in the feasibility study in Row (A). For a Facility that has been in operation for more than 12 months but less 3 years, enter data corresponding to each Annual Report that has been filed. Row (D) is automatically computed by dividing the sum of the Columns (A, B, & C), by the number of completed rows.

Entries in Columns 8 and 9 should agree with the Facility Statement of Operations in the Annual Report. If the MLR Calculation is submitted with the Annual Report, Columns 8 and 9 will pre-populate.

If you report an amount in Column 10A., attach a detailed calculation for the determined amount. This amount must be supported by CPA workpapers.

If you report an amount in Column 10B., attach a detailed summary of expenses. Only extraordinary expenses that are explained and documented in accordance with GAAP may be included.

Column 11 will calculate the difference between the values reported in Column 7C and the values reported in Line 6A. or 6B, as applicable. If the average is negative or 0, no benefit is gained, and Column 11 will be excluded from the calculation of Column 12.

Column 12 is automatically calculated based on Column 8 minus Columns 9 through 11.

		8.	9. Deduct the following expenses:				10.		11.	12.
		Total Expenses (Line 27)	A. Interest (Line 16a)	B. Tax (Line 22)	C. Amortization (Line 24)	D. Depreciation (Line 25)	A. Changes in obligation to provide future services*	B. Extraordinary Expenses*	Extra Insurance Expenses* (Column 7C - Line 6A or 6B)	Net Operating Expenses
20____	(A)	_____	_____	_____	_____	_____	_____	_____	_____	
20____	(B)	_____	_____	_____	_____	_____	_____	_____	_____	
20____	(C)	_____	_____	_____	_____	_____	_____	_____	_____	
Average	(D)	_____	_____	_____	_____	_____	_____	_____	_____	_____

Answer the yes or no questions below. If submitting with an Annual Report, the answers should be as of the last fiscal year-end date. Otherwise, your responses should be as of the date the MLR calculation is submitted. Except for Line 23, the form will automatically complete Lines 13 - 38. Please note that not all lines will be completed.

Has the Facility been in business for 12 months or more?      Yes                      No

Is the physical plant owned by the Provider?                      Yes                      No

If the Facility has operated **less than 12 months**, the annual operating reserve is calculated below:

$$(13) \times (.30) \times (15) / (16) = (17)$$

- 13. Net Operating Expenses (Line 12D)
- 14. Operating Reserve Factor (.30)
- 15. CCRC Residents (Line 5A)
- 16. Total Residents (Lines 5A + 5B)
- 17. Total Operating Reserve

**CALCULATION:** \_\_\_\_\_ X .30 X \_\_\_\_\_ / \_\_\_\_\_ = \_\_\_\_\_

If the Facility has operated for **12 or more months**, the annual operating reserve is calculated below:

$$(18) \times (.15) \times (20) / (21) = (22)$$

- 18. Net Operating Expenses (Line 12D)
- 19. Operating Reserve Factor (.15)
- 20. CCRC Residents (Line 5A)
- 21. Total Residents (Lines 5A + 5B)
- 22. Total Operating Reserve

**CALCULATION:** \_\_\_\_\_ X .15 X \_\_\_\_\_ / \_\_\_\_\_ = \_\_\_\_\_

**SCHEDULE III  
RENEWAL AND REPLACEMENT RESERVE**

If the Facility has been in operation **12 or more months and is owned by the Provider**, the Renewal and Replacement Reserve is calculated as follows:

$$(23) \times (.15) \times (25) / (26) = (27)$$

- 23. Total Accumulated Depreciation on plant, property and equipment of the Facility as reported on the most recent audited financial statements.
- 24. RRR Factor (.15)
- 25. CCRC Residents (Line 5A)
- 26. Total Residents (Lines 5A + 5B)
- 27. Total Renewal and Replacement Reserve

**CALCULATION:** \_\_\_\_\_ X .15 X \_\_\_\_\_ / \_\_\_\_\_ = \_\_\_\_\_

Statutes limit the renewal and replacement reserve to 15% of a 3-year average of net operating expenses and is calculated as follows:

$$(28) \times (.15) \times (30) / (31) = (32)$$

- 28. Net Operating Expenses (Line 12D)
- 29. Reserve Limiting Factor (.15)
- 30. CCRC Residents (Line 5A)
- 31. Total Residents (Lines 5A + 5B)
- 32. Renewal and Replacement Reserve Limit

**CALCULATION:** \_\_\_\_\_ X .15 X \_\_\_\_\_ / \_\_\_\_\_ = \_\_\_\_\_

**33. The Lesser of Lines (27) or (32) is your Renewal and Replacement Reserve Requirement.**

This section is calculated only if the Facility has been in operation more than 12 months, is operated by but is NOT owned by the Provider, and the Facility's accumulated depreciation is NOT included on the Provider's books, the Renewal and Replacement Reserve limit is calculated as follows:

$$(34) \times (.15) \times (36) / (37) = (38)$$

- 34. Net Operating Expenses (Line 12D)
- 35. Reserve Limiting Factor (.15)
- 36. CCRC Residents (Line 5A)
- 37. Total Residents (Lines 5A + 5B)
- 38. Total Renewal and Replacement Reserve Limit

**CALCULATION:** \_\_\_\_\_ X .15 X \_\_\_\_\_ / \_\_\_\_\_ = \_\_\_\_\_

**SCHEDULE IV(A) ANNUAL DEBT RESERVE – FACILITIES WITH MORTGAGE LOANS, LEASES, OR OTHER FINANCING ON THE FACILITY**

Mortgage Loans, Bond Issues, or Other Long-Term Financing. For Columns 39 through 44, complete a separate line for each mortgage loan, bond issue, or other long-term financing of the Facility during the fiscal year reported in Schedule I, Line 2. Entries should reflect actual or expected debt service expenses applicable to the fiscal year for which the minimum liquid reserve is calculated. If no payments are due this fiscal year, enter 0s in the first line.

Leasehold Payments. For Column 45, record any leasehold payments due during the fiscal year reported in Schedule I, Line 2 and all costs related to such payments. A separate line should be completed for each lease. Entries should reflect actual or expected debt service expenses applicable to the fiscal year for which the minimum liquid reserve is calculated. If no payments are due this fiscal year, enter a 0s in the first line.

Debt Service Reserves. Please note that if a Facility has a debt service reserve account that reserves for only one series of a bond issue, a separate row must be completed for each series of the bond. If the Facility has a debt issue with more than one debt service reserve accounts, a separate row must be entered for each portion of the debt reserved for by the debt service reserve account. For each account that the Provider would like to include in its minimum liquid reserve pursuant to Section 651.035(1)(b), F.S., please check the box next to that debt issue.

Waivers. For waivers approved pursuant to Section 651.035(3), F.S., only enter the amount the Office did not waive. Enter 0s in the first row if all principal and interest requirements were waived.

Property Taxes. All Providers are required to maintain a reserve for property taxes. For facilities with mortgage loans or other long-term financing, a Provider must reserve an amount equal to the amount recorded in its most recent audit. If the Provider’s mortgage loan or other long-term financing does not require a tax payment reserve or does not require the Provider to reserve an amount equal to or exceeding that amount, then the Provider must maintain a tax payment reserve equal in amount for property taxes as recorded in the audited financial report required under 651.026, F.S. Property tax amount should agree with Line 22a Facility Statement of Operations in the Annual Report. If a reserve for property taxes is not included in any of the debt service reserve accounts reported below, please include property taxes in Column 44. on the last row of this schedule.

	39.	40.	41.	42.	43.	44.	45.	46.
Include this debt in Sched VII?	Description of Debt	Date of Financing Agreement	Principal Payments Due	Interest Payments Due	Subtotal Debt Service (41+ 42)	Tax Payment Reserve	Leasehold Payments Due	Total Annual Debt Service (43 + 44 + 45)
<input type="checkbox"/>								
<input type="checkbox"/>								
<input type="checkbox"/>								
<input type="checkbox"/>								
<input type="checkbox"/>								
<input type="checkbox"/>								
	<b>Property Taxes</b>							
	<b>47. Total Sum of Column 46:</b>							



**SCHEDULE IV(B) ANNUAL DEBT SERVICE RESERVE – FACILITIES WITHOUT MORTGAGE LOANS, LEASES, OR OTHER FINANCING ON THE FACILITY**

Pursuant to Section 651.035(1)(a), F.S., if a Provider does not have a mortgage loan or other financing on the Facility, the Provider must deposit monthly in escrow as a minimum liquid reserve an amount equal to one-twelfth of the annual property tax liability as indicated in the most recent tax notice provided pursuant to Section 197.322(3), F.S., and must annually pay property taxes out of such escrow. Accordingly, the minimum required debt service reserve for the Facility will increase each month until property taxes are paid. The minimum required debt service reserve for each month is calculated below.

48. Annual Property Tax Liability as indicated in the most recent tax notice provided pursuant to Section 197.322(3), F.S., is \_\_\_\_\_. This is the Annual Debt Service Reserve.

49. The required monthly debt service reserve deposit amount is calculated by dividing the amount reported in Line 48 by 12.

**CALCULATION:** \_\_\_\_\_ / 12 = \_\_\_\_\_

50. The date the Property Taxes were paid is \_\_\_\_\_.

Please complete the schedule below to determine the minimum required debt service reserve for each month. Line 51 will show the deposit schedule, with each row containing the name of a month, starting with the month in which property taxes were last paid in 51A. After the first month is entered in 51A, the remaining months should automatically populate. Line 52 will prepopulate by multiplying the monthly debt service reserve deposit amount by the number of months since the property taxes were paid. For example, 52A will equal Line 49 times 1 and Line 52G will equal Line 52 times 7.

	A.	B.	C.	D.	E.	F.	G.	H.	I.	J.	K.	L.
51.												
52.												

**SCHEDULE V  
REDUCED DEBT SERVICE ALLOWANCE**

Complete only if permanently not selling CCRC contracts and approved upon submitting proper request to the Office, pursuant to 651.035(2)(b), F.S. Enter the approval date on Line 53 and the form will calculate Lines 54 through 57.

53. Date of Office's Approval: \_\_\_\_\_

**The Annual Debt Service is calculated as follows:**

$(54) \times (55) / (56) = (57)$

54. Subtotal Debt Service (Line 47)

55. CCRC Residents (Line 5A)

56. Total Residents (Lines 5A + 5B)

57. Adjusted Total Debt Service

**CALCULATION:** \_\_\_\_\_ x \_\_\_\_\_ / \_\_\_\_\_ = \_\_\_\_\_

**SCHEDULE VI(A)  
MINIMUM LIQUID RESERVE REQUIRED**

These lines show the Facility's MLR requirement by component and the total MLR requirement.

58. Total Annual Debt Service from Schedule IV(A), Line 47, Schedule IV(B) Line 48, or Schedule V, Line 57, as applicable: \_\_\_\_\_

59. Total Operating Reserve from Schedule II: \_\_\_\_\_

60. Total Renewal and Replacement Reserve from Schedule III: \_\_\_\_\_

61. **Total Annual Minimum Liquid Reserve Requirement:** \_\_\_\_\_  
(Lines 58 + 59 + 60)



**SCHEDULE VII  
DEBT SERVICE RESERVE VERIFICATION**

This schedule is to assure compliance with the requirements of Section 651.035(1)(b), F.S., identify allowable debt service reserves, and review balance allowances or deficits toward MLR compliance. Complete only if the Provider would like to include funds held in escrow pursuant to a financing agreement in computing its minimum liquid reserves pursuant to Section 651(1)(b), F.S. Providers may only include funds held in escrow that may only be used to pay principal and interest payments on the debt that the Provider is obligated to pay and which may include taxes and insurance. For the purposes of completing this schedule, such funds held in escrow are referred to as a "financing debt service reserve." To include one or more financing debt service reserve(s), complete a separate line of this schedule for each account. A financing debt service reserve will not be included the Provider's minimum liquid reserves unless the Provider has furnished a copy of the agreement under which such debt service is held to the Office. If a copy of the agreement has not yet been provided to the Office, please upload a readable PDF of the agreement into this filing. In order for the Office to include the financing debt service reserve in the Provider's minimum liquid reserves for the next funding year, the Provider must upload a statement of the amount being held in escrow for the financing debt service reserve, certified by the lender or trustee and the Provider to be correct pursuant to Section 651.035(1)(b), F.S., The statement should state that the reserve may only be used for principal and interest and should indicate if property taxes or insurance are included. This statement should be uploaded into the Annual Report filing no later than 61 days after the due date for this MLR Calculation.

If the Provider's trust indenture allows for payment of property taxes, complete Column 63 by entering the last three years of property insurance expense, Complete one row for each fiscal year completed with (A) being the most recent, (B) the next most recent, and (c) the oldest. For a Facility open less than three years, enter as many years as data is available for or from the feasibility study if the Facility has been open for less than 12 months. beginning with the most recent year first. The average of property insurance expense will be automatically computed in Row (D).

		63. Property Insurance Expense
Year		
20____	(A)	
20____	(B)	
20____	(C)	
Average	(D)	

The Property Insurance Reserve is calculated as follows:  $(64) \times (65) \times (66) / (67) = (68)$

- 64. Average Property Insurance Expense (Line 63D)
- 65. Reserve Limiting Factor (.15 if Facility has been in business 12 months or more OR .30 if less than 12 months)
- 66. CCRC Residents (Line 5A)
- 67. Total Residents (Lines 5A + 5B)
- 68. Total Property Insurance Reserve

**CALCULATION:** \_\_\_\_\_ X \_\_\_\_\_ X \_\_\_\_\_ / \_\_\_\_\_ = \_\_\_\_\_

Columns 64 and 65 should pre-populate with information provided in Schedule IV(A) if the box to the left of Column 39 has been marked. Columns 67 and 68 compare the financing debt service reserve balances to the debt service reserve requirements in Columns 42, 42, 44 and Line 63 and automatically populates. Column 69 is automatically calculated and indicates the amount in each financing debt service reserve account that may be included in the Provider's minimum liquid reserves for this Facility. **Please note financing debt service reserve funds in excess of the allowable amounts in Column 73 cannot be included in the Provider's minimum liquid reserves for this Facility.**

69.	70.	71.	72. See Description Below *				73.				74.
Description of Debt	Date of Financing Agreement	Date the Financing Agreement Furnished to the Office	(A) Enter Principle Reserve Balance	(B) Enter Interest Reserve Balance	(C) Enter Tax Reserve Balance	(D) Enter Insurance Reserve Balance	(A) Lesser of Column 44 or Column 72A	(B) Lesser of Column 42 or Column 72B	(C) Lesser of Column 44 or Column 72C	(D) Lesser of Line 68 or Column 72D	Total Lender's Debt Service Reserve Allowable Pursuant to Section 651.035(1)(b), F.S. (73A+73B+73C+73D)

Facility Name:

Enable Calculations

**SCHEDULE VIII  
USE OF LETTER OF CREDIT FOR  
MINIMUM LIQUID RESERVE**

Complete only if a letter of credit approved pursuant to Section 651.035(5), F.S., and the Office, is used to satisfy part of the minimum liquid reserve requirement. Entering a date on line 73 will prompt the form into completing lines 74 - 76. The amount calculated on Line 76 is the minimum cash balance required in your operating reserve regardless of the letter of credit funding amount.

Enter the amount along with the expiration date of the letters of credit.

75. The Date of Approval accepting the Letter of Credit: \_\_\_\_\_

**The Required Operating Cash Reserve is calculated as follows:**

(Column 72) x (.167) = (74)

76. Total Net Operating Expenses (Line 15D)

77. 2 months / 12 months (.167)

78. Required Operating Cash Reserve

**CALCULATION:** \_\_\_\_\_ X .167 = \_\_\_\_\_

79. Enter the Amount and Expiration Date of all Letter(s) of Credit

Amount: \_\_\_\_\_ Date: \_\_\_\_\_

Amount: \_\_\_\_\_ Date: \_\_\_\_\_

Amount: \_\_\_\_\_ Date: \_\_\_\_\_

**NOTE: The letter of credit operating cash reserve must be on deposit in an unencumbered MLR escrow account regardless of the letter of credit amount pursuant to Section 651.035(5)(d), F.S. The operating cash reserve cannot be pledged or used as collateral to secure the letter of credit. If the letter of credit expires and does not include automatic renewal language or reprices each year upon recalculation of your MLR, you must submit the original irrevocable letter of credit to and in favor of the Office prior to the funding year (61 days after Annual Report is due).**

Facility Name:

Enable Calculations

**FURNISH THE FOLLOWING INFORMATION:**

**SCHEDULE IX ESCROW ACCOUNTS**

80. The escrow agent name, address, contact name, title, phone number, and fax number of the escrow agent(s) who has custody of the MINIMUM LIQUID RESERVE escrowed funds, or any funds used to satisfy MINIMUM LIQUID RESERVE requirements.

Escrow Agent	Street Address	City	State/Prov.	Zip/Postal Code	Contact Name	Title	Phone #	Fax #

81. Provide the name of the lender or trustee, the account number or account numbers and identify each account established for all funds held in escrow pursuant to Section 651.035, F.S. Furnish the unique identifier assigned by the Office to the escrow agreement, the balance as of the fiscal year end with which the calculation is being filed and that date. If the calculation is an initial one, enter the amount and projected funding date that will be transferred into escrow:

Financial Institution or Bank Name	Account Number	Escrow Agreement Unique Identifier	Balance	As Of



**Florida Office of Insurance Regulation**

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**MONTHLY FINANCIAL REPORT**

**FLORIDA COMPANY CODE:**

**FLORIDA PROVIDER GROUP CODE:**

**FEDERAL EMPLOYER IDENTIFICATION NUMBER:**

**MONTHLY FINANCIAL REPORT OF**

---

(Continuing Care Provider)

**FOR**

---

(Continuing Care Facility)

**TO THE  
FLORIDA OFFICE OF INSURANCE REGULATION**

Life & Health Financial Oversight  
200 East Gaines Street Tallahassee, FL 32399 - 0331

**FOR PERIOD ENDED**

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Facility Name:  
Period Ending:

## GENERAL INFORMATION AND INSTRUCTIONS

The Florida Office of Insurance Regulation (“Office”) issues a Certificate of Authority to the Provider, which is the legal entity that issues contracts for continuing care for a Facility, including residency agreements, reservation agreements, and waitlist agreements. Separate Certificates of Authority are issued for each Facility, which can result in a single Provider holding multiple Certificates of Authority and, therefore, submitting multiple reports for the same period. In addition to operating multiple Facilities, it is not unusual for Providers to engage in business other than providing continuing care in Florida. As a result, the Office requires financial information at the Provider and Facility level to evaluate the financial condition.

Further, many continuing care Providers are part of holding company structures through which they are affiliated with other Florida Providers through common ownership or control. These instructions are intended to clarify reporting requirements so that the Office has a clear understanding of the participants in the Florida market, regardless of organizational structure.

1. Financial statements must be prepared in accordance with generally accepted accounting principles and as prescribed in the Florida Statutes.
2. All terms used in this report will have their general meaning except where specific statutory language applies under the applicable provisions of the Florida Insurance Code.
3. Submit this form electronically via the Office’s system at <https://www.floir.com/portal>.
4. All questions and portions of this form must be completed in order for the filing to be considered complete—do not leave any items blank. For the financial statements, please ensure to enter 0 for numerical values and N/A for text responses, as appropriate, rather than leaving the field blank.
5. If additional explanations, supporting statements, documentation, or schedules are necessary, please upload them to the filing by attaching them as a Miscellaneous Document. Please add a label to the Miscellaneous Document that describes the attachment for ease of reference. Any attachments should be in a readable electronic format (i.e. Word, Excel, PDF, etc.).
6. Attestation. After completing this form, at least two individuals must attest to the filing, as explained on the Attestation. Signatures affixed to the Attestation must be under seal of a notary public. After the Attestation(s) are physically signed and notarized, upload PDFs of them into filing. Please review the Attestation(s) to ensure that the name of the notary public, commission number, commission expiration date, and any required seal or stamp are visible on the form before submitting the filing.
7. Financial Statements. Provide a Balance Sheet, Statement of Operations, and Statement of Cash Flows (collectively “Financial Statements”) for both the Facility and the Provider. If operating the Facility is the Provider’s only business, we would expect the Financial Statements for the Provider and Facility to be identical. If the Provider has more than one Facility or is engaged in other business in addition to operating the Facility, we would expect the Facility’s Financial Statements to reflect the financial position and operations of the Facility as a sub-unit of the Provider and the Provider’s Financial Statements to reflect the financial position of the Provider and all of its operations.
8. Minimum Liquid Reserves. Section 651.035, Florida Statutes, establishes minimum liquid reserve requirements that must be maintained by a Provider for each Facility. Minimum liquid reserve (“MLR”) funds must be maintained in escrow or on deposit with the Department of Financial Services, Bureau of Collateral Management. MLR funds are recorded in Lines 6a and 11a of the Balance Sheet.

In addition, Providers shall submit a schedule detailing MLR funding and accounts. Providers with financing on the Facility should complete SCHEDULE A and not SCHEDULE B. Providers without financing on the Facility should complete SCHEDULE B and not SCHEDULE A.

Facility Name:

Period Ending:

9. Escrow Statements. To document compliance with the Minimum Liquid Reserve Requirement, please upload escrow statements as a component of this filing. For the purpose of SCHEDULE A and SCHEDULE B, if a Provider uses a single MLR account for one or more of the Facility's MLR reserves, the Provider should evenly apportion the funds between the appropriate reserve types for completing the MLR schedule.
10. If a Provider owns more than one Facility, or if the Provider is affiliated through common ownership or control with additional Providers owning Facilities in Florida, please include a Provider Group Code on the cover page for the monthly, quarterly, and annual filings.



Facility Name:  
 Period Ending:

### UNIT ANALYSIS

Please complete the table below regarding the units at the Facility. For the purposes of completing the Unit Analysis, please refer to the descriptions below.

**Continuing Care Units:** Units, other than Skilled Nursing Units, occupied by or to be occupied by at least one continuing care contract holder. Units that are *Available to Market and Unsold* or *Unavailable to Market* should be reported in this section, rather than the Rental Units section, unless the Provider has discontinued marketing all or a specific portion of the Facility to prospective continuing care contract holders.

**Assisted Living and Memory Care Units:** For lines 2, 7 and 15, please report the number of Assisted Living Units that the Provider does not consider to be Memory Care Units as of the reporting date. For lines 3, 8, and 16, please report the number of units that the Provider considers to be Memory Care Units as of the reporting date. If the Provider does not make a distinction between Assisted Living and Memory Care, please report all units as Assisted Living in lines 2, 7, and 15, and enter 0s for lines 3, 8, and 16.

**Rental Units:** Rental Units are those occupied by individuals who are not continuing care contract holders. *Available to Market and Unsold* and *Unavailable to Market Units* should be reported as Continuing Care Units unless the Provider has discontinued marketing all or a specific portion of the Facility to prospective continuing care contract holders.

**Skilled Nursing Units:** Community Beds refers to Skilled Nursing Units occupied by or available to individuals who are not continuing care contract holders. Sheltered Beds refers to Skilled Nursing Units occupied by or available only to continuing care contract holders.

**Other Continuing Care Contracts:** This section refers to continuing care contract holders residing at a location that is not operated by the Provider. Line 14 refers to individuals with continuing care at-home contracts that are not currently residing at the Facility. Lines 15 through 19 refer to continuing care or continuing care at-home contract holders residing at a location that is not operated by the Provider.

	A Occupied or Sold	B Available to Market and Unsold	C Unavailable to Market	D Reserved by Prospective Residents	E Total (A+B+C+D)
<b>Continuing Care Units</b>					
1. Independent Living Units					
2. Assisted Living					
3. Memory Care					
4. Total Assisted Living (2. + 3.)					
5. Total Continuing Care Units (1. + 4.)					
<b>Rental Units</b>					
6. Independent Living Rental					
7. Assisted Living Rental					
8. Memory Care Rental					
9. Total Assisted Living Rental (7. + 8.)					
10. Total Rental Units (6. + 9.)					
<b>Skilled Nursing Units</b>					
11. Community Beds					
12. Sheltered Beds					
13. Total Skilled Nursing Beds (11. + 12.)					
<b>Other Continuing Care Contracts</b>					
14. Independent Living					
15. Assisted Living					
16. Memory Care					
17. Total Assisted Living (15. + 16.)					
18. Skilled Nursing					

Facility Name:

Period Ending:

19. Total Other Continuing Care Contracts (14. + 17. + 18.)					
<b>20. Total of All Units (5. + 10. + 13. + 19.)</b>					

**RESIDENT COUNT**

For each category below, specify the total number of individuals at this Facility as of the end of the reporting period. Continuing care at-home residents should not be included in lines 1 through 4.

<b>Level of Care</b>	<b>A Pursuant to a Continuing Care Contract</b>	<b>B Without a Continuing Care Contract</b>
1. Independent Living		
2. Assisted Living and Memory Care		
3. Skilled Nursing		
4. Total (Sum of Lines 1, 2 and 3)		

5. Please specify how many individuals have contracted with the Provider pursuant to a continuing care at-home contract for this Facility: \_\_\_\_\_

Facility Name:  
 Period Ending:

**PROVIDER FINANCIAL STATEMENTS  
 BALANCE SHEET – ASSETS**

<b>CURRENT ASSETS</b>		
1.	Cash and Cash Equivalents – Unrestricted	
2.	Short-Term Investments – Unrestricted	
3.	Accounts Receivable, Net	
4.	Entrance Fees Receivable	
5.	Other Receivables	
6.	Current Portion Assets Limited as to Use:	
a.	Excess of Minimum Liquid Reserve Funds	
b.	Other Assets Limited as to Use	
7.	Prepaid Expenses	
8.	Other Current Assets	
<b>9.</b>	<b>TOTAL CURRENT ASSETS (Sum of Lines 1 through 8)</b>	
<b>NON-CURRENT ASSETS</b>		
10.	Investments – Restricted	
11.	Assets Limited as to Use:	
a.	Required Minimum Liquid Reserve	
b.	Debt Service Reserve – Held by Trustee	
c.	Other Funds – Held by Trustee	
d.	Other – Not Held by Trustee	
e.	Total Assets Limited as to Use (Sum of Lines 11a through 11d)	
12.	Unrestricted Investments	
13.	Property, Plant, and Equipment	
a.	Less Accumulated Depreciation	(            )
14.	Other	
<b>15.</b>	<b>TOTAL NON-CURRENT ASSETS (Sum of Lines 10 through 14)</b>	
<b>16.</b>	<b>TOTAL ASSETS (Line 9 plus Line 15)</b>	

Facility Name:  
 Period Ending:

**PROVIDER FINANCIAL STATEMENTS  
 BALANCE SHEET – LIABILITIES**

<b>CURRENT LIABILITIES</b>	
17.	Accounts Payable
18.	Accrued Expenses
19.	Accrued Interest
20.	Current Portion of Entrance Fee Refunds Payable
21.	Current Portion of Long-Term Debt:
a.	On Facility
b.	Other
22.	Current Portion of Notes Payable
23.	Other Short Term Liabilities
<b>24.</b>	<b>TOTAL CURRENT LIABILITIES (Sum of Lines 17 through 23)</b>
<b>NON-CURRENT LIABILITIES</b>	
25.	Long-Term Debt:
a.	On Facility
b.	Other
26.	Notes Payable
27.	Refundable Entrance Fees
28.	Deferred Revenue from Entrance Fees
29.	Other Long Term Liabilities
<b>30.</b>	<b>TOTAL NON-CURRENT LIABILITIES (Sum of Lines 25 through 29)</b>
<b>31.</b>	<b>TOTAL LIABILITIES (Line 24 plus Line 30)</b>
<b>NET ASSETS (DEFICIT) / EQUITY</b>	
32.	Beginning Net Assets (Deficit) / Equity
33.	Change in Net Assets (Deficit) / Net Income (Loss) (This must agree with Line 31 of the Statement of Operations)
34.	Other Contributions or Adjustments
<b>35.</b>	<b>TOTAL NET ASSETS (DEFICIT) / EQUITY (Line 16 minus Line 31)</b>
<b>36.</b>	<b>TOTAL LIABILITIES AND NET ASSETS (DEFICIT) / EQUITY (Line 31 plus Line 35)</b>

Facility Name:  
 Period Ending:

**PROVIDER FINANCIAL STATEMENTS  
 PROVIDER STATEMENT OF OPERATIONS**

<b>REVENUES</b>		
1.	Resident Service Fees	
2.	Healthcare Fees	
3.	Rental Revenues	
4.	Total Resident Revenues (Sum of Lines 1 through 3)	
5.	Amortization of Earned Entrance Fees	
6.	Investment Income, Net	
7.	Realized Gains (Losses) from Investments	
8.	Unrealized Gains (Losses) from Investments	
9.	Net Assets Released from Restrictions (This must agree with Line 29)	
10.	Other Income	
11.	<b>TOTAL REVENUES (Sum of Lines 4 through 10)</b>	
<b>EXPENSES</b>		
12.	Resident Services	
13.	Dietary Services	
14.	Housekeeping, Maintenance and Utilities	
15.	Insurance:	
a.	On Facility	
b.	Other	
16.	Interest:	
a.	Long-Term Debt on Facility	
b.	Other	
17.	Leasehold Payments	
18.	General and Administrative	
19.	Management Fees	
20.	Marketing	
21.	Healthcare Services	
22.	Taxes:	
a.	Property	
b.	Other	
23.	Other Expenses	
24.	Amortization	
25.	Depreciation	



Facility Name:

Period Ending:

26.	Other Non-Cash Operating Expenses (Including interest rate swaps and changes in future service obligation)	
<b>27.</b>	<b>TOTAL EXPENSES (Sum of Lines 12 through 26)</b>	
<b>OTHER INCOME (EXPENSE)</b>		
28.	Net Realized Gain on Investments and Assets Limited as to Use	
29.	Net Assets Released from Restrictions (This must agree with Line 9)	
30.	Contributions	
<b>31.</b>	<b>CHANGE IN NET ASSETS (DEFICIT) / NET INCOME (LOSS)</b> <b>(Line 11 minus the sum of Lines 26 through 30)</b>	

Facility Name:  
 Period Ending:

**PROVIDER FINANCIAL STATEMENTS  
 PROVIDER STATEMENT OF CASH FLOWS**

<b>A. OPERATING ACTIVITIES</b>	
1.	Change in Net Assets (Deficit) / Net Income (Loss) (This must agree with Line 31 of the Statement of Operations)
2.	Adjustments to Reconcile to Change in Net Assets (Deficit) / Net Income (Loss)
<b>3. Cash Provided (Used) by Operations:</b>	
a.	Entrance Fees Received
b.	Entrance Fee Refunds Paid ( )
c.	Earned Entrance Fees ( )
d.	Depreciation
e.	Amortization
f.	
g.	
h.	
i.	
j.	
k.	
l.	
m.	
n.	Total Operations Adjustments (Sum of Lines A3a through A3m)
4.	Net Cash Provided (Used) by Operating Activities (Sum of Lines A1 through A3)
<b>B. INVESTING ACTIVITIES</b>	
1.	Change in Investments and Assets Limited as to Use
2.	Purchase of Property and Equipment
3.	
4.	
5.	Net Cash Provided (Used) by Investing Activities (Sum of Lines B1 through B4)
<b>C. FINANCING ACTIVITIES</b>	
1.	Repayment of Long Term Debt ( )
2.	Entrance Fees Refunded
3.	
4.	
5.	
6.	Net Cash Provided (Used) by Financing Activities (Sum of Lines C1 through C5)

Facility Name:

Period Ending:

<b>D.</b>	<b>Increase (Decrease) in Cash (Sum of Lines A4, B5, and C6)</b>	
<b>E.</b>	<b>Cash at Beginning of Period (This must agree with Line 1 of the Balance Sheet and Line F of the Statement of Cash Flows in the prior year's Financial Statements)</b>	
<b>F.</b>	<b>Cash at End of Period (Line D plus Line E) (This must agree with Line 1 of the Balance Sheet)</b>	

Facility Name:  
 Period Ending:

**FACILITY FINANCIAL STATEMENTS  
 BALANCE SHEET – ASSETS**

<b>CURRENT ASSETS</b>		
1.	Cash and Cash Equivalents – Unrestricted	
2.	Short-Term Investments – Unrestricted	
3.	Accounts Receivable, Net	
4.	Entrance Fees Receivable	
5.	Other Receivables	
6.	Current Portion Assets Limited as to Use:	
a.	Excess of Minimum Liquid Reserve Funds	
b.	Other Assets Limited as to Use	
7.	Prepaid Expenses	
8.	Other Current Assets	
<b>9.</b>	<b>TOTAL CURRENT ASSETS (Sum of Lines 1 through 8)</b>	
<b>NON-CURRENT ASSETS</b>		
10.	Investments – Restricted	
11.	Assets Limited as to Use:	
a.	Required Minimum Liquid Reserve	
b.	Debt Service Reserve – Held by Trustee	
c.	Other Funds – Held by Trustee	
d.	Other – Not Held by Trustee	
e.	Total Assets Limited as to Use (Sum of Lines 11a through 11d)	
12.	Unrestricted Investments	
13.	Property, Plant, and Equipment	
a.	Less Accumulated Depreciation	(            )
14.	Other	
<b>15.</b>	<b>TOTAL NON-CURRENT ASSETS (Sum of Lines 10 through 14)</b>	
<b>16.</b>	<b>TOTAL ASSETS (Line 9 plus Line 15)</b>	

Facility Name:  
 Period Ending:

**FACILITY FINANCIAL STATEMENTS  
 BALANCE SHEET – LIABILITIES**

<b>CURRENT LIABILITIES</b>		
17.	Accounts Payable	
18.	Accrued Expenses	
19.	Accrued Interest	
20.	Current Portion of Entrance Fee Refunds Payable	
21.	Current Portion of Long-Term Debt:	
	a. On Facility	
	b. Other	
22.	Current Portion of Notes Payable	
23.	Other Short Term Liabilities	
<b>24.</b>	<b>TOTAL CURRENT LIABILITIES (Sum of Lines 17 through 23)</b>	
<b>NON-CURRENT LIABILITIES</b>		
25.	Long-Term Debt:	
	a. On Facility	
	b. Other	
26.	Notes Payable	
27.	Refundable Entrance Fees	
28.	Deferred Revenue from Entrance Fees	
29.	Other Long Term Liabilities	
<b>30.</b>	<b>TOTAL NON-CURRENT LIABILITIES (Sum of Lines 25 through 29)</b>	
<b>31.</b>	<b>TOTAL LIABILITIES (Line 24 plus Line 30)</b>	
<b>NET ASSETS (DEFICIT) / EQUITY</b>		
32.	Beginning Net Assets (Deficit) / Equity	
33.	Change in Net Assets (Deficit) / Net Income (Loss) (This must agree with Line 31 of the Statement of Operations)	
34.	Other Contributions or Adjustments	
<b>35.</b>	<b>TOTAL NET ASSETS (DEFICIT) / EQUITY (Line 16 minus Line 31)</b>	
<b>36.</b>	<b>TOTAL LIABILITIES AND NET ASSETS (DEFICIT) / EQUITY (Line 31 plus Line 35)</b>	

Facility Name:  
 Period Ending:

**FACILITY FINANCIAL STATEMENTS  
 PROVIDER STATEMENT OF OPERATIONS**

<b>REVENUES</b>	
1.	Resident Service Fees
2.	Healthcare Fees
3.	Rental Revenues
4.	Total Resident Revenues (Sum of Lines 1 through 3)
5.	Amortization of Earned Entrance Fees
6.	Investment Income, Net
7.	Realized Gains (Losses) from Investments
8.	Unrealized Gains (Losses) from Investments
9.	Net Assets Released from Restrictions (This must agree with Line 29)
10.	Other Income
<b>11.</b>	<b>TOTAL REVENUES (Sum of Lines 4 through 10)</b>
<b>EXPENSES</b>	
12.	Resident Services
13.	Dietary Services
14.	Housekeeping, Maintenance and Utilities
15.	Insurance:
a.	On Facility
b.	Other
16.	Interest:
a.	Long-Term Debt on Facility
b.	Other
17.	Leasehold Payments
18.	General and Administrative
19.	Management Fees
20.	Marketing
21.	Healthcare Services
22.	Taxes:
a.	Property
b.	Other
23.	Other Expenses
24.	Amortization
25.	Depreciation

Facility Name:

Period Ending:

26.	Other Non-Cash Operating Expenses (Including interest rate swaps and changes in future service obligation)	
<b>27.</b>	<b>TOTAL EXPENSES (Sum of Lines 12 through 26)</b>	
<b>OTHER INCOME (EXPENSE)</b>		
28.	Net Realized Gain on Investments and Assets Limited as to Use	
29.	Net Assets Released from Restrictions (This must agree with Line 9)	
30.	Contributions	
<b>31.</b>	<b>CHANGE IN NET ASSETS (DEFICIT) / NET INCOME (LOSS)</b> <b>(Line 11 minus the sum of Lines 26 through 30)</b>	

Facility Name:  
 Period Ending:

**FACILITY FINANCIAL STATEMENTS  
 PROVIDER STATEMENT OF CASH FLOWS**

<b>A. OPERATING ACTIVITIES</b>		
2.	Change in Net Assets (Deficit) / Net Income (Loss) (This must agree with Line 31 of the Statement of Operations)	
2.	Adjustments to Reconcile to Change in Net Assets (Deficit) / Net Income (Loss)	
<b>3. Cash Provided (Used) by Operations:</b>		
a.	Entrance Fees Received	
b.	Entrance Fee Refunds Paid	(            )
c.	Earned Entrance Fees	(            )
d.	Depreciation	
e.	Amortization	
f.		
g.		
h.		
i.		
j.		
k.		
l.		
m.		
n.	Total Operations Adjustments (Sum of Lines A3a through A3m)	
4.	Net Cash Provided (Used) by Operating Activities (Sum of Lines A1 through A3)	
<b>B. INVESTING ACTIVITIES</b>		
1.	Change in Investments and Assets Limited as to Use	
2.	Purchase of Property and Equipment	
3.		
4.		
5.	Net Cash Provided (Used) by Investing Activities (Sum of Lines B1 through B4)	
<b>C. FINANCING ACTIVITIES</b>		
1.	Repayment of Long Term Debt	(            )
2.	Entrance Fees Refunded	
3.		
4.		
5.		
6.	Net Cash Provided (Used) by Financing Activities (Sum of Lines C1 through C5)	



Facility Name:

Period Ending:

<b>D.</b>	<b>Increase (Decrease) in Cash (Sum of Lines A4, B5, and C6)</b>	
<b>E.</b>	<b>Cash at Beginning of Period (This must agree with Line 1 of the Balance Sheet and Line F of the Statement of Cash Flows in the prior year's Financial Statements)</b>	
<b>F.</b>	<b>Cash at End of Period (Line D plus Line E) (This must agree with Line 1 of the Balance Sheet)</b>	

Facility Name:  
Period Ending:

## EXHIBIT A – INTERROGATORIES

For any “Yes” responses, please upload an explanation and any required documentation into the filing. The supporting documentation should be uploaded as a Miscellaneous Document. Please label the documentation appropriately for ease of reference when reviewing the filing.

1. If the Provider is a limited partnership, has the general partner changed since the last filing submission?
  - Yes
  - No
2. Has any individual or entity assumed ownership or possession of or control over 10% or more of the Provider, a controlling company of the Provider, or the Provider’s assets, based on the balance sheet from the most recent audited financial report filed with the Office, since the last filing submission?
  - Yes
  - No
3. Have there been any other changes in the officers, directors, shareholders of the Provider since the last filing submission?
  - Yes
  - No
4. Have there been any changes to managers of or management company for the Facility, including the Executive Director, Facility Administrator, or equivalent position, since the last filing submission?
  - Yes
  - No
5. Have there been any changes to the Provider’s organizational structure since the last filing submission?
  - Yes
  - No
6. Have there been any changes to the Provider’s organizational documents since the last filing submission? Organizational documents include but are not limited to: articles of incorporation, by-laws, partnership agreement, articles of association, trust agreement, etc.
  - Yes
  - No
7. Have any judgments or fines been entered against the Provider since the last filing submission?
  - Yes
  - No
8. With respect to any business operations of the Provider, have any bankruptcy, delinquency, receivership, foreclosure or loan default proceedings been initiated since the last filing submission?
  - Yes
  - No
9. Is the Provider out of compliance with any terms, conditions, or covenants established in lending agreements for long-term financing?
  - Yes
  - No

Facility Name:

Period Ending:

10. Since the last filing submission, have any administrative actions been initiated against any of the following:
- the Provider or any of its officers, directors, or controlling persons;
  - any affiliates of the Provider;
  - the managers or management company of the Facility, including the Executive Director, Facility Administrator, or equivalent position; or
  - any entity providing shelter, nursing care, or personal services pursuant to the Provider's continuing care contracts.
- Yes  
 No
11. Since the last filing was submitted, have any of individuals described below been convicted of or pled nolo contendere to a crime, other than a minor traffic violation:
- any officer, director, or controlling person of the Provider; or
  - any managers of the Facility, including the Executive Director, Facility Administrator, or equivalent positions; or
  - any employees or principals of the Facility's management company performing roles similar to those listed above.
- Yes  
 No
12. During the reporting period or at any time since the last filing submission, has the Provider failed to pay its obligations as they come due in the normal course of business? For the purposes of this question, "the normal course of business" is defined as the time agreed upon by the involved parties.
- Yes  
 No
13. If the answer is yes to item 12, please select all applicable creditor types that the Provider was or is unable to pay timely.
- Residents or prospective residents (refunds)
  - Health care providers
  - Prescription drug vendors
  - Food vendors
  - Lenders
  - Employees
  - Contract employees or consultants
  - Construction, maintenance, or similar companies
  - Insurers
  - Local, state, or federal government entities (taxes, fees)
  - Other:
14. Has the Provider closed on any new financing, additional financing, or refinancing since the last filing submission?
- Yes  
 No

Facility Name:

Period Ending:

## SCHEDULE A – MINIMUM LIQUID RESERVES FOR FACILITIES WITH FINANCING

- Providers with a mortgage loan or other long-term financing on the Facility for which this report is filed must complete this schedule and are not required to complete SCHEDULE B.
  - Providers without a mortgage loan or other long-term financing on the Facility for which this report is filed must complete SCHEDULE B and are not required to complete this schedule.
1. In Row A, enter the Required Reserve Amounts in effect as of the period ended date of this filing. Lines 1A, 3A, 5A, and 7A must agree with the amounts in Lines 58 through 61, Schedule VI(A) of the Minimum Liquid Reserve (“MLR”) Calculation, Form OIR-A3-477, (“MLR Calculation”) filed for the Provider’s current MLR funding year. The MLR funding year is specified in Line 4 of the MLR Calculation and begins 61 days after a Provider’s Annual Report is due, which is 181 days after the end of the Provider’s fiscal year. However, in event of a change to the aggregate amount of all principal and interest payments due during the fiscal year, the Office may require a recalculation of the MLR. In the event of a recalculation, the funding year begins 61 days after the recalculation of the MLR is filed and ends 60 days after the Provider’s annual statement is due, which is 180 days after the last day of the Provider’s fiscal year.
  2. In Row B, record the balance as of the period ended date of this filing for the escrow accounts included in the Provider’s minimum liquid reserves.
    - a. Funds on deposit the Department of Financial Services Bureau of Collateral Management (DFS) should be entered on Lines 1a, 3a, or 5c, as applicable.
    - b. For escrow accounts established pursuant to Section 651.033, Florida Statutes, enter the name of the financial institution in which the account is established and the last 4 digits of the account number in Lines 1b, 1c, 3b, 3c, 5e, or 5f, as applicable.
    - c. If the Provider commingles debt service, operating, or renewal and replacement reserves on deposit with DFS or in one or more unencumbered escrow accounts established pursuant to Section 651.033, Florida Statutes, the Provider may allocate the balance(s) between Lines 1a, 1b, 1c, 3a, 3b, 3c, 5c, 5d, and 5e, as applicable. However, in no event may encumbered debt service reserve funds be used to offset shortfalls in the operating or renewal and replacement reserve.
    - d. If the Provider has a debt service reserve established pursuant to a trust indenture or mortgage lien on the facility, it may be included in Lines 1d and 1e if the Provider has filed the documents specified in Section 651.035(1)(b), Florida Statutes, with the Office. The sum of Lines 1dB and 1eB cannot exceed the Allowable Amount specified in Column 74, Schedule VII, number 74 of the Minimum Liquid Reserve Calculation,
  3. Funds included in the Provider’s MLR are recorded in Lines 6a and 11a of the Facility’s Balance Sheet. Trustee Held Debt Service Reserve funds in excess of the Allowable Amount should be recorded in Line 11b of the Facility’s Balance Sheet.

Facility Name:  
 Period Ending:

Please provide the following information regarding the Provider's minimum liquid reserves for this Facility and its compliance with Section 651.035, Florida Statutes.

	A Required Reserve Amount	B Account Balance
<b>1. Debt Service Reserve</b>		
a. DFS		
Escrow Accounts:		
b.		
c.		
Total Trustee Held Debt Service Reserve Funds:		
d.		
e.		
2. Total Debt Service Reserve (Sum of Lines 1.a-c.)		
<b>3. Operating Reserve</b>		
a. DFS		
Escrow Accounts		
b.		
c.		
4. Total Operating Reserve (Sum of Lines 3.a.-b.)		
<b>5. Renewal &amp; Replacement Reserve</b>		
a. <i>(Less any approved withdraw for which the Provider is making timely repayments)</i>		
b. Current Renewal & Replacement Requirement		
c. DFS		
Escrow Accounts		
d.		
e.		
6. Total Renewal and Replacement Reserve (Sum 5a.-d.)		
<b>7. Total Minimum Liquid Reserves (Sum of Lines 2, 4, and 6)</b>		

Facility Name:  
Period Ending:

## SCHEDULE B – MINIMUM LIQUID RESERVES FOR FACILITIES WITHOUT FINANCING

- Providers without a mortgage loan or other long-term financing on the Facility for which this report is filed must complete this schedule and are not required to complete SCHEDULE A.
  - Providers with a mortgage loan or other long-term financing on the Facility for which this report is filed must complete SCHEDULE A and are not required to complete this schedule.
1. Calculating the Debt Service Reserve - Tax Reserve Requirement
    - a. Annual Property Tax Liability as indicated in the most recent tax notice provided pursuant to s. 197.322(3)
    - b.  $1.a / 12 =$  Monthly Tax Reserve Deposit Amount
    - c. Date the Property Taxes were paid:
    - d.  $(\text{number of months since property taxes were paid}) \times 1.b =$  Line 1A below.
  2. In Row A, enter the Required Reserve Amounts in effect as of the period ended date of this filing. Lines 1A, 3A, 5A, and 7A must agree with the amounts in Lines 58 through 61, Schedule VI(A) of the Minimum Liquid Reserve ("MLR") Calculation, Form OIR-A3-477, ("MLR Calculation") filed for the Provider's current MLR funding year. The MLR funding year is specified in Line 4 of the MLR Calculation and begins 61 days after a Provider's Annual Report is due, which is 181 days after the end of the Provider's fiscal year. However, in event of a change to the aggregate amount of all principal and interest payments due during the fiscal year, the Office may require a recalculation of the MLR. In the event of a recalculation, the funding year begins 61 days after the recalculation of the MLR is filed and ends 60 day after the Provider's annual statement is due, which is 180 days after the last day of the Provider's fiscal year.
  3. In Row B, record the balance as of the period ended date of this filing for the escrow accounts included in the Provider's minimum liquid reserves.
    - a. Funds on deposit the Department of Financial Services Bureau of Collateral Management (DFS) should be entered on Lines 1a, 3a, or 5c, as applicable.
    - b. For escrow accounts established pursuant to Section 651.033, Florida Statutes, enter the name of the financial institution in which the account is established and the last 4 digits of the account number in Lines 1a, 1b, 1c, 3a, 3b, 3c, 5c, 5d, and 5e, as applicable.
    - c. If the Provider comingles debt service, operating, or renewal and replacement reserves on deposit with DFS or in one or more unencumbered escrow accounts established pursuant to Section 6510.033, Florida Statutes, the Provider may allocate the balance(s) between Lines However, in no event may encumbered debt service reserve funds be used to offset shortfalls in the operating or renewal and replacement reserve.
  4. Funds included in the Provider's MLR are recorded in Lines 6a and 11a of the Facility's Balance Sheet. Trustee Held Debt Service Reserve funds in excess of the Allowable Amount should be recorded in Line 11b of the Facility's Balance Sheet.

Facility Name:  
 Period Ending:

Please provide the following information regarding the Provider's minimum liquid reserves for this Facility and its compliance with Section 651.035, Florida Statutes.

	<b>A Required Reserve Amount</b>	<b>B Account Balance</b>
<b>1. Debt Service Reserve</b>		
a. DFS		
Escrow Accounts:		
b.		
c.		
2. Total Debt Service Reserve (Sum of Lines 1.a-c.)		
<b>3. Operating Reserve</b>		
a. DFS		
Escrow Accounts		
b.		
c.		
4. Total Operating Reserve (Sum of Lines 3.a.-b.)		
<b>5. Renewal &amp; Replacement Reserve</b>		
a. <i>(Less any approved withdraw for which the Provider is making timely repayments)</i>		
b. Current Renewal & Replacement Requirement		
c. DFS		
Escrow Accounts		
d.		
e.		
6. Total Renewal and Replacement Reserve (Sum 5a.- e..)		
<b>7. Total Minimum Liquid Reserves (Sum of Lines 2, 4, and 6)</b>		



**Florida Office of Insurance Regulation**

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**QUARTERLY FINANCIAL REPORT**

**FLORIDA COMPANY CODE:**

**FLORIDA PROVIDER GROUP CODE:**

**FEDERAL EMPLOYER IDENTIFICATION NUMBER:**

**QUARTERLY FINANCIAL REPORT OF**

---

(Continuing Care Provider)

**FOR**

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(Continuing Care Facility)

**TO THE  
FLORIDA OFFICE OF INSURANCE REGULATION**

Life & Health Financial Oversight  
200 East Gaines Street Tallahassee, FL 32399 - 0331

**FOR PERIOD ENDED**

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Facility Name:  
Period Ending:

## GENERAL INFORMATION AND INSTRUCTIONS

The Florida Office of Insurance Regulation (“Office”) issues a Certificate of Authority to the Provider, which is the legal entity that issues contracts for continuing care for a Facility, including residency agreements, reservation agreements, and waitlist agreements. Separate Certificates of Authority are issued for each Facility, which can result in a single Provider holding multiple Certificates of Authority and, therefore, submitting multiple reports for the same period. In addition to operating multiple Facilities, it is not unusual for Providers to engage in business other than providing continuing care in Florida. As a result, the Office requires financial information at the Provider and Facility level to evaluate the financial condition.

Further, many continuing care Providers are part of holding company structures through which they are affiliated with other Florida Providers through common ownership or control. These instructions are intended to clarify reporting requirements so that the Office has a clear understanding of the participants in the Florida market, regardless of organizational structure.

1. Financial statements must be prepared in accordance with generally accepted accounting principles and as prescribed in the Florida Statutes.
2. All terms used in this report will have their general meaning except where specific statutory language applies under the applicable provisions of the Florida Insurance Code.
3. Submit this form electronically via the Office’s system at <https://www.floir.com/iportal>.
4. All questions and portions of this form must be completed in order for the filing to be considered complete—do not leave any items blank. For the financial statements, please ensure to enter 0 for numerical values and N/A for text responses, as appropriate, rather than leaving the field blank.
5. If additional explanations, supporting statements, documentation, or schedules are necessary, please upload them to the filing by attaching them as a Miscellaneous Document. Please add a label to the Miscellaneous Document that describes the attachment for ease of reference. Any attachments should be in a readable electronic format (i.e. Word, Excel, PDF, etc.).
6. Attestation. After completing this form, at least two individuals must attest to the filing, as explained on the Attestation. Signatures affixed to the Attestation must be under seal of a notary public. After the Attestation(s) are physically signed and notarized, upload PDFs of them into filing. Please review the Attestation(s) to ensure that the name of the notary public, commission number, commission expiration date, and any required seal or stamp are visible on the form before submitting the filing.
7. Financial Statements. Provide a Balance Sheet, Statement of Operations, and Statement of Cash Flows (collectively “Financial Statements”) for both the Facility and the Provider. If operating the Facility is the Provider’s only business, we would expect the Financial Statements for the Provider and Facility to be identical. If the Provider has more than one Facility or is engaged in other business in addition to operating the Facility, we would expect the Facility’s Financial Statements to reflect the financial position and operations of the Facility as a sub-unit of the Provider and the Provider’s Financial Statements to reflect the financial position of the Provider and all of its operations.
8. Minimum Liquid Reserves. Section 651.035, Florida Statutes, establishes minimum liquid reserve requirements that must be maintained by a Provider for each Facility. Minimum liquid reserve (“MLR”) funds must be maintained in escrow or on deposit with the Department of Financial Services, Bureau of Collateral Management. MLR funds are recorded in Lines 6a and 11a of the Balance Sheet.

In addition, Providers shall submit a schedule detailing MLR funding and accounts. Providers with financing on the Facility should complete SCHEDULE A and not SCHEDULE B. Providers without financing on the Facility should complete SCHEDULE B and not SCHEDULE A.

9. Escrow Statements. To document compliance with the Minimum Liquid Reserve Requirement, please upload escrow statements as a component of this filing. For the purpose of SCHEDULE A and SCHEDULE B, If a Provider uses a single MLR account for one or more of the Facility’s MLR reserves, the Provider

Facility Name:

Period Ending:

should evenly apportion the funds between the appropriate reserve types for the purpose of completing the MLR schedule.

10. If a Provider owns more than one Facility, or if the Provider is affiliated through common ownership or control with additional Providers owning Facilities in Florida, please include a Provider Group Code on the cover page for the monthly, quarterly, and annual filings.
11. Obligated Groups. A Provider that is a member of an Obligated Group should complete SCHEDULE D and should not complete SCHEDULE C. A Provider that is not a member of an Obligated Group should complete SCHEDULE C and should not complete SCHEDULE D.

Facility Name:  
Period Ending:

### ATTESTATION

This filing will not be considered complete unless it has been attested to by the Executive Director or Facility Administrator and, depending on the Provider's business structure, at least one other individual as set forth below.

- If the Provider is an individual, the report must be attested to by that individual.
- If the Provider is a corporation or a limited liability company, the report must be attested to by one of its corporate officers.
- If the Provider is a partnership or unincorporated association, the report must be attested to by the managing general partner.
- If the Provider is a trust, the report must be attested to by all trustees and officers. Please print additional copies of this page as necessary to provide all required attestations.

**The undersigned state that they are representatives of the Provider as specified above and that they are familiar with the laws of Florida relating to continuing care contracts. The undersigned acknowledge that this report is submitted for compliance with Chapter 651, Florida Statutes, and certify under penalty of filing false or misleading documents pursuant to Sections 817.2341 and 837.06, Florida Statutes, that the information provided herein is a full and true reporting of the requested information. The undersigned represent that they are authorized to file this report on behalf of the Provider and that by affixing their signatures to this document, the Provider has executed this instrument.**

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Title)

\_\_\_\_\_  
(Typed Name)

\_\_\_\_\_  
(Date)

State of \_\_\_\_\_

County of \_\_\_\_\_

The foregoing was sworn to and subscribed before me this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by

\_\_\_\_\_, who is personally known to me or who has produced  
(Name of Affiant)

\_\_\_\_\_ as identification.

(Notary Stamp)

\_\_\_\_\_  
(Signature of the Notary and Date Commission Expires)

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Title)

\_\_\_\_\_  
(Typed Name)

\_\_\_\_\_  
(Date)

State of \_\_\_\_\_

County of \_\_\_\_\_

The foregoing was sworn to and subscribed before me this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by

\_\_\_\_\_, who is personally known to me or who has produced  
(Name of Affiant)

\_\_\_\_\_ as identification.

(Notary Stamp)

\_\_\_\_\_  
(Signature of the Notary and Date Commission Expires)

### UNIT ANALYSIS

Facility Name:  
 Period Ending:

Please complete the table below regarding the units at the Facility. For the purposes of completing the Unit Analysis, please refer to the descriptions below.

**Continuing Care Units:** Units, other than Skilled Nursing Units, occupied by or to be occupied by at least one continuing care contract holder. Units that are *Available to Market and Unsold* or *Unavailable to Market* should be reported in this section, rather than the Rental Units section, unless the Provider has discontinued marketing all or a specific portion of the Facility to prospective continuing care contract holders.

**Assisted Living and Memory Care Units:** For lines 2, 7 and 15, please report the number of Assisted Living Units that the Provider does not consider to be Memory Care Units as of the reporting date. For lines 3, 8, and 16, please report the number of units that the Provider considers to be Memory Care Units as of the reporting date. If the Provider does not make a distinction between Assisted Living and Memory Care, please report all units as Assisted Living in lines 2, 7, and 15, and enter 0s for lines 3, 8, and 16.

**Rental Units:** Rental Units are those occupied by individuals who are not continuing care contract holders. *Available to Market and Unsold* and *Unavailable to Market Units* should be reported as Continuing Care Units unless the Provider has discontinued marketing all or a specific portion of the Facility to prospective continuing care contract holders.

**Skilled Nursing Units:** Community Beds refers to Skilled Nursing Units occupied by or available to individuals who are not continuing care contract holders. Sheltered Beds refers to Skilled Nursing Units occupied by or available only to continuing care contract holders.

**Other Continuing Care Contracts:** This section refers to continuing care contract holders residing at a location that is not operated by the Provider. Line 14 refers to individuals with continuing care at-home contracts that are not currently residing at the Facility. Lines 15 through 19 refer to continuing care or continuing care at-home contract holders residing at a location that is not operated by the Provider.

	<b>A Occupied or Sold</b>	<b>B Available to Market and Unsold</b>	<b>C Unavailable to Market</b>	<b>D Reserved by Prospective Residents</b>	<b>E Total (A+B+C+D)</b>
<b>Continuing Care Units</b>					
1. Independent Living Units					
2. Assisted Living					
3. Memory Care					
4. Total Assisted Living (2. + 3.)					
5. Total Continuing Care Units (1. + 4.)					
<b>Rental Units</b>					
6. Independent Living Rental					
7. Assisted Living Rental					
8. Memory Care Rental					
9. Total Assisted Living Rental (7. + 8.)					
10. Total Rental Units (6. + 9.)					
<b>Skilled Nursing Units</b>					
11. Community Beds					
12. Sheltered Beds					
13. Total Skilled Nursing Beds (11. + 12.)					
<b>Other Continuing Care Contracts</b>					
14. Independent Living					
15. Assisted Living					
16. Memory Care					
17. Total Assisted Living (15. + 16.)					
18. Skilled Nursing					

Facility Name:

Period Ending:

19. Total Other Continuing Care Contracts (14. + 17. + 18.)					
20. Total of All Units (5. + 10. + 13. + 19.)					

### RESIDENT COUNT

For each category below, specify the total number of individuals at this Facility as of the end of the reporting period. Continuing care at-home residents should not be included in lines 1 through 4.

Level of Care	A Pursuant to a Continuing Care Contract	B Without a Continuing Care Contract
1. Independent Living		
2. Assisted Living and Memory Care		
3. Skilled Nursing		
4. Total (Sum of Lines 1, 2 and 3)		

5. Please specify how many individuals have contracted with the Provider pursuant to a continuing care at-home contract for this Facility: \_\_\_\_\_

Facility Name:  
 Period Ending:

**PROVIDER FINANCIAL STATEMENTS  
 BALANCE SHEET – ASSETS**

<b>CURRENT ASSETS</b>		
1.	Cash and Cash Equivalents – Unrestricted	
2.	Short-Term Investments – Unrestricted	
3.	Accounts Receivable, Net	
4.	Entrance Fees Receivable	
5.	Other Receivables	
6.	Current Portion Assets Limited as to Use:	
a.	Excess of Minimum Liquid Reserve Funds	
b.	Other Assets Limited as to Use	
7.	Prepaid Expenses	
8.	Other Current Assets	
<b>9.</b>	<b>TOTAL CURRENT ASSETS (Sum of Lines 1 through 8)</b>	
<b>NON-CURRENT ASSETS</b>		
10.	Investments – Restricted	
11.	Assets Limited as to Use:	
a.	Required Minimum Liquid Reserve	
b.	Debt Service Reserve – Held by Trustee	
c.	Other Funds – Held by Trustee	
d.	Other – Not Held by Trustee	
e.	Total Assets Limited as to Use (Sum of Lines 11a through 11d)	
12.	Unrestricted Investments	
13.	Property, Plant, and Equipment	
a.	Less Accumulated Depreciation	(                    )
14.	Other	
<b>15.</b>	<b>TOTAL NON-CURRENT ASSETS (Sum of Lines 10 through 14)</b>	
<b>16.</b>	<b>TOTAL ASSETS (Line 9 plus Line 15)</b>	

Facility Name:  
 Period Ending:

**PROVIDER FINANCIAL STATEMENTS  
 BALANCE SHEET – LIABILITIES**

<b>CURRENT LIABILITIES</b>	
17.	Accounts Payable
18.	Accrued Expenses
19.	Accrued Interest
20.	Current Portion of Entrance Fee Refunds Payable
21.	Current Portion of Long-Term Debt:
a.	On Facility
b.	Other
22.	Current Portion of Notes Payable
23.	Other Short Term Liabilities
<b>24.</b>	<b>TOTAL CURRENT LIABILITIES (Sum of Lines 17 through 23)</b>
<b>NON-CURRENT LIABILITIES</b>	
25.	Long-Term Debt:
a.	On Facility
b.	Other
26.	Notes Payable
27.	Refundable Entrance Fees
28.	Deferred Revenue from Entrance Fees
29.	Other Long Term Liabilities
<b>30.</b>	<b>TOTAL NON-CURRENT LIABILITIES (Sum of Lines 25 through 29)</b>
<b>31.</b>	<b>TOTAL LIABILITIES (Line 24 plus Line 30)</b>
<b>NET ASSETS (DEFICIT) / EQUITY</b>	
32.	Beginning Net Assets (Deficit) / Equity
33.	Change in Net Assets (Deficit) / Net Income (Loss) (This must agree with Line 31 of the Statement of Operations)
34.	Other Contributions or Adjustments
<b>35.</b>	<b>TOTAL NET ASSETS (DEFICIT) / EQUITY (Line 16 minus Line 31)</b>
<b>36.</b>	<b>TOTAL LIABILITIES AND NET ASSETS (DEFICIT) / EQUITY (Line 31 plus Line 35)</b>

Facility Name:  
 Period Ending:

**PROVIDER FINANCIAL STATEMENTS  
 PROVIDER STATEMENT OF OPERATIONS**

<b>REVENUES</b>	
1.	Resident Service Fees
2.	Healthcare Fees
3.	Rental Revenues
4.	Total Resident Revenues (Sum of Lines 1 through 3)
5.	Amortization of Earned Entrance Fees
6.	Investment Income, Net
7.	Realized Gains (Losses) from Investments
8.	Unrealized Gains (Losses) from Investments
9.	Net Assets Released from Restrictions (This must agree with Line 29)
10.	Other Income
11.	<b>TOTAL REVENUES (Sum of Lines 4 through 10)</b>
<b>EXPENSES</b>	
12.	Resident Services
13.	Dietary Services
14.	Housekeeping, Maintenance and Utilities
15.	Insurance:
a.	On Facility
b.	Other
16.	Interest:
a.	Long-Term Debt on Facility
b.	Other
17.	Leasehold Payments
18.	General and Administrative
19.	Management Fees
20.	Marketing
21.	Healthcare Services
22.	Taxes:
a.	Property
b.	Other
23.	Other Expenses
24.	Amortization
25.	Depreciation



Facility Name:

Period Ending:

26.	Other Non-Cash Operating Expenses (Including interest rate swaps and changes in future service obligation)	
<b>27.</b>	<b>TOTAL EXPENSES (Sum of Lines 12 through 26)</b>	
<b>OTHER INCOME (EXPENSE)</b>		
28.	Net Realized Gain on Investments and Assets Limited as to Use	
29.	Net Assets Released from Restrictions (This must agree with Line 9)	
30.	Contributions	
<b>31.</b>	<b>CHANGE IN NET ASSETS (DEFICIT) / NET INCOME (LOSS)</b> <b>(Line 11 minus the sum of Lines 26 through 30)</b>	

Facility Name:  
 Period Ending:

**PROVIDER FINANCIAL STATEMENTS  
 PROVIDER STATEMENT OF CASH FLOWS**

<b>A. OPERATING ACTIVITIES</b>	
1.	Change in Net Assets (Deficit) / Net Income (Loss) (This must agree with Line 31 of the Statement of Operations)
2.	Adjustments to Reconcile to Change in Net Assets (Deficit) / Net Income (Loss)
<b>3. Cash Provided (Used) by Operations:</b>	
a.	Entrance Fees Received
b.	Entrance Fee Refunds Paid ( )
c.	Earned Entrance Fees ( )
d.	Depreciation
e.	Amortization
f.	
g.	
h.	
i.	
j.	
k.	
l.	
m.	
n.	Total Operations Adjustments (Sum of Lines A3a through A3m)
4.	Net Cash Provided (Used) by Operating Activities (Sum of Lines A1 through A3)
<b>B. INVESTING ACTIVITIES</b>	
1.	Change in Investments and Assets Limited as to Use
2.	Purchase of Property and Equipment
3.	
4.	
5.	Net Cash Provided (Used) by Investing Activities (Sum of Lines B1 through B4)
<b>C. FINANCING ACTIVITIES</b>	
1.	Repayment of Long Term Debt ( )
2.	Entrance Fees Refunded
3.	
4.	
5.	
6.	Net Cash Provided (Used) by Financing Activities (Sum of Lines C1 through C5)

Facility Name:

Period Ending:

<b>D.</b>	<b>Increase (Decrease) in Cash (Sum of Lines A4, B5, and C6)</b>	
<b>E.</b>	<b>Cash at Beginning of Period (This must agree with Line 1 of the Balance Sheet and Line F of the Statement of Cash Flows in the prior year's Financial Statements)</b>	
<b>F.</b>	<b>Cash at End of Period (Line D plus Line E) (This must agree with Line 1 of the Balance Sheet)</b>	

Facility Name:  
 Period Ending:

**FACILITY FINANCIAL STATEMENTS  
 BALANCE SHEET – ASSETS**

<b>CURRENT ASSETS</b>		
1.	Cash and Cash Equivalents – Unrestricted	
2.	Short-Term Investments – Unrestricted	
3.	Accounts Receivable, Net	
4.	Entrance Fees Receivable	
5.	Other Receivables	
6.	Current Portion Assets Limited as to Use:	
a.	Excess of Minimum Liquid Reserve Funds	
b.	Other Assets Limited as to Use	
7.	Prepaid Expenses	
8.	Other Current Assets	
<b>9.</b>	<b>TOTAL CURRENT ASSETS (Sum of Lines 1 through 8)</b>	
<b>NON-CURRENT ASSETS</b>		
10.	Investments – Restricted	
11.	Assets Limited as to Use:	
a.	Required Minimum Liquid Reserve	
b.	Debt Service Reserve – Held by Trustee	
c.	Other Funds – Held by Trustee	
d.	Other – Not Held by Trustee	
e.	Total Assets Limited as to Use (Sum of Lines 11a through 11d)	
12.	Unrestricted Investments	
13.	Property, Plant, and Equipment	
a.	Less Accumulated Depreciation	(            )
14.	Other	
<b>15.</b>	<b>TOTAL NON-CURRENT ASSETS (Sum of Lines 10 through 14)</b>	
<b>16.</b>	<b>TOTAL ASSETS (Line 9 plus Line 15)</b>	

Facility Name:  
 Period Ending:

**FACILITY FINANCIAL STATEMENTS  
 BALANCE SHEET – LIABILITIES**

<b>CURRENT LIABILITIES</b>		
17.	Accounts Payable	
18.	Accrued Expenses	
19.	Accrued Interest	
20.	Current Portion of Entrance Fee Refunds Payable	
21.	Current Portion of Long-Term Debt:	
	a. On Facility	
	b. Other	
22.	Current Portion of Notes Payable	
23.	Other Short Term Liabilities	
24.	<b>TOTAL CURRENT LIABILITIES (Sum of Lines 17 through 23)</b>	
<b>NON-CURRENT LIABILITIES</b>		
25.	Long-Term Debt:	
	a. On Facility	
	b. Other	
26.	Notes Payable	
27.	Refundable Entrance Fees	
28.	Deferred Revenue from Entrance Fees	
29.	Other Long Term Liabilities	
30.	<b>TOTAL NON-CURRENT LIABILITIES (Sum of Lines 25 through 29)</b>	
31.	<b>TOTAL LIABILITIES (Line 24 plus Line 30)</b>	
<b>NET ASSETS (DEFICIT) / EQUITY</b>		
32.	Beginning Net Assets (Deficit) / Equity	
33.	Change in Net Assets (Deficit) / Net Income (Loss) (This must agree with Line 31 of the Statement of Operations)	
34.	Other Contributions or Adjustments	
35.	<b>TOTAL NET ASSETS (DEFICIT) / EQUITY (Line 16 minus Line 31)</b>	
36.	<b>TOTAL LIABILITIES AND NET ASSETS (DEFICIT) / EQUITY (Line 31 plus Line 35)</b>	

Facility Name:  
 Period Ending:

**FACILITY FINANCIAL STATEMENTS  
 FACILITY STATEMENT OF OPERATIONS**

<b>REVENUES</b>	
1.	Resident Service Fees
2.	Healthcare Fees
3.	Rental Revenues
4.	Total Resident Revenues (Sum of Lines 1 through 3)
5.	Amortization of Earned Entrance Fees
6.	Investment Income, Net
7.	Realized Gains (Losses) from Investments
8.	Unrealized Gains (Losses) from Investments
9.	Net Assets Released from Restrictions (This must agree with Line 29)
10.	Other Income
11.	<b>TOTAL REVENUES (Sum of Lines 4 through 10)</b>
<b>EXPENSES</b>	
12.	Resident Services
13.	Dietary Services
14.	Housekeeping, Maintenance and Utilities
15.	Insurance:
a.	On Facility
b.	Other
16.	Interest:
a.	Long-Term Debt on Facility
b.	Other
17.	Leasehold Payments
18.	General and Administrative
19.	Management Fees
20.	Marketing
21.	Healthcare Services
22.	Taxes:
a.	Property
b.	Other
23.	Other Expenses
24.	Amortization
25.	Depreciation

Facility Name:

Period Ending:

26.	Other Non-Cash Operating Expenses (Including interest rate swaps and changes in future service obligation)	
<b>27.</b>	<b>TOTAL EXPENSES (Sum of Lines 12 through 26)</b>	
<b>OTHER INCOME (EXPENSE)</b>		
28.	Net Realized Gain on Investments and Assets Limited as to Use	
29.	Net Assets Released from Restrictions (This must agree with Line 9)	
30.	Contributions	
<b>31.</b>	<b>CHANGE IN NET ASSETS (DEFICIT) / NET INCOME (LOSS)</b> <b>(Line 11 minus the sum of Lines 26 through 30)</b>	

Facility Name:  
 Period Ending:

**FACILITY FINANCIAL STATEMENTS  
 PROVIDER STATEMENT OF CASH FLOWS**

<b>A. OPERATING ACTIVITIES</b>		
2.	Change in Net Assets (Deficit) / Net Income (Loss) (This must agree with Line 31 of the Statement of Operations)	
2.	Adjustments to Reconcile to Change in Net Assets (Deficit) / Net Income (Loss)	
<b>3. Cash Provided (Used) by Operations:</b>		
a.	Entrance Fees Received	
b.	Entrance Fee Refunds Paid	(            )
c.	Earned Entrance Fees	(            )
d.	Depreciation	
e.	Amortization	
f.		
g.		
h.		
i.		
j.		
k.		
l.		
m.		
n.	Total Operations Adjustments (Sum of Lines A3a through A3m)	
4.	Net Cash Provided (Used) by Operating Activities (Sum of Lines A1 through A3)	
<b>B. INVESTING ACTIVITIES</b>		
1.	Change in Investments and Assets Limited as to Use	
2.	Purchase of Property and Equipment	
3.		
4.		
5.	Net Cash Provided (Used) by Investing Activities (Sum of Lines B1 through B4)	
<b>C. FINANCING ACTIVITIES</b>		
1.	Repayment of Long Term Debt	(            )
2.	Entrance Fees Refunded	
3.		
4.		
5.		
6.	Net Cash Provided (Used) by Financing Activities (Sum of Lines C1 through C5)	



Facility Name:

Period Ending:

<b>D.</b>	<b>Increase (Decrease) in Cash (Sum of Lines A4, B5, and C6)</b>	
<b>E.</b>	<b>Cash at Beginning of Period (This must agree with Line 1 of the Balance Sheet and Line F of the Statement of Cash Flows in the prior year's Financial Statements)</b>	
<b>F.</b>	<b>Cash at End of Period (Line D plus Line E) (This must agree with Line 1 of the Balance Sheet)</b>	

Facility Name:  
Period Ending:

## EXHIBIT A – INTERROGATORIES

For any “Yes” responses, please upload an explanation and any required documentation into the filing. The supporting documentation should be uploaded as a Miscellaneous Document. Please label the documentation appropriately for ease of reference when reviewing the filing.

1. If the Provider is a limited partnership, has the general partner changed since the last filing submission?
  - Yes
  - No
2. Has any individual or entity assumed ownership or possession of or control over 10% or more of the Provider, a controlling company of the Provider, or the Provider’s assets, based on the balance sheet from the most recent audited financial report filed with the Office, since the last filing submission?
  - Yes
  - No
3. Have there been any other changes in the officers, directors, shareholders of the Provider since the last filing submission?
  - Yes
  - No
4. Have there been any changes to managers of or management company for the Facility, including the Executive Director, Facility Administrator, or equivalent position, since the last filing submission?
  - Yes
  - No
5. Have there been any changes to the Provider’s organizational structure since the last filing submission?
  - Yes
  - No
6. Have there been any changes to the Provider’s organizational documents since the last filing submission? Organizational documents include but are not limited to: articles of incorporation, by-laws, partnership agreement, articles of association, trust agreement, etc.
  - Yes
  - No
7. Have any judgments or fines been entered against the Provider since the last filing submission?
  - Yes
  - No
8. With respect to any business operations of the Provider, have any bankruptcy, delinquency, receivership, foreclosure or loan default proceedings been initiated since the last filing submission?
  - Yes
  - No
9. Is the Provider out of compliance with any terms, conditions, or covenants established in lending agreements for long-term financing?
  - Yes
  - No

Facility Name:

Period Ending:

10. Since the last filing submission, have any administrative actions been initiated against any of the following:
- the Provider or any of its officers, directors, or controlling persons;
  - any affiliates of the Provider;
  - the managers or management company of the Facility, including the Executive Director, Facility Administrator, or equivalent position; or
  - any entity providing shelter, nursing care, or personal services pursuant to the Provider's continuing care contracts.
- Yes  
 No
11. Since the last filing was submitted, have any of individuals described below been convicted of or pled nolo contendere to a crime, other than a minor traffic violation:
- any officer, director, or controlling person of the Provider; or
  - any managers of the Facility, including the Executive Director, Facility Administrator, or equivalent positions; or
  - any employees or principals of the Facility's management company performing roles similar to those listed above.
- Yes  
 No
12. During the reporting period or at any time since the last filing submission, has the Provider failed to pay its obligations as they come due in the normal course of business? For the purposes of this question, "the normal course of business" is defined as the time agreed upon by the involved parties.
- Yes  
 No
13. If the answer is yes to item 12, please select all applicable creditor types that the Provider was or is unable to pay timely.
- Residents or prospective residents (refunds)
  - Health care providers
  - Prescription drug vendors
  - Food vendors
  - Lenders
  - Employees
  - Contract employees or consultants
  - Construction, maintenance, or similar companies
  - Insurers
  - Local, state, or federal government entities (taxes, fees)
  - Other:
14. Has the Provider closed on any new financing, additional financing, or refinancing since the last filing submission?
- Yes  
 No

Facility Name:  
Period Ending:

**EXHIBIT B – DETAILED LISTING OF THE ASSETS MAINTAINED IN THE MINIMUM LIQUID RESERVES**

Please complete and upload the Exhibit B spreadsheet to provide the detailed listing of the assets maintained in the minimum liquid reserves, as required by Section 651.026, Florida Statutes.

Facility Name:

Period Ending:

## SCHEDULE A – MINIMUM LIQUID RESERVES FOR FACILITIES WITH FINANCING

- Providers with a mortgage loan or other long-term financing on the Facility for which this report is filed must complete this schedule and are not required to complete SCHEDULE B.
  - Providers without a mortgage loan or other long-term financing on the Facility for which this report is filed must complete SCHEDULE B and are not required to complete this schedule.
1. In Row A, enter the Required Reserve Amounts in effect as of the period ended date of this filing. Lines 1A, 3A, 5A, and 7A must agree with the amounts in Lines 58 through 61, Schedule VI(A) of the Minimum Liquid Reserve (“MLR”) Calculation, Form OIR-A3-477, (“MLR Calculation”) filed for the Provider’s current MLR funding year. The MLR funding year is specified in Line 4 of the MLR Calculation and begins 61 days after a Provider’s Annual Report is due, which is 181 days after the end of the Provider’s fiscal year. However, in event of a change to the aggregate amount of all principal and interest payments due during the fiscal year, the Office may require a recalculation of the MLR. In the event of a recalculation, the funding year begins 61 days after the recalculation of the MLR is filed and ends 60 day after the Provider’s annual statement is due, which is 180 days after the last day of the Provider’s fiscal year.
  2. In Row B, record the balance as of the period ended date of this filing for the escrow accounts included in the Provider’s minimum liquid reserves.
    - a. Funds on deposit the Department of Financial Services Bureau of Collateral Management (DFS) should be entered on Lines 1a, 3a, or 5c, as applicable.
    - b. For escrow accounts established pursuant to Section 651.033, Florida Statutes, enter the name of the financial institution in which the account is established and the last 4 digits of the account number in Lines 1b, 1c, 3b, 3c, 5e, or 5f, as applicable.
    - c. If the Provider comingles debt service, operating, or renewal and replacement reserves on deposit with DFS or in one or more unencumbered escrow accounts established pursuant to Section 6510.033, Florida Statutes, the Provider may allocate the balance(s) between Lines 1a, 1b, 1c, 3a, 3b, 3c, 5c, 5d, and 5e, as applicable. However, in no event may encumbered debt service reserve funds be used to offset shortfalls in the operating or renewal and replacement reserve.
    - d. If the Provider has a debt service reserve established pursuant to a trust indenture or mortgage lien on the facility, it may be included in Lines 1d and 1e if the Provider has filed the documents specified in Section 651.035(1)(b), Florida Statutes, with the Office. The sum of Lines 1dB and 1eB cannot exceed the Allowable Amount specified in Column 74, Schedule VII, number 74 of the Minimum Liquid Reserve Calculation,
  3. Funds included in the Provider’s MLR are recorded in Lines 6a and 11a of the Facility’s Balance Sheet. Trustee Held Debt Service Reserve funds in excess of the Allowable Amount should be recorded in Line 11b of the Facility’s Balance Sheet.

Facility Name:

Period Ending:

Please provide the following information regarding the Provider's minimum liquid reserves for this Facility and its compliance with Section 651.035, Florida Statutes.

	<b>A Required Reserve Amount</b>	<b>B Account Balance</b>
<b>1. Debt Service Reserve</b>		
a. DFS		
Escrow Accounts:		
b.		
c.		
Total Trustee Held Debt Service Reserve Funds:		
d.		
e.		
2. Total Debt Service Reserve (Sum of Lines 1.a-c.)		
<b>3. Operating Reserve</b>		
a. DFS		
Escrow Accounts		
b.		
c.		
4. Total Operating Reserve (Sum of Lines 3.a.-b.)		
<b>5. Renewal &amp; Replacement Reserve</b>		
a. <i>(Less any approved withdraw for which the Provider is making timely repayments)</i>		
b. Current Renewal & Replacement Requirement		
c. DFS		
Escrow Accounts		
d.		
e.		
6. Total Renewal and Replacement Reserve (Sum 5a.-d.)		
<b>7. Total Minimum Liquid Reserves (Sum of Lines 2, 4, and 6)</b>		

Facility Name:  
Period Ending:

## SCHEDULE B – MINIMUM LIQUID RESERVES FOR FACILITIES WITHOUT FINANCING

- Providers without a mortgage loan or other long-term financing on the Facility for which this report is filed must complete this schedule and are not required to complete SCHEDULE A.
  - Providers with a mortgage loan or other long-term financing on the Facility for which this report is filed must complete SCHEDULE A and are not required to complete this schedule.
1. Calculating the Debt Service Reserve - Tax Reserve Requirement
    - a. Annual Property Tax Liability as indicated in the most recent tax notice provided pursuant to s. 197.322(3)
    - b.  $1.a / 12 =$  Monthly Tax Reserve Deposit Amount
    - c. Date the Property Taxes were paid:
    - d.  $(\text{number of months since property taxes were paid}) \times 1.b =$  Line 1A below.
  2. In Row A, enter the Required Reserve Amounts in effect as of the period ended date of this filing. Lines 1A, 3A, 5A, and 7A must agree with the amounts in Lines 58 through 61, Schedule VI(A) of the Minimum Liquid Reserve ("MLR") Calculation, Form OIR-A3-477, ("MLR Calculation") filed for the Provider's current MLR funding year. The MLR funding year is specified in Line 4 of the MLR Calculation and begins 61 days after a Provider's Annual Report is due, which is 181 days after the end of the Provider's fiscal year. However, in event of a change to the aggregate amount of all principal and interest payments due during the fiscal year, the Office may require a recalculation of the MLR. In the event of a recalculation, the funding year begins 61 days after the recalculation of the MLR is filed and ends 60 day after the Provider's annual statement is due, which is 180 days after the last day of the Provider's fiscal year.
  3. In Row B, record the balance as of the period ended date of this filing for the escrow accounts included in the Provider's minimum liquid reserves.
    - a. Funds on deposit the Department of Financial Services Bureau of Collateral Management (DFS) should be entered on Lines 1a, 3a, or 5c, as applicable.
    - b. For escrow accounts established pursuant to Section 651.033, Florida Statutes, enter the name of the financial institution in which the account is established and the last 4 digits of the account number in Lines 1a, 1b, 1c, 3a, 3b, 3c, 5c, 5d, and 5e, as applicable.
    - c. If the Provider comingles debt service, operating, or renewal and replacement reserves on deposit with DFS or in one or more unencumbered escrow accounts established pursuant to Section 6510.033, Florida Statutes, the Provider may allocate the balance(s) between Lines However, in no event may encumbered debt service reserve funds be used to offset shortfalls in the operating or renewal and replacement reserve.
  4. Funds included in the Provider's MLR are recorded in Lines 6a and 11a of the Facility's Balance Sheet. Trustee Held Debt Service Reserve funds in excess of the Allowable Amount should be recorded in Line 11b of the Facility's Balance Sheet.

Facility Name:  
 Period Ending:

Please provide the following information regarding the Provider's minimum liquid reserves for this Facility and its compliance with Section 651.035, Florida Statutes.

	A Required Reserve Amount	B Account Balance
<b>1. Debt Service Reserve</b>		
a. DFS		
Escrow Accounts:		
b.		
c.		
2. Total Debt Service Reserve (Sum of Lines 1.a-c.)		
<b>3. Operating Reserve</b>		
a. DFS		
Escrow Accounts		
b.		
c.		
4. Total Operating Reserve (Sum of Lines 3.a.-b.)		
<b>5. Renewal &amp; Replacement Reserve</b>		
a. <i>(Less any approved withdraw for which the Provider is making timely repayments)</i>		
b. Current Renewal & Replacement Requirement		
c. DFS		
Escrow Accounts		
d.		
e.		
6. Total Renewal and Replacement Reserve (Sum 5a.- e..)		
<b>7. Total Minimum Liquid Reserves (Sum of Lines 2, 4, and 6)</b>		



Facility Name:  
 Period Ending:

**SCHEDULE C – QUARTERLY CALCULATION OF FINANCIAL AND OPERATING RATIOS**

**Preliminary Questions:**

1. Has the Provider reached stabilized occupancy?
  - Yes
  - No
  
2. Has the time projected to achieve stabilized occupancy, as reported in the last feasibility study required by the Office as part of an application filing under s. 651.0215, s. 651.023, s. 651.024, or s. 651.0246, elapsed?
  - Yes
  - No
  - a. If yes, on what date was the Provider projected to reach stabilized occupancy? \_\_\_\_\_

**I. Days Cash on Hand**

1. Please complete the schedules below. Assets are recorded on the Facility Balance Sheet, and Expenses are recorded on the Facility Statement of Operations. Amounts reported below should match the Financial Statements' lines referenced. Lines 1 through 7 will prepopulate based on the Facility Financial Statements in this filing. If the Provider overwrites any of the prepopulated totals, please submit an explanation of the discrepancy.

Assets	Balance as of the Reporting Date
1. Unrestricted cash (Line 1 )	
2. Unrestricted short-term investments (Line 2)	
3. Unrestricted long-term investments (Line 12)	
4. Provider restricted funds (Sum of Lines 10 and 11b-d)	
5. Minimum liquid reserve (Line 11a)	
6. Excess of minimum liquid reserve (Line 6a)	
7. Days Cash on Hand Numerator (Sum of 1 through 6)	

2. Please complete the schedule below to calculate a 12-month total for the expenses below. Each of Columns A through D should isolate the amount of each category of expense for a single quarter. The amounts of each line item should reflect the values reported in this Financial Statement and previously submitted financial statements, when adjusted to isolate a single quarter.
  - Column A should reflect the quarterly total for each expense type, ending with the reporting date.
  - Column B should reflect the quarterly total for each expense type, ending with the quarter prior to the quarter ending on the reporting date ("Prior Quarter 1")
  - Column C should reflect the quarterly total for each expense type, ending two quarters prior to the quarter ending on the reporting date ("Prior Quarter 2")
  - Column D should reflect the quarterly total for each expense type, ending three quarters prior to the quarter ending on the reporting date.
  - Column E should reflect the 12-month total for each expense type.

Expenses	A Reporting Quarter	B Prior Quarter 1	C Prior Quarter 2	D Prior Quarter 3	E Expense Totals (Sum of A – D)
8. Operating Expenses (Line 27)					
9. (Depreciation) (Line 25)	( )	( )	( )	( )	( )
10. (Amortization) (Line 24)	( )	( )	( )	( )	( )

Facility Name:

Period Ending:

11. (Other Noncash Expenses) (Line 26)	( )	( )	( )	( )	( )
12. Adjusted Expense Total (Sum of Lines 8 – 11)					
<b>13. Days Cash on Hand Denominator (Line 12 divided by 365)</b>					

3. Days Cash on Hand (Line 7 above divided by Line 13 above) = \_\_\_\_\_

4. Is a demand note or other parental guarantee included as a short-term or long-term investment for the calculation above?

- Yes
- No

a. If yes, please complete the following table. Please provide the Filing ID for the filing number in which the Provider requested to approval to include the demand note or parental guarantee in the days cash on hand calculation. provide the following:

Legal Name of Issuing Entity	Demand Note (select yes or no)	Parental Guarantee (select yes or no)	Amount	Filing ID

b. Please provide the total amount of all demand notes issued by the parent. \_\_\_\_\_

c. Please upload an attachment to the filing that demonstrates that the total amount of all demand notes issued by the parent do not exceed the sum of unrestricted cash and unrestricted short-term and long-term investments held by the parent. The attachment should include a certification by an officer of the parent that the documentation provided is true and correct.

5. Do lenders require the Provider to maintain a minimum number of Days Cash on Hand pursuant to the Provider's financing agreements?

- Yes
- No

a. If yes, what is the number of days cash on hand required. \_\_\_\_\_

b. Pursuant to the calculation specified in the Provider's financing agreements, what is the Provider's Days Cash on Hand as of the reporting date. \_\_\_\_\_

Facility Name:  
Period Ending:

## II. Occupancy

Occupancy means the total number of occupied independent living units, assisted living/memory care units, and skilled nursing beds in a Facility divided by the total number of units and beds in that Facility, excluding units and beds that are unavailable to market or that are reserved by prospective residents.

1. The Facility's occupancy averaged over the 12-month period immediately preceding the reporting date is: \_\_\_\_\_
2. Please select the basis on which occupancy percentage was calculated:
  - On a daily basis—average of 365
  - On a weekly basis—average of 52
  - On a monthly basis—average of 12

Please note that the Provider should retain all data necessary for the Office or an auditor to verify this calculation.

3. Do lenders require the Provider to maintain an occupancy ratio pursuant to the Provider's financing agreements?
  - Yes
  - No
  - a. If yes, what is the required occupancy ratio? \_\_\_\_\_
  - b. Pursuant to the calculation specified in the Provider's financing agreements, what is the Provider's occupancy as of the reporting date. \_\_\_\_\_

Facility Name:  
 Period Ending:

**III. Debt Service Coverage Ratio**

1. Does the Provider have debt on the Facility?

- Yes
- No

2. Please complete the schedule below to calculate a 12-month total for the expenses below. Each of Columns A through D should isolate the amount of each category of expense for a single quarter. The amounts of each line item should reflect the values reported in this Financial Statement and previously submitted financial statements, when adjusted to isolate a single quarter.

- Column A should reflect the quarterly total for each expense type, ending with the reporting date.
- Column B should reflect the quarterly total for each expense type, ending with the quarter prior to the quarter ending on the reporting date ("Prior Quarter 1")
- Column C should reflect the quarterly total for each expense type, ending two quarters prior to the quarter ending on the reporting date ("Prior Quarter 2")
- Column D should reflect the quarterly total for each expense type, ending three quarters prior to the quarter ending on the reporting date.
- Column E should reflect the 12-month total for each expense type.

Expenses	A Reporting Quarter	B Prior Quarter 1	C Prior Quarter 2	D Prior Quarter 3	E 12 -Month Expense Total (Sum of A-D)
1. Total Expenses (Line 27)					
2. (Interest Expense on Debt Facility) (Line 16)	( )	( )	( )	( )	( )
3. (Depreciation) (Line 25)	( )	( )	( )	( )	( )
4. (Amortization) (Line 24)	( )	( )	( )	( )	( )
5. (Other Noncash Expenses) (Line 26)	( )	( )	( )	( )	( )
6. Adjusted Expense Total (Sum of E1 through E5)					

3. Please complete the schedule below to calculate a 12-month total for the expenses below. Each of Columns A through D should isolate the amount of each category of revenue for a single quarter. The amounts of each line item should reflect the values reported in this Financial Statement and previously submitted financial statements, when adjusted to isolate a single quarter.

- Column A should reflect the quarterly total for each revenue type, ending with the reporting date.
- Column B should reflect the quarterly total for each revenue type, ending with the quarter prior to the quarter ending on the reporting date ("Prior Quarter 1")
- Column C should reflect the quarterly total for each revenue type, ending two quarters prior to the quarter ending on the reporting date ("Prior Quarter 2")
- Column D should reflect the quarterly total for each revenue type, ending three quarters prior to the quarter ending on the reporting date.
- Column E should reflect the 12-month total for each revenue type.

Facility Name:  
 Period Ending:

Revenues	A Reporting Quarter	B Prior Quarter 1	C Prior Quarter 2	D Prior Quarter 3	E 12 -Month Expense Total (Sum of A-D)
7. Total Revenues (Line 11)					
8. (Earned Entrance Fees) (Line 5)	( )	( )	( )	( )	( )
9. (Other Noncash Revenue) (Line 8)	( )	( )	( )	( )	( )
10. (Nonoperating Gains) (Sum of Lines 6, 7, and 9)	( )	( )	( )	( )	( )
11. Gross Entrance Fees (Line 3a)					
12. (Refunds Paid) (Sum of Lines 3b and C2)	( )	( )	( )	( )	( )
13. Adjusted Revenue Total (Sum of E 7 through E12)					

4. Please complete the schedule below to calculate the total debt service due for the 12-month period ending on the reporting date. Each of Columns A through D should isolate the amount of each category of debt service payment due for a single quarter. For the purposes of this calculation, Principal excludes any balloon principal payment amounts, pursuant to Section 651.011(11), Florida Statutes.
- o Column A should reflect the quarterly total for each component of debt service, ending with the reporting date.
  - o Column B should reflect the quarterly total for each component of debt service, ending with the quarter prior to the quarter ending on the reporting date ("Prior Quarter 1")
  - o Column C should reflect the quarterly total for each component of debt service, ending two quarters prior to the quarter ending on the reporting date ("Prior Quarter 2")
  - o Column D should reflect the quarterly total for each component of debt service, ending three quarters prior to the quarter ending on the reporting date.
  - o Column E should reflect the 12-month total for each component of debt service.

Debt Service	Total for the 12-Month Period Ending on the Reporting Date
14. Principal	
15. Interest	
16. Debt Service Denominator (Sum of Lines 14 and 15)	

5. Debt Service Coverage Ratio ((Line above 13 minus Line 6 above) divided by Line 16 above) = \_\_\_\_\_
6. Do lenders require the Provider to maintain a debt service coverage ratio pursuant to the Provider's financing agreements?
- o Yes
  - o No
- a. If yes, what is the required debt service coverage ratio. \_\_\_\_\_
- b. Pursuant to the calculation specified in the Provider's financing agreements, what is the Provider's Debt Service Coverage Ratio as of the reporting date. \_\_\_\_\_

Facility Name:  
 Period Ending:

**IV. Additional Information Regarding Financial and Operating Ratios**

	<b>A. Lender Requirement</b>	<b>B. Lender Calculation</b>	<b>C. Statutory Requirement</b>	<b>D. Provider's Ratio</b>	<b>E. Meets Threshold</b> <i>(the form will prepopulate with yes or no based on the information provided)</i>
<b>Days Cash on Hand</b>	<i>(Populate with Line 5.a., Page 27 or NA)</i>	<i>(Populate with Line 5.b., Page 27 or NA)</i>	100	<i>(Populate with Line 3, Page 27)</i>	
<b>Occupancy</b>	<i>(Populate with Line 3.a. Page 28 or NA)</i>	<i>(Populate with Line 3.b., Page 28 or NA)</i>	80%	<i>(Populate with Line 1, Page 28)</i>	
<b>Debt Service Coverage Ratio</b>	<i>(Populate with Line 6.a., Page 30 or NA)</i>	<i>(Populate with Line 6.b., Page 30 or NA)</i>	1.20:1	<i>(Populate with Line 4, Page 30)</i>	

1. If Column E. above indicates that the Provider has fallen below two or more of the thresholds set forth in Section 651.011(25), F.S., the Provider is required to submit an explanation of the circumstances and a description of the actions the Provider will take to meet the requirements. This information should be uploaded into the filing as a single document and, pursuant to Section 651.0261(1), F.S., it must be submitted with this quarterly statement.

Facility Name:  
Period Ending:

**SCHEDULE D – OBLIGATED GROUPS**

**QUARTERLY CALCULATION OF FINANCIAL AND OPERATING RATIOS AND SUPPORTING  
FINANCIAL INFORMATION FOR OBLIGATED GROUPS**

Use this schedule, not SCHEDULE C, if the Provider has long-term debt on the Facility and the structure of such debt establishes an Obligated Group.

- 1. Provide the Florida Company Code for all Facilities in the Obligated Group who hold Certificates of Authority issued by the Office below, separated by commas.

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- 2. List all other entities that are members of the Obligated Group.

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- 3. Complete Schedules D(1) and D(2). The Provider must make available all necessary records to verify the information reported in this schedule.

- 4. The first time this Schedule is completed upload financing documents evidencing the members of Obligated Group, terms and conditions of the financing, any bond covenants or other necessary lender requirements, and other documents as necessary to evidence the financing transaction as an attachment to this filing.

- 5. If any of the terms and conditions of the financing change after the initial filing, please upload any revised documents, amendments, etc. to as an attachment to the this filing.

- 6. Has the lender determined that the Obligated Group is out of compliance with any terms, conditions, or covenants of its financing agreement?

- Yes
- No

- a. If Yes, please upload a document explaining the issue and the steps the Obligated Group is taking to come into compliance.

Facility Name:  
 Period Ending:

**SCHEDULE D(1) – OBLIGATED GROUP FINANCIAL STATEMENTS  
 BALANCE SHEET – ASSETS**

<b>CURRENT ASSETS</b>		
1.	Cash and Cash Equivalents – Unrestricted	
2.	Short-Term Investments – Unrestricted	
3.	Accounts Receivable, Net	
4.	Entrance Fees Receivable	
5.	Other Receivables	
6.	Current Portion Assets Limited as to Use:	
a.	Excess of Minimum Liquid Reserve Funds	
b.	Other Assets Limited as to Use	
7.	Prepaid Expenses	
8.	Other Current Assets	
<b>9.</b>	<b>TOTAL CURRENT ASSETS (Sum of Lines 1 through 8)</b>	
<b>NON-CURRENT ASSETS</b>		
10.	Investments – Restricted	
11.	Assets Limited as to Use:	
a.	Required Minimum Liquid Reserve	
b.	Debt Service Reserve – Held by Trustee	
c.	Other Funds – Held by Trustee	
d.	Other – Not Held by Trustee	
e.	Total Assets Limited as to Use (Sum of Lines 11a through 11d)	
12.	Unrestricted Investments	
13.	Property, Plant, and Equipment	
a.	Less Accumulated Depreciation	(            )
14.	Other	
<b>15.</b>	<b>TOTAL NON-CURRENT ASSETS (Sum of Lines 10 through 14)</b>	
<b>16.</b>	<b>TOTAL ASSETS (Line 9 plus Line 15)</b>	



Facility Name:  
 Period Ending:

**OBLIGATED GROUP FINANCIAL STATEMENTS  
 BALANCE SHEET – LIABILITIES**

<b>CURRENT LIABILITIES</b>	
17.	Accounts Payable
18.	Accrued Expenses
19.	Accrued Interest
20.	Current Portion of Entrance Fee Refunds Payable
21.	Current Portion of Long-Term Debt:
a.	On Facility
b.	Other
22.	Current Portion of Notes Payable
23.	Other Short Term Liabilities
<b>24.</b>	<b>TOTAL CURRENT LIABILITIES (Sum of Lines 17 through 23)</b>
<b>NON-CURRENT LIABILITIES</b>	
25.	Long-Term Debt:
a.	On Facility
b.	Other
26.	Notes Payable
27.	Refundable Entrance Fees
28.	Deferred Revenue from Entrance Fees
29.	Other Long Term Liabilities
<b>30.</b>	<b>TOTAL NON-CURRENT LIABILITIES (Sum of Lines 25 through 29)</b>
<b>31.</b>	<b>TOTAL LIABILITIES (Line 24 plus Line 30)</b>
<b>NET ASSETS (DEFICIT) / EQUITY</b>	
32.	Beginning Net Assets (Deficit) / Equity
33.	Change in Net Assets (Deficit) / Net Income (Loss) (This must agree with Line 31 of the Statement of Operations)
34.	Other Contributions or Adjustments
<b>35.</b>	<b>TOTAL NET ASSETS (DEFICIT) / EQUITY (Line 16 minus Line 31)</b>
<b>36.</b>	<b>TOTAL LIABILITIES AND NET ASSETS (DEFICIT) / EQUITY (Line 31 plus Line 35)</b>

Facility Name:  
 Period Ending:

**OBLIGATED GROUP FINANCIAL STATEMENTS  
 STATEMENT OF OPERATIONS**

<b>REVENUES</b>	
1.	Resident Service Fees
2.	Healthcare Fees
3.	Rental Revenues
4.	Total Resident Revenues (Sum of Lines 1 through 3)
5.	Amortization of Earned Entrance Fees
6.	Investment Income, Net
7.	Realized Gains (Losses) from Investments
8.	Unrealized Gains (Losses) from Investments
9.	Net Assets Released from Restrictions (This must agree with Line 29)
10.	Other Income
11.	<b>TOTAL REVENUES (Sum of Lines 4 through 10)</b>
<b>EXPENSES</b>	
12.	Resident Services
13.	Dietary Services
14.	Housekeeping, Maintenance and Utilities
15.	Insurance:
a.	On Facility
b.	Other
16.	Interest:
a.	Long-Term Debt on Facility
b.	Other
17.	Leasehold Payments
18.	General and Administrative
19.	Management Fees
20.	Marketing
21.	Healthcare Services
22.	Taxes:
a.	Property
b.	Other
23.	Other Expenses
24.	Amortization
25.	Depreciation

Facility Name:

Period Ending:

26.	Other Non-Cash Operating Expenses (Including interest rate swaps and changes in future service obligation)	
<b>27.</b>	<b>TOTAL EXPENSES (Sum of Lines 12 through 26)</b>	
<b>OTHER INCOME (EXPENSE)</b>		
28.	Net Realized Gain on Investments and Assets Limited as to Use	
29.	Net Assets Released from Restrictions (This must agree with Line 9)	
30.	Contributions	
<b>31.</b>	<b>CHANGE IN NET ASSETS (DEFICIT) / NET INCOME (LOSS)</b> <b>(Line 11 minus the sum of Lines 26 through 30)</b>	

Facility Name:  
 Period Ending:

**OBLIGATED GROUP FINANCIAL STATEMENTS  
 STATEMENT OF CASH FLOWS**

<b>A. OPERATING ACTIVITIES</b>		
1.	Change in Net Assets (Deficit) / Net Income (Loss) (This must agree with Line 31 of the Statement of Operations)	
2.	Adjustments to Reconcile to Change in Net Assets (Deficit) / Net Income (Loss)	
3.	Cash Provided (Used) by Operations:	
a.	Entrance Fees Received	
b.	Entrance Fee Refunds Paid	( )
c.	Earned Entrance Fees	( )
d.	Depreciation	
e.	Amortization	
f.		
g.		
h.		
i.		
j.		
k.		
l.		
m.		
n.	Total Operations Adjustments (Sum of Lines A3a through A3m)	
4.	Net Cash Provided (Used) by Operating Activities (Sum of Lines A1 through A3)	
<b>B. INVESTING ACTIVITIES</b>		
1.	Change in Investments and Assets Limited as to Use	
2.	Purchase of Property and Equipment	
3.		
4.		
5.	Net Cash Provided (Used) by Investing Activities (Sum of Lines B1 through B4)	
<b>C. FINANCING ACTIVITIES</b>		
1.	Repayment of Long Term Debt	( )
2.	Entrance Fees Refunded	
3.		
4.		
5.		
6.	Net Cash Provided (Used) by Financing Activities (Sum of Lines C1 through C5)	

Facility Name:

Period Ending:

<b>D.</b>	<b>Increase (Decrease) in Cash (Sum of Lines A4, B5, and C6)</b>	
<b>E.</b>	<b>Cash at Beginning of Period (This must agree with Line 1 of the Balance Sheet and Line F of the Statement of Cash Flows in the prior year's Financial Statements)</b>	
<b>F.</b>	<b>Cash at End of Period (Line D plus Line E) (This must agree with Line 1 of the Balance Sheet)</b>	

Facility Name:  
 Period Ending:

**SCHEDULE D(2) – OBLIGATED GROUP FINANCIAL AND OCCUPANCY RATIOS**

If the Provider has long-term debt on the facility and the structure of such debt does not establish an Obligated Group, please complete SCHEDULE C instead of this schedule.

**I. Days Cash on Hand**

1. Please complete the schedule below. Line items should match the Obligated Group Financial Statement in this filing.

<b>Assets</b>	<b>Balance as of the Reporting Date</b>
1. Unrestricted cash (Line 1)	
2. Unrestricted short-term investments (Line 2)	
3. Unrestricted long-term investments (Line 12)	
4. Provider restricted funds (Sum of Lines 10. and 11.b.-d.)	
5. Minimum liquid reserve (Line 11.a.)	
6. Excess of minimum liquid reserve (Line 6.a.)	
7. Days Cash on Hand Numerator (Sum of 1. – 6.)	

2. Please complete the schedule below to calculate a 12-month total for the expenses below. Each of Columns A through D should isolate the amount of each category of expense for a single quarter. The amounts of each line item should reflect the values reported in this Financial Statement and previously submitted financial statements, when adjusted to isolate a single quarter.

- o Column A should reflect the quarterly total for each expense type, ending with the reporting date.
- o Column B should reflect the quarterly total for each expense type, ending with the quarter prior to the quarter ending on the reporting date (“Prior Quarter 1”)
- o Column C should reflect the quarterly total for each expense type, ending two quarters prior to the quarter ending on the reporting date (“Prior Quarter 2”)
- o Column D should reflect the quarterly total for each expense type, ending three quarters prior to the quarter ending on the reporting date.
- o Column E should reflect the 12-month total for each expense type.

<b>Expenses</b>	<b>A Reporting Quarter</b>	<b>B Prior Quarter 1</b>	<b>C Prior Quarter 2</b>	<b>D Prior Quarter 3</b>	<b>E Expense Totals (Sum of A – D)</b>
8. Operating Expenses (Line 27)					
9. (Depreciation) (Line 25)	( )	( )	( )	( )	( )
10. (Amortization) (Line 24)	( )	( )	( )	( )	( )
11. (Other Noncash Expenses) (Line 26)	( )	( )	( )	( )	( )
12. Adjusted Expense Total (Sum of Lines 8 – 11)					
13. Days Cash on Hand Denominator (Line 12 divided by 365)					

3. Days Cash on Hand (Line 7 above divided by Line 13 above) = \_\_\_\_\_

Facility Name:

Period Ending:

4. Is a demand note or other parental guarantee included as a short-term or long-term investment for the calculation above?

- Yes
- No

a. If yes, please complete the following table. Please provide the Filing ID for the filing number in which the Provider requested to approval to include the demand note or parental guarantee in the days cash on hand calculation. provide the following:

Issuing Entity	Demand Note	Parental Guarantee	Amount	Filing ID

b. Please provide the total amount of all demand notes issued by the parent. \_\_\_\_\_

c. Please upload an attachment to the filing that demonstrates that the total amount of all demand notes issued by the parent do not exceed the sum of unrestricted cash and unrestricted short-term and long-term investments held by the parent. The attachment should include a certification by an officer of the parent that the documentation provided is true and correct.

5. Do lenders require the Obligated Group to maintain a minimum number of Days Cash on Hand pursuant to the Obligated Group's financing agreements?

- Yes
- No

a. If yes, what is the number of days cash on hand required. \_\_\_\_\_

b. Pursuant to the calculation specified in the Obligated Group's financing agreements, what is the Obligated Group's Days Cash on Hand as of the reporting date. \_\_\_\_\_

Facility Name:  
Period Ending:

## II. Occupancy

Occupancy means the total number of occupied independent living units, assisted living units, and skilled nursing beds in a facility divided by the total number of units and beds in that facility, excluding units and beds that are unavailable to market or that are reserved by prospective residents.

1. The facility's occupancy averaged over the 12-month period immediately preceding the reporting date is: \_\_\_\_\_
2. Please select the basis on which occupancy percentage was calculated:
  - On a daily basis—average of 365
  - On a weekly basis—average of 52
  - On a monthly basis—average of 12

Please note that the Provider should retain all data necessary for the Office or an auditor to verify this calculation.

3. Do lenders require the Obligated Group to maintain an occupancy ratio pursuant to the Obligated Group's financing agreements?
  - Yes
  - No
  - a. If yes, what is the required occupancy ratio? \_\_\_\_\_
  - b. Pursuant to the calculation specified in the Obligated Group's financing agreements, what is the Obligated Group's Occupancy as of the reporting date. \_\_\_\_\_



Facility Name:  
 Period Ending:

**III. Debt Service Coverage Ratio**

1. Please complete the schedule below to calculate a 12-month total for the expenses below. Each of Columns A through D should isolate the amount of each category of expense for a single quarter. The amounts of each line item should reflect the values reported in the Financial Statements submitted for the Obligated Group for this period and previously submitted financial statements, when adjusted to isolate a single quarter.
  - o Column A should reflect the quarterly total for each expense type, ending with the reporting date.
  - o Column B should reflect the quarterly total for each expense type, ending with the quarter prior to the quarter ending on the reporting date ("Prior Quarter 1")
  - o Column C should reflect the quarterly total for each expense type, ending two quarters prior to the quarter ending on the reporting date ("Prior Quarter 2")
  - o Column D should reflect the quarterly total for each expense type, ending three quarters prior to the quarter ending on the reporting date.
  - o Column E should reflect the 12-month total for each expense type.

Expenses	A Reporting Quarter	B Prior Quarter 1	C Prior Quarter 2	D Prior Quarter 3	E Expense Total for the 12-month Period Ending on the Reporting Date (Sum of A-D)
1. Total Expenses (Line 27, Page 35)					
2. (Interest Expense on Debt Facility) (Line 16, Page 34)	( )	( )	( )	( )	( )
3. (Depreciation) (Line 25, Page 35)	( )	( )	( )	( )	( )
4. (Amortization) (Line 24, Page 35)	( )	( )	( )	( )	( )
5. (Other Noncash Expenses) (Line 26, Page 35)	( )	( )	( )	( )	( )
6. Adjusted Expense Total (Sum of 1.E – 5.E.)					

Facility Name:

Period Ending:

2. Please complete the schedule below to calculate a 12-month total for the expenses below. Each of Columns A through D should isolate the amount of each category of revenue for a single quarter. The amounts of each line item should reflect the values reported in the Financial Statements for the Obligated Group for this period and previously submitted financial statements, when adjusted to isolate a single quarter.
  - o Column A should reflect the quarterly total for each revenue type, ending with the reporting date.
  - o Column B should reflect the quarterly total for each revenue type, ending with the quarter prior to the quarter ending on the reporting date ("Prior Quarter 1")
  - o Column C should reflect the quarterly total for each revenue type, ending two quarters prior to the quarter ending on the reporting date ("Prior Quarter 2")
  - o Column D should reflect the quarterly total for each revenue type, ending three quarters prior to the quarter ending on the reporting date.
  - o Column E should reflect the 12-month total for each revenue type.

Revenues	A Reporting Quarter	B Prior Quarter 1	C Prior Quarter 2	D Prior Quarter 3	E Revenue Total for the 12- month Period Ending on the Reporting Date (Sum of A-D)
7. Total Revenues (Line 11, Page 34)					
8. (Earned Entrance Fees) (Line 5, Page 34)	( )	( )	( )	( )	( )
9. (Other Noncash Revenue) (Line 8, Page 34)	( )	( )	( )	( )	( )
10. (Nonoperating Gains) (Sum of Lines 6, 7, and 9, Page 34)	( )	( )	( )	( )	( )
11. Gross Entrance Fees (Line 3.a., Page 36)					
12. (Refunds Paid) (Line 3.b., Page 36)	( )	( )	( )	( )	( )
13. Adjusted Revenue Total (Sum of 8.E.- 13.E.)					

Facility Name:  
 Period Ending:

3. Please complete the schedule below to calculate the total debt service due for the 12-month period ending on the reporting date. Each of Columns A through D should isolate the amount of each category of debt service payment due for a single quarter. For the purposes of this calculation, Principal excludes any balloon principal payment amounts, pursuant to Section 651.011(11), Florida Statutes.
- o Column A should reflect the quarterly total for each component of debt service, ending with the reporting date.
  - o Column B should reflect the quarterly total for each component of debt service, ending with the quarter prior to the quarter ending on the reporting date ("Prior Quarter 1")
  - o Column C should reflect the quarterly total for each component of debt service, ending two quarters prior to the quarter ending on the reporting date ("Prior Quarter 2")
  - o Column D should reflect the quarterly total for each component of debt service, ending three quarters prior to the quarter ending on the reporting date.
  - o Column E should reflect the 12-month total for each component of debt service.

Debt Service	A Reporting Quarter	B Prior Quarter 1	C Prior Quarter 2	D Prior Quarter 3	E Debt Service Total for the 12-month Period Ending on the Reporting Date (Sum of A-D)
14. Principal					
15. Interest					
16. Debt Service Denominator (Sum of Lines 14 and 15)					

4. Debt Service Coverage Ratio ((Line 13 minus Line 6) divided by Line 16) = \_\_\_\_\_
5. Do lenders require the Obligated Group to maintain a debt service coverage ratio pursuant to the Provider's financing agreements?
- o Yes
  - o No
- a. If yes, what is the required debt service coverage ratio. \_\_\_\_\_
- b. Pursuant to the calculation specified in the Obligated Group's financing agreements, what is the Obligated Group's Debt Service Coverage Ratio as of the reporting date.  
 \_\_\_\_\_

Facility Name:  
 Period Ending:

**IV. Additional Information Regarding Financial and Operating Ratios**

	<b>Lender Requirement</b>	<b>Lender Calculation</b>	<b>Statutory Requirement</b>	<b>Provider's Ratio</b>	<b>Meets Threshold</b> <i>(the form will prepopulate with yes or no based on the information provided and statutory requirements)</i>
<b>Days Cash on Hand</b>	<i>(Populate with Line 5.a., Page 40 or NA)</i>	<i>(Populate with Line 5.b., Page 40 or NA)</i>	100	<i>(Populate with Line 3, Page 39)</i>	
<b>Occupancy</b>	<i>(Populate with Line 3.a. Page 41 or NA)</i>	<i>(Populate with Line 3.b., Page 41 or NA)</i>	80%	<i>(Populate with Line 1, Page 41)</i>	
<b>Debt Service Coverage Ratio</b>	<i>(Populate with Line 6.a., Page 44 or NA)</i>	<i>(Populate with Line 6.b., Page 44 or NA)</i>	1.20:1	<i>(Populate with Line 4, Page 44)</i>	

1. If a Provider falls below two or more of the thresholds set forth in s. 651.011(25), FS, at the end of any fiscal quarter, the Provider must submit an explanation of the circumstances and a description of the actions it will take to meet the requirements. If the Provider has fallen below two or more thresholds as noted above, please upload the such an explanation and description.

	<b>Asset</b>	<b>Asset Type</b>	<b>Date Acquired</b>	<b>Actual Cost</b>	<b>Market Value</b>
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**Florida Office of Insurance Regulation**

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**REQUEST FOR WAVIER OF MINIMUM LIQUID RESERVE REQUIREMENT**

**FLORIDA COMPANY CODE:**

**FLORIDA PROVIDER GROUP CODE:**

**FEDERAL EMPLOYER IDENTIFICATION NUMBER:**

**REQUEST FOR WAVIER OF MINIMUM LIQUID RESERVE REQUIREMENT  
FILED BY**

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(Continuing Care Provider)

**FOR**

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(Continuing Care Facility)

**TO THE  
FLORIDA OFFICE OF INSURANCE REGULATION**

Life & Health Financial Oversight  
200 East Gaines Street Tallahassee, FL 32399 - 0331

**FOR PERIOD FROM**

**[MM/DD/YYYY] TO [MM/DD/YYYY]**

## GENERAL INSTRUCTIONS

1. Pursuant to Section 651.035(3), Florida Statutes, a Provider that makes principal and interest payments to a trust that is beneficially held by its residents as described in Section 651.023(7), Florida Statutes, may request a waiver of the escrow requirements for mortgage principal and interest contained in Section 651.035(1), Florida Statutes. To request such a waiver, please complete this form and submit the requested supporting documentation. The Office will approve such waiver if it finds that such waiver is not inconsistent with the security protections intended by Chapter 651, Florida Statutes.
2. Note that a Provider that has more than one Facility holding a Certificate of Authority issued by the Office must complete and submit a separate form with supporting documentation for each Facility for which the Provider is requesting a waiver.
3. Submit this form electronically via the Office's system at <https://www.floir.com/iportal>.
4. For a new Facility commencing operations, this form and all supporting documentation must be submitted as Periodic Filing no later than 30 days before the Provider requests the release of moneys held in escrow pursuant to Section 651.023(6), Florida Statutes. After moneys held in escrow have been released pursuant to Section 651.023(6), Florida Statutes, this form and all supporting documentation must be filed with the Annual Report Filing on or before May 1 of each year, if the Provider's fiscal year end is December 31, or within 120 days of the last day of the fiscal year of the Provider if the Provider has declared a fiscal year other than the calendar year.
5. In completing the first page of this filing, the "From" date refers to either:
  - For a new facility commencing operations, the date the Provider intends to secure release of moneys held in escrow pursuant to Section 651.023(6), Florida Statutes; or
  - The first day of a Provider's fiscal year if the Provider has previously secured release of moneys held in escrow have been released pursuant to Section 651.023(6), Florida Statutes.
6. The Provider may request a waiver for a period of up to one year that runs concurrently with the Provider's MLR funding year. The MLR funding year is the 12-month period beginning 61 days after a Provider's Annual Report Filing and Minimum Liquid Reserve Calculation are due to be filed. For example, for a Provider with a fiscal year ending on December 31, the MLR funding year begins July 1 of the subsequent year.
7. Attestation. After completing this form, at least two individuals must attest to the filing, as explained on the Attestation. Signatures affixed to the Attestation must be under seal of a notary public. After the Attestation(s) are physically signed and notarized, upload PDFs of them into filing. Please review the Attestation(s) to ensure that the name of the notary public, commission number, commission expiration date, and any required seal or stamp are visible on the form before submitting the filing.

# ATTESTATION

This filing will not be considered complete unless it has been attested to by the Executive Director or Facility Administrator and, depending on the Provider's business structure, at least one other individual as set forth below.

- If the Provider is an individual, the report must be attested to by that individual.
- If the Provider is a corporation or a limited liability company, the report must be attested to by one of its corporate officers.
- If the Provider is a partnership or unincorporated association, the report must be attested to by the managing general partner.
- If the Provider is a trust, the report must be attested to by all trustees and officers. Please print additional copies of this page as necessary to provide all required attestations.

**The undersigned state that they are representatives of the Provider as specified above and that they are familiar with the laws of Florida relating to continuing care contracts. The undersigned acknowledge that this report is submitted for compliance with Chapter 651, Florida Statutes, and certify under penalty of filing false or misleading documents pursuant to Sections 817.2341 and 837.06, Florida Statutes, that the information provided herein is a full and true reporting of the requested information. The undersigned represent that they are authorized to file this report on behalf of the Provider and that by affixing their signatures to this document, the Provider has executed this instrument.**

\_\_\_\_\_  
(Signature) (Title)

\_\_\_\_\_  
(Typed Name) (Date)

State of \_\_\_\_\_  
County of \_\_\_\_\_

The foregoing was sworn to and subscribed before me this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by

\_\_\_\_\_, who is personally known to me or who has produced  
(Name of Affiant)

\_\_\_\_\_ as identification.

(Notary Stamp)

\_\_\_\_\_  
(Signature of the Notary and Date Commission Expires)

\_\_\_\_\_  
(Signature) (Title)

\_\_\_\_\_  
(Typed Name) (Date)

State of \_\_\_\_\_  
County of \_\_\_\_\_

The foregoing was sworn to and subscribed before me this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by

\_\_\_\_\_, who is personally known to me or who has produced  
(Name of Affiant)

\_\_\_\_\_ as identification.

(Notary Stamp)

\_\_\_\_\_  
(Signature of the Notary and Date Commission Expires)

**FILING CONTACT**

Name: \_\_\_\_\_

Position/Title:  
\_\_\_\_\_

Address:  
\_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Phone: \_\_\_\_\_ Ext: \_\_\_\_\_

Email: \_\_\_\_\_

**WAIVER REQUEST**

1. The Provider is requesting a waiver of the debt service reserve requirements of 651.035(1), Florida Statutes, for the period of from [MM/DD/YYYY] to [MM/DD/YYYY] pursuant to Section 651.035(3), Florida Statutes.

2. a. Has a request for waiver previously been approved for this Facility?

- Yes
- No

b. If yes, the please provide the Filing ID number for each filing in which the previously approved requests for waiver were filed. Please separate each Filing ID number with a comma.

\_\_\_\_\_  
\_\_\_\_\_

3. Please provide the following contact information for the Trustee.

Name: \_\_\_\_\_

Position/Title:  
\_\_\_\_\_

Address:  
\_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Phone: \_\_\_\_\_ Ext: \_\_\_\_\_

Email: \_\_\_\_\_

4. Provide a copy of the most recent Audited Financial Statements for the Trust.
5. When making an initial Request for Waiver, provide the following documentation.
  - a. A schedule of all outstanding debts on the facility and equipment.
  - b. Escrow statements evidencing that the released escrowed funds are sufficient to retire all of the outstanding debts on the facility and equipment.
  - c. A sworn statement from an officer of the Provider that upon release the escrowed funds will be used to satisfy all outstanding debts on the facility and equipment.
  - d. A copy of the documents granting to the residents a first mortgage on the land, buildings, and equipment that constitute the Facility. Note that such mortgage shall secure the refund of the entrance fee in the amount required by Chapter 651, Florida Statutes. The granting of the mortgage shall be subject to the following:
    - The first mortgage is granted to an independent trust that is beneficially held by the residents. The mortgage may secure payment on bonds issued to the residents or trustee. Such bonds are redeemable after termination of the residency contract in the amount and manner required by Chapter 651, Florida Statutes, for the refund of an entrance fee.
    - Before granting a first mortgage to the residents, all construction must be substantially completed and substantially all equipment must be purchased. No part of the entrance fees may be pledged as security for a construction loan or otherwise used for construction expenses before the completion of construction.
    - If the Provider is leasing the land or buildings used by the Facility, the leasehold interest must be for a term of at least 30 years.
  - e. A copy of the Trust Indenture. The document creating the trust must include a provision that agrees to an annual audit and to furnish to the Office all information the Office may reasonably require.
  - f. Evidence or documentation that the trust is 100% owned by the residents of the Facility.
6. After a Request for Waiver has been approved by the Office, provide the following documentation in subsequent Requests for Waiver.
  - a. Any amendments or other changes to the documents granting to the residents a first mortgage on the land, buildings, and equipment that constitute the Facility.
  - b. Any amendments or other changes to the Trust Indenture.
  - c. If no changes have been made, submit sworn statements from the Trustee and an officer of the Provider that no such amendments or changes have been made.







**Florida Office of Insurance Regulation**

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**SALES AND FINANCIAL REPORT  
FOR A NON-OPERATIONAL FACILITY**

**FLORIDA COMPANY CODE:**

**FLORIDA PROVIDER GROUP CODE:**

**FEDERAL EMPLOYER IDENTIFICATION NUMBER:**

**SALES AND FINANCIAL REPORT  
FOR A NON-OPERATIONAL FACILITY  
FILED BY**

---

(Continuing Care Provider)

**FOR**

---

(Continuing Care Facility)

**TO THE  
FLORIDA OFFICE OF INSURANCE REGULATION**

Life & Health Financial Oversight  
200 East Gaines Street Tallahassee, FL 32399 - 0331

**FOR PERIOD ENDED**

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Facility Name:  
Period Ending:

## GENERAL INFORMATION AND INSTRUCTIONS

The Florida Office of Insurance Regulation (“Office”) issues a Certificate of Authority to the Provider, which is the legal entity that issues contracts for continuing care for a Facility, including residency agreements, reservation agreements, and waitlist agreements. Separate Certificates of Authority are issued for each Facility, which can result in a single Provider holding multiple Certificates of Authority and, therefore, submitting multiple reports for the same period. In addition to operating multiple Facilities, it is not unusual for Providers to engage in business other than providing continuing care in Florida. As a result, the Office requires financial information at the Provider and Facility level to evaluate the financial condition.

Further, many continuing care Providers are part of holding company structures through which they are affiliated with other Florida Providers through common ownership or control. These instructions are intended to clarify reporting requirements so that the Office has a clear understanding of the participants in the Florida market, regardless of organizational structure.

1. Financial statements must be prepared in accordance with generally accepted accounting principles and as prescribed in the Florida Statutes.
2. All terms used in this report will have their general meaning except where specific statutory language applies under the applicable provisions of the Florida Insurance Code.
3. Submit this form electronically via the Office’s system at <https://www.floir.com/iportal>.
4. All questions and portions of this form must be completed in order for the filing to be considered complete—do not leave any items blank. For the financial statements, please ensure to enter 0 for numerical values and N/A for text responses, as appropriate, rather than leaving the field blank.
5. If additional explanations, supporting statements, documentation, or schedules are necessary, please upload them to the filing by attaching them as a Miscellaneous Document. Please add a label to the Miscellaneous Document that describes the attachment for ease of reference. Any attachments should be in a readable electronic format (i.e. Word, Excel, PDF, etc.).
6. Attestation. After completing this form, at least two individuals must attest to the filing, as explained on the Attestation. Signatures affixed to the Attestation must be under seal of a notary public. After the Attestation(s) are physically signed and notarized, upload PDFs of them into filing. Please review the Attestation(s) to ensure that the name of the notary public, commission number, commission expiration date, and any required seal or stamp are visible on the form before submitting the filing.

Facility Name:  
Period Ending:

### ATTESTATION

This filing will not be considered complete unless it has been attested to by the Executive Director or Facility Administrator and, depending on the Provider's business structure, at least one other individual as set forth below.

- If the Provider is an individual, the report must be attested to by that individual.
- If the Provider is a corporation or a limited liability company, the report must be attested to by one of its corporate officers.
- If the Provider is a partnership or unincorporated association, the report must be attested to by the managing general partner.
- If the Provider is a trust, the report must be attested to by all trustees and officers. Please print additional copies of this page as necessary to provide all required attestations.

**The undersigned state that they are representatives of the Provider as specified above and that they are familiar with the laws of Florida relating to continuing care contracts. The undersigned acknowledge that this report is submitted for compliance with Chapter 651, Florida Statutes, and certify under penalty of filing false or misleading documents pursuant to Sections 817.2341 and 837.06, Florida Statutes, that the information provided herein is a full and true reporting of the requested information. The undersigned represent that they are authorized to file this report on behalf of the Provider and that by affixing their signatures to this document, the Provider has executed this instrument.**

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Title)

\_\_\_\_\_  
(Typed Name)

\_\_\_\_\_  
(Date)

State of \_\_\_\_\_  
County of \_\_\_\_\_

The foregoing was sworn to and subscribed before me this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by \_\_\_\_\_, who is personally known to me or who has produced \_\_\_\_\_ as identification.

(Notary Stamp)

\_\_\_\_\_  
(Signature of the Notary and Date Commission Expires)

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Title)

\_\_\_\_\_  
(Typed Name)

\_\_\_\_\_  
(Date)

State of \_\_\_\_\_  
County of \_\_\_\_\_

The foregoing was sworn to and subscribed before me this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by \_\_\_\_\_, who is personally known to me or who has produced \_\_\_\_\_ as identification.

(Notary Stamp)

\_\_\_\_\_  
(Signature of the Notary and Date Commission Expires)

Facility Name:  
 Period Ending:

### UNIT RESERVATIONS

The line 1 amount field should equal the amount you would receive if all units were sold. The line 3 amount field should equal the full entrance fee amount for each unit sold, not just the deposit amount.

<b>Total Reservations for CCRC Units:</b>		
	<b>Number</b>	<b>Amount</b>
1. Total CCRC units available for sale, beginning of this period:		
2. Plus CCRC units returned to inventory due to:		
a. Cancellation of Reservation		
b. Death		
c. Other		
d. Total		
3. Less CCRC units reserved during this period:	(            )	(            )
4. Total CCRC units available for sale, end of this period: (Line 1 + Line 2d - Line 3)		



Facility Name:  
 Period Ending:

**ENTRANCE FEE CASH SUMMARY REPORT**

1. Total Entrance Fees Collected this period: (Include all initial entrance fee deposits and installments collected (\$):		
	Number	Amount
2. Beginning Refunds Due		
3. Refunds Incurred this Period		
4. Refunds Paid this Period	(            )	(            )
5. Refunds Due End of Period <b>(Please provide an aging breakdown on any balance due)</b>		
Refund Balances at End of Period (Aging)	Number	Amount
6. Less than 30 Days		
7. 30 - 60 Days		
8. 61 - 90 Days		
9. 91 - 120 Days		
10. * Over 120 Days		
11. <b>TOTAL (Must equal Line 5 above)</b>		
* Explanation required for Refunds over 120 days past due (limited to 1000 characters):		

Facility Name:  
 Period Ending:

**ENTRANCE FEE/RESERVATION FEE  
 RECONCILIATION OF ESCROW STATEMENT**

1. Beginning Balance: (Should agree to ending balance for prior period)		
2. Add:		
a. Sales Deposits		
b. Interest Earned		
c. Other (Explain, limited to 100 characters)		
<b>d. Total</b>		
3. Less:		
a. Refunds	(            )	
b. Interest Withdrawal	(            )	
c. Escrow Agent Fee	(            )	
d. Other (Explain, limited to 100 characters)	(            )	
<b>e. Total</b>		(            )
4. Ending Balance per Reconciliation		
5. Ending Balance per Escrow Statement <b>(Attach copy of Escrow Statement supporting balance)</b>		
6. Difference (Provide detailed explanation below, limited to 1000 characters)		



**Florida Office of Insurance Regulation**

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**REQUEST FOR WITHDRAWAL FROM MINIMUM LIQUID RESERVES**

**FLORIDA COMPANY CODE:**

**FLORIDA PROVIDER GROUP CODE:**

**FEDERAL EMPLOYER IDENTIFICATION NUMBER:**

**REQUEST FOR WITHDRAWAL FROM MINIMUM LIQUID RESERVES  
FILED BY**

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(Continuing Care Provider)

**FOR**

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(Continuing Care Facility)

**TO THE  
FLORIDA OFFICE OF INSURANCE REGULATION**

Life & Health Financial Oversight  
200 East Gaines Street Tallahassee, FL 32399 - 0331





### **GENERAL INSTRUCTIONS**

1. Provider may request approval from the Florida Office of Insurance Regulation ("Office") to withdraw funds from its minimum liquid reserves pursuant to Section 651.035, Florida Statutes; subsection (6) applies to withdrawals from the renewal and replacement reserve and subsection (7)(b) applies to all other withdrawals.
2. To request approval to withdrawal minimum liquid reserve funds, please complete this form and submit the requested supporting documentation. Complete Section I to request a withdrawal from the renewal and replacement reserve pursuant to Section 651.035(6), Florida Statutes, or Section II for any other request to make a withdrawal from the minimum liquid reserves pursuant to Section 651.035(7)(b), Florida Statutes.
3. Submit this form and supporting documentation electronically via the Office's system at <https://www.floir.com/iportal>.
4. The Office will approve requests for withdrawal from the renewal and replacement reserve that comply with Section 651.035(6), Florida Statutes. In reviewing requests for other withdrawals pursuant to Section 651.035(7)(b), Florida Statutes, the Office may disapprove any request to withdraw funds if it determines that the withdrawal is not in the best interest of the residents.
5. Note that pursuant to Section 651.035(7)(a), Florida Statutes, a provider may withdraw funds held in escrow without the approval of the Office if the amount held in escrow exceeds the requirements of this section and if the withdrawal will not affect compliance with Section 651.035, Florida Statutes.
6. The Provider's MLR funding year is the 12-month period beginning 61 days after a Provider's Annual Report Filing and Minimum Liquid Reserve Calculation are due to be filed. For example, for a Provider with a fiscal year ending on December 31, the MLR funding year begins July 1 of the subsequent year.
7. Attestation. After completing this form, at least two individuals must attest to the filing, as explained on the Attestation. Signatures affixed to the Attestation must be under seal of a notary public. After the Attestation(s) are physically signed and notarized, upload PDFs of them into filing. Please review the Attestation(s) to ensure that the name of the notary public, commission number, commission expiration date, and any required seal or stamp are visible on the form before submitting the filing.



**Florida Office of Insurance Regulation**

**ATTESTATION**

This filing will not be considered complete unless it has been attested to by the Executive Director or Facility Administrator and, depending on the Provider's business structure, at least one other individual as set forth below.

- If the Provider is an individual, the report must be attested to by that individual.
- If the Provider is a corporation or a limited liability company, the report must be attested to by one of its corporate officers.
- If the Provider is a partnership or unincorporated association, the report must be attested to by the managing general partner.
- If the Provider is a trust, the report must be attested to by all trustees and officers. Please print additional copies of this page as necessary to provide all required attestations.

The undersigned state that they are representatives of the Provider as specified above and that they are familiar with the laws of Florida relating to continuing care contracts. The undersigned acknowledge that this report is submitted for compliance with Chapter 651, Florida Statutes, and certify under penalty of filing false or misleading documents pursuant to Sections 817.2341 and 837.06, Florida Statutes, that the information provided herein is a full and true reporting of the requested information. The undersigned represent that they are authorized to file this report on behalf of the Provider and that by affixing their signatures to this document, the Provider has executed this instrument.

\_\_\_\_\_  
 (Signature) (Title)

\_\_\_\_\_  
 (Typed Name) (Date)

State of \_\_\_\_\_  
 County of \_\_\_\_\_

The foregoing was sworn to and subscribed before me this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by

\_\_\_\_\_, who is personally known to me or who has produced  
 (Name of Affiant)  
 \_\_\_\_\_ as identification.

(Notary Stamp) (Signature of the Notary and Date Commission Expires)

\_\_\_\_\_  
 (Signature) (Title)

\_\_\_\_\_  
 (Typed Name) (Date)

State of \_\_\_\_\_  
 County of \_\_\_\_\_

The foregoing was sworn to and subscribed before me this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by

\_\_\_\_\_, who is personally known to me or who has produced  
 (Name of Affiant)  
 \_\_\_\_\_ as identification.

(Notary Stamp) (Signature of the Notary and Date Commission Expires)



## Florida Office of Insurance Regulation

### FILING CONTACT

Name: \_\_\_\_\_

Position/Title  
\_\_\_\_\_

Address:  
\_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_

Zip: \_\_\_\_\_

Phone: \_\_\_\_\_

Ext: \_\_\_\_\_

Email: \_\_\_\_\_

#### I. Request for Withdrawal from the Renewal and Replacement Reserve

Each fiscal year, a Provider may withdraw up to 33 percent of the total renewal and replacement reserve available. The reserve available is equal to the market value of the invested reserves at the end of the Provider's prior fiscal year. The withdrawal must be used for capital items or major repairs. Before any funds are eligible for withdrawal, the Provider must obtain written permission from the Office.

1. Calculate the maximum allowable withdrawal amount.

A. Provide the following information if the Provider has no outstanding withdrawal balance and its renewal and replacement reserve was fully funded as of the end of the Provider's prior fiscal year. If the Provider has an outstanding withdrawal balance, do not complete A., and complete B., instead.

(1) Provide the total renewal and replacement reserve requirement from Schedule III of the Minimum Liquid Reserve Calculation, Form OIR-A3-477, for the Provider's current MLR funding year: \_\_\_\_\_

(2) Calculate the maximum withdrawal allowable by multiplying the amount in 1.A(1) above by .33:  
\_\_\_\_\_

(3) Provide the amount of the requested withdrawal, which cannot exceed the amount calculated in 1.A.(2) above: \_\_\_\_\_



**Florida Office of Insurance Regulation**

B. Provide the following information if the Provider has an outstanding withdrawal balance that was not fully repaid as of the Provider's prior fiscal year.

(1) Provide the total renewal and replacement reserve requirement from Schedule III of the Minimum Liquid Reserve Calculation, Form OIR-A3-477, for the Provider's current MLR funding year: \_\_\_\_\_

(2) Provide the following information regarding all previous withdrawals from and repayment of the renewal and replacement reserve with an outstanding balance as of the last fiscal year-end.

	(A) Last Withdrawal	(B) Previous Withdrawal 1	(C) Previous Withdrawal 2	(D) Previous Withdrawal 3	(E) Total Balance Outstanding (A+B+C+D)
Withdrawal amount					
Monthly repayment amount					
Date of 1 <sup>st</sup> repayment					
Date of final scheduled repayment					
Sum of repayments made as of the most recent fiscal year-end					
Balance outstanding as of most recent fiscal year-end					

(3) Calculate the total available balance by subtracting the amount reported in 2.(E) from the amount reported in 2.B.(1): \_\_\_\_\_

(4) Calculate the maximum withdrawal allowable by multiplying the amount in (3) above by .33: \_\_\_\_\_

(5) Provide the amount of the requested withdrawal, which cannot exceed the amount calculated in 1.B.(4) above: \_\_\_\_\_



## Florida Office of Insurance Regulation

2. Provide an anticipated payment schedule.

Within 30 days after the withdrawal of funds, the Provider must begin refunding the reserve account in equal monthly payments that allow for a complete funding of the withdrawal within 36 months. If the Provider fails to make a required monthly payment or the payment is late, the provider must notify the office within 5 days after the due date of the payment and file an updated repayment schedule. No additional withdrawals from the renewal and replacement reserve will be allowed until all scheduled payments are current.

- A. Calculate the minimum payment amount by dividing the amount of the requested withdrawal from 1.A.(3) or 1.B.(5), as applicable, by 36:  
\_\_\_\_\_
  - B. Proposed monthly repayment amount cannot be less than the amount calculated in 2.A. above. Monthly payments should be equal in amount, pursuant to Section 651.035(6)(b), Florida Statutes: \_\_\_\_\_
  - C. Provide the anticipated date of the proposed monthly repayment amount, which cannot be less than the amount calculated in 2.A. above. Provide the anticipated date of the first payment amount which must be within 30 days of the withdrawal, pursuant to Section 651.035(6)(b), Florida Statutes: \_\_\_\_\_
  - D. Provide the anticipated date of last payment, which may be no later than 36 months after the initial payment: \_\_\_\_\_
3. Upload to this filing a detailed explanation of the intended use of the proceeds of the renewal and replacement reserve withdrawal. The funds withdrawn may only be used for capital items and major repairs.
  4. Upload to this filing current escrow statements demonstrating that the provider is in compliance with the minimum liquid reserve funding requirements for the current MLR funding year.
  5. Complete the sworn affidavit attached to this form as Exhibit A and upload it to this filing. After completing the affidavit, print, sign, and notarize it. After the affidavit has been physically signed and notarized, upload a PDF copy into the filing as a Miscellaneous Document titled "Affidavit." This component requires physical signatures from the attesting individuals and the notary. Please review to ensure that the name of the Notary Public, Commission Number, Commission Expiration Date, and any required seal or stamp are visible on the form before submitting the filing.
  6. Provide a board resolution indicating board approval of the withdrawal and use of funds as described in this filing. The board resolution should be uploaded into the filing as a Miscellaneous Document titled "Board Resolution."



## Florida Office of Insurance Regulation

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### II. Requests for Other Withdrawals from the Minimum Liquid Reserves

1. Please provide the amount of the requested withdrawal: \_\_\_\_\_
2. Please indicate which minimum liquid reserve(s) the Provider is requesting to make a withdrawal from.
  - Debt service reserve
  - Operating reserve
  - Renewal and replacement reserve
3. Please provide the name of the escrow agent and the account numbers for the escrow accounts from which the Provider is requesting to withdraw funds or indicate if the funds are on deposit with the Department of Financial Services Bureau of Collateral Management.  
\_\_\_\_\_  
\_\_\_\_\_
4. What is the intended use of the funds for the requested withdrawal?  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
5. What is the Provider's plan to fund the repayment of the requested minimum liquid reserve withdrawal?  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
6. Please upload an anticipated repayment schedule to allow for a complete funding of the requested withdrawal. The repayment schedule should be appropriately labeled and uploaded as a Miscellaneous Document into this filing. The payment schedule must include the following:
  - A. The accounts into which the payments will be deposited;
  - B. The number of payments;
  - C. The anticipated dates of all payments; and
  - D. The amount of payments.
7. Please upload documentation evidencing why the withdraw is necessary for the continued operation of the facility. Documentation should be appropriately labeled and uploaded as a Miscellaneous Document into this filing.
8. Complete the sworn affidavit attached to this form as Exhibit B and upload it to this filing. After completing the affidavit, print, sign, and notarize it. After the affidavit has been physically signed and notarized, upload a PDF copy into the filing as a Miscellaneous Document titled "Affidavit." This component requires physical signatures



## **Florida Office of Insurance Regulation**

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from the attesting individuals and the notary. Please review to ensure that the name of the Notary Public, Commission Number, Commission Expiration Date, and any required seal or stamp are visible on the form before submitting the filing.

9. Provide a board resolution indicating board approval of the withdrawal request and use of funds as described in this filing. The resolution should include an acknowledgment that if the withdrawal is approved by the Office, the Provider will be impaired pursuant to Chapter 651, Florida Statutes. The board resolution should be uploaded into the filing as a Miscellaneous Document titled "Board Resolution."



**Florida Office of Insurance Regulation**

**EXHIBIT A – AFFIDAVIT**

Two officers or general partners of the Provider must complete the following.

I, \_\_\_\_\_, and I, \_\_\_\_\_, representing \_\_\_\_\_, a continuing care Provider licensed to transact business in the state of Florida, after being duly sworn, do depose and certify under penalty of perjury that the intended use of funds for this withdrawal from the renewal and replacement reserve is fully disclosed in this filing and this withdrawal request has been duly authorized and approved by the board of directors of the Provider or a similarly authorized controlling body if the Provider is not organized as a corporation.

Officer/Partner 1:

Personally Known \_\_\_ or Produced Identification \_\_\_  
Type of Identification Produced

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
My Commission Expires

\_\_\_\_\_  
(Name)

\_\_\_\_\_  
Officer/Partner 2:

\_\_\_\_\_  
(Title)

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Date)

\_\_\_\_\_  
(Name)

State of \_\_\_\_\_

\_\_\_\_\_  
(Title)

County of \_\_\_\_\_

\_\_\_\_\_  
(Date)

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, by \_\_\_\_\_ as \_\_\_\_\_ for \_\_\_\_\_

State of \_\_\_\_\_

County of \_\_\_\_\_

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, by \_\_\_\_\_ as \_\_\_\_\_

\_\_\_\_\_  
(Signature of Notary)

\_\_\_\_\_ for

\_\_\_\_\_  
(Print, Type, or Stamp Name of Commissioned Notary)





**Florida Office of Insurance Regulation**

\_\_\_\_\_  
(Signature of Notary)

\_\_\_\_\_  
(Print, Type, or Stamp Name of Commissioned Notary)

Personally Known \_\_\_ or Produced Identification \_\_\_  
Type of Identification Produced

\_\_\_\_\_  
My Commission Expires

**EXHIBIT B – AFFIDAVIT**

Two officers or general partners of the Provider must complete the following.

I, \_\_\_\_\_, and I, \_\_\_\_\_, representing \_\_\_\_\_, a continuing care Provider licensed to transact business in the state of Florida, after being duly sworn, do depose and certify under penalty of perjury that this filing fully discloses the amount, intended use of funds, and reasons why the withdrawal is necessary for the continued operation of the facility and that this withdrawal request has been duly authorized and approved by the board of directors of the Provider or a similarly authorized controlling body if the Provider is not organized as a corporation. We acknowledge that this withdrawal, if approved, will cause the Provider to be impaired pursuant to Chapter 651, Florida Statutes.

Officer/Partner 1:

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Name)

\_\_\_\_\_  
(Title)

\_\_\_\_\_  
(Date)

State of \_\_\_\_\_

County of \_\_\_\_\_

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, by \_\_\_\_\_ as \_\_\_\_\_ for \_\_\_\_\_.

\_\_\_\_\_  
(Signature of Notary)



**Florida Office of Insurance Regulation**

\_\_\_\_\_  
(Print, Type, or Stamp Name of Commissioned Notary)

Personally Known \_\_\_ or Produced Identification \_\_\_  
Type of Identification Produced

\_\_\_\_\_  
My Commission Expires

\_\_\_\_\_  
(Print, Type, or Stamp Name of Commissioned Notary)

Personally Known \_\_\_ or Produced Identification \_\_\_  
Type of Identification Produced

\_\_\_\_\_  
My Commission Expires

Officer/Partner 2:

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Name)

\_\_\_\_\_  
(Title)

\_\_\_\_\_  
(Date)

State of \_\_\_\_\_

County of \_\_\_\_\_

The foregoing instrument was acknowledged  
before me this \_\_\_\_\_ day of  
\_\_\_\_\_, \_\_\_\_\_, by  
\_\_\_\_\_ as  
\_\_\_\_\_ for \_\_\_\_\_.

\_\_\_\_\_  
(Signature of Notary)

# SERVICE OF PROCESS CONSENT & AGREEMENT

(Please type or print all information clearly)

Original Designation     Insurer Name Change     Merger / Acquisition     Update Delivery Information

Insurer or Company Name: \_\_\_\_\_  
Previous Name (If applicable): \_\_\_\_\_  
Home Office Address: \_\_\_\_\_  
City, State, Zip \_\_\_\_\_

FEI # \_\_\_\_\_ FL Company Code \_\_\_\_\_ Telephone # \_\_\_\_\_

Know all men by these present, that the insurer or other entity named above is subject to the statutory agent for service of process provisions of the Florida Insurance Code duly organized and existing under and by virtue of the laws of the state of domicile.

Said entity does hereby agree and consent that actions may be commenced against it in any court having jurisdiction in any county in the State of Florida, in which a cause of action may arise, or in which the plaintiff may reside, by the service of process upon the Chief Financial Officer of the State of Florida. Said entity also hereby stipulates and agrees that any and all process so served shall be taken and held in all Courts to be as valid and binding upon this insurer or other entity as if personal service had been made upon the President or Secretary, or any other duly authorized and accredited officer thereof.

The undersigned hereby further agrees and stipulates that this agreement is and shall remain irrevocable, so long as there is liability, under any policy, claim or cause of action within this state, either fixed or contingent. Said insurer or other entity does hereby designate the following as the name and address of the person to whom all process is to be forwarded when process is served upon said Chief Financial Officer of the State of Florida on behalf of the above named insurer or entity. **In the event of a change in the name of the insurer or the designation of the person to whom process is to be forwarded, whether it be name, address, and/or phone or fax numbers, the insurer or company shall immediately file a new agreement form with the Chief Financial Officer of the State of Florida at the address shown at the bottom of this page.**

**Designated Person  
to receive process:** \_\_\_\_\_

**E-Mail Address:** \_\_\_\_\_  
**Phone#:** \_\_\_\_\_ **Fax#:** \_\_\_\_\_

**Mailing Address:** \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Street Address:** \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Signature:** \_\_\_\_\_

I hereby consent and agree to be the person to whom process served upon the Chief Financial Officer of the State of Florida for said entity, may be forwarded.

In Witness Whereof, we, the President or Chief Executive Officer and Secretary of said insurer or other entity, being duly authorized by the Board of Directors or governing body of this entity to execute this document, have hereunto set our hands and affixed the seal of said insurer or other entity on this the \_\_\_\_\_ day of \_\_\_\_\_, A.D. \_\_\_\_\_.

\_\_\_\_\_  
President or CEO's Signature

\_\_\_\_\_  
President or CEO's Name (Typed or Printed)

SEAL

\_\_\_\_\_  
Secretary's Signature

\_\_\_\_\_  
Secretary's Name (Typed or Printed)

Any signatures other than the President, CEO, or Secretary for the Company must be validated by the attachment of a resolution of the Board of Directors or Governing body of said company delegating the authority to sign for the company.

OIR-C1-144  
Rev 06/2004  
Rule 69O-193.003



## **Florida Office of Insurance Regulation**

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### **APPLICATION FOR PROVISIONAL CERTIFICATE OF AUTHORITY FOR A CONTINUING CARE PROVIDER**

This packet is designed to assist individuals in preparing the application in accordance with Florida Statutes and Rules and to facilitate expeditious processing of the application by the Florida Office of Insurance Regulation ("Office").

Please submit all documents required by this packet in searchable PDF format unless otherwise indicated or required by Florida Statutes.

If this packet requires submission of forms or rates, upon receipt of an email notification of acceptance of the application, the Applicant is directed to return to the Industry Portal <http://www.floir.com/iportal> and select "Form & Rate Filing Assembly and Submission" to begin the submission of forms and/or rates.

In order for a submission to be considered a complete application, all required information must be included in the filing, including the completed application checklist.

The completed application packet must be submitted to the Office by selecting iApply – Online Company Admissions at the following link:

**<http://www.floir.com/iportal>**

Any questions concerning this application packet or iApply for Life and Health applicants may be directed to [lhappcoord@floir.com](mailto:lhappcoord@floir.com). Property and Casualty applicants are directed to [pcappcoord@floir.com](mailto:pcappcoord@floir.com).

**INSTRUCTIONS**

**SECTION I - APPLICATION FEES**

**Section I-1            Application Fees**

Applicants must pay an application-filing fee of \$50 U.S. Dollars (“USD”) pursuant to Section 651.015(2)(e), Florida Statutes. This fee is due at the time the application packet is filed and is not refundable.

Secure your check to the Invoice in this application and mail to:

Department of Financial Services  
Bureau of Financial Services  
Post Office Box 6100  
Tallahassee, Florida 32314-6100

Include copies of the completed Invoice and check with your application filing submitted via iApply. This procedure will expedite the processing of your application and assure a timely recording of the fee payment.

**Section I-2            Fingerprint Processing Fees**

Applicants are required to pay a fee for the processing of the fingerprint cards required in Section IV-4. Please see Form OIR-C1-938, Fingerprint Payment and Submission Procedure, for instructions.

## SECTION II - LEGAL

### **Section II-1            Authorization Letter**

Provide a letter of authorization for anyone other than company personnel or the company-sponsoring agent, designating the named individual to represent the Applicant.

### **Section II-2            Organizational Documents**

Submit a copy of Applicant's organizational documents or charter documents, such as Articles of Incorporation, Partnership Agreements, Trust Agreements, Association Membership Agreements, etc., complete with all amendments, certified within the last year by the public official with whom the originals are on file in the state or jurisdiction of domicile. If the originals are not required to be on file with a public official in the state or jurisdiction of domicile, then the copies should be certified by an appropriate representative of Applicant.

### **Section II-3            Bylaws**

Submit a copy of Applicant's Bylaws, Operating Agreement, Constitution, Rules and Regulations, or similar document. This should be certified by Applicant's Secretary as a true and correct copy of the current document and dated within the last year. Only the Secretary's signature will be accepted, unless the Applicant does not have this position.

### **Section II-4            Certificate of Status**

Submit a certificate of status dated within the last year. A certificate of status is a document issued by the public official having supervision of the records of corporations in the Applicant's home state or jurisdiction of domicile, usually the Secretary of State or equivalent office, that shows the company is duly organized in the state or jurisdiction of domicile and that all taxes and fees have been paid.

### **Section II-5            Fictitious Name Filing**

If the Applicant plans to utilize a fictitious name, provide documentation of compliance with Section 865.09, Florida Statutes, dealing with fictitious names.

### **Section II-6            Parent Companies and Controlling Partners**

Provide complete documents required in Sections II-2 through II-5 for all entities controlling the Applicant upward to the ultimate controlling entity.

**Section II-7**            **Organizational Charts**

Furnish complete organizational charts for Applicant. The organizational charts should disclose the relationship between all entities in the organizational structure, include all parent, holding, subsidiary, and other affiliated companies, and state all ownership percentages.

**Section II-8**            **Service of Process Consent & Agreement**

Provide a properly executed Service of Process Consent & Agreement form (Form OIR-C1-144).

**SECTION III - FINANCIAL**

**Section III-1            Plan of Operations**

Submit a general summary of the plan of operations of Applicant. The plan should include management structure, healthcare delivery system, and a description of the types of continuing care contracts offered, including health care benefits and refundable contract options. This plan should be consistent with the feasibility study.

**Section III-2            Interrogatories**

Submit complete responses to all interrogatories attached as Exhibit III-2.

**Section III-3            Applicant's Unaudited Quarterly Financial Statements**

Furnish a copy of Applicant's most recent unaudited quarterly financial statements. If Applicant relies on funding from an affiliate or controlling company, provide the most recent quarterly financial statements for that entity as well.

**Section III-4            Applicant's Annual Financial Statements**

Furnish a copy of Applicant's most recent annual financial statements. Please provide audited financial statements, if available. If Applicant relies on funding from an affiliate or controlling company, provide the most recent annual financial statements or audit for that entity as well.

**Section III-5            Applicant's History in the Industry**

Furnish a history of the Applicant including the following information.

- (A) A brief history of the company since its incorporation.
- (B) A history of the Applicant's operations in Florida.
- (C) A brief description of the management experience of each individual (by name) involved in the operation of the Applicant and the facility.
- (D) A description of the experience of any controlling company or management company in the field of continuing care.



**APPLICATION FOR PROVISIONAL CERTIFICATE OF AUTHORITY FOR A CONTINUING CARE PROVIDER**

- (E)** Provide a listing of all continuing care facilities currently or previously owned, managed or developed by the Applicant. As used in this paragraph, "Applicant" includes the Applicant and its affiliates and principals. The listing must include the following information:
- i. The facility's name, address, city, and state;
  - ii. An indication of if Applicant's role with the facility was that of an owner, manager, developer, or a combination thereof;
  - iii. An indication regarding whether Applicant is currently involved with the facility or if their involvement has ceased;
  - iv. For facilities located outside of the state of Florida, an indication of whether the facility is regulated by a state agency similar to the Office of Insurance Regulation. If so, please provide the name of the agency and indicate whether the facility currently holds a license issued by the agency or if a license was previously held; and
  - v. Disclosure of any administrative actions, bankruptcy or receivership proceedings, violations of financing covenants and related defaults, or similar significant financial or regulatory issues that occurred while the facility was owned, managed, or being developed by Applicant. For previously owned, managed, or developed facilities, include any such occurrences up to one year after the relationship was terminated.

Applicant may submit documentation, including but not limited to written explanations, consultant reports, court filings, and audited financial statements, to describe the circumstances surrounding the issue(s) and their resolution.

- (F)** Regarding the facilities identified in (E) above, please provide financial statements for comparable facilities meeting the criteria described below. If audited financial statements were prepared, provide audited financial statements. If audited financial statements were not prepared, provide a statement that audited financial statements were not prepared and unaudited annual financial statements.

1. Current Facilities: For comparable facilities currently owned, managed, or being developed, provide the most recent financial statements. If there are more than 2 comparable facilities, please provide financial statements for at least 2 facilities based on the criteria below.

a. A facility that would be representative of the average financial and operating performance based on debt service coverage ratio, days cash on hand, occupancy, and net operating margin; and

b. The facility whose financial and operating performance is the least

**APPLICATION FOR PROVISIONAL CERTIFICATE OF AUTHORITY FOR A CONTINUING CARE PROVIDER**

strong when evaluated on the basis of debt service coverage ratio, days cash on hand, occupancy, and net operating margin.

2. **Previous Facilities:** For comparable facilities previously owned, managed, or developed, provide the financial statements prepared for the last period in which the facility was owned, managed, or being developed by Applicant. If there are more than 2 comparable facilities, please provide financial statements for at least 2 facilities based on the criteria below.

a. A facility that would be representative of the average financial and operating performance based on debt service coverage ratio, days cash on hand, occupancy, and net operating margin; and

b. The facility whose financial and operating performance is the least strong when evaluated on the basis of debt service coverage ratio, days cash on hand, occupancy, and net operating margin.

**Section III-6 Proof of Ownership, Right to Operate, or Manage**

If Applicant is the owner of the proposed facility site, attach a copy of the warranty deed or contract for deed. If the Applicant intends to operate the facility, attach a copy of the proposed operating agreement. If the Applicant intends to manage or employ a management company to manage the facility, attach a copy of the proposed or executed management agreement.

**Section III-7 Feasibility Study**

Submit an independent feasibility study that complies with the requirements of Section 651.022(3), Florida Statutes. The Application Checklist below lists the required components of the feasibility study.

The provider may submit any other information it deems relevant and appropriate to provide to enable the Office to make a more informed determination. If such information is submitted, please provide an explanation of why the additional information is relevant and appropriate to consider in reviewing the application filing.

**Section III-8 Financial Ratio Projections**

Please provide a projected days cash on hand, occupancy, and debt service coverage ratio calculations for the first 5 years of operations. Please explain when the provider anticipates meeting the minimum requirements provided in Sections 651.011(15) and 651.011(25), Florida Statutes. These projections should be consistent with the feasibility study.

**Section III-9 Minimum Liquid Reserve Projections**

Provide a projected calculation of the facility's minimum liquid reserves for the first 5 years of operations broken down by debt service reserve, operating reserve, and renewal and replacement reserve, as well as a description of how Applicant will fund the minimum liquid reserves. These projections should be consistent with the feasibility study.

**Section III-10 Funding Plan and Supporting Documents**

Furnish a Sources and Uses of Funds statement explaining the projects proposed method of financing and disclosing all sources and all uses of funds to be used to develop the project. The statement should describe construction and long-term financing for the facility.

Please provide available documentation regarding the Sources and Uses of Funds statement. This includes financing agreements, commitments, letters of intent to finance, term sheets, or other agreements or similar documents with affiliates, lenders, or underwriters regarding funding for the proposed facility. Please note if the documents are drafts or in final form. Provide executed copies for any agreements that are already in-force. If no such documents exist at this time, please provide a statement that such documentation is not available at this time.

If agreements have not been executed at the time of filing, please provide an explanation of the conditions precedent to the parties executing the various agreements and a timeline of when the agreements are expected to be executed.

Note that the aggregate amount of entrance fees received by or pledged to the Applicant, plus anticipated proceeds from any long-term financing commitment, and funds from all other sources in the actual possession of the Applicant, must equal at least 100% of the aggregate cost of constructing or purchasing, equipping, and furnishing the facility plus 100% of the anticipated startup losses of the facility.

Note that the Office may not approve an application that includes in the plan of financing any encumbrance of the operating reserves or renewal and replacement reserves required by Chapter 651, Florida Statutes.

**Section III-11 Escrow Agreements**

**Form OIR-C1-471**

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Submit draft escrow agreements in compliance with Sections 651.0215, 651.023, 651.033, and 651.035, Florida Statutes. The following escrow agreements should be included:

- Entrance fee escrow agreement
- Seven-day escrow agreement
- Minimum liquid reserve escrow agreements
  - Debt Service Reserve
  - Operating Reserve
  - Renewal and Replacement Reserve

A provider may submit a statement that it intends to deposit its minimum liquid reserves with the Department of Financial Services Bureau of Collateral Management pursuant to Section 651.033(1)(a), Florida Statutes, in lieu of submitting a minimum liquid reserve escrow agreement. If, after licensure, Applicant wishes to establish a minimum liquid reserve escrow account, they may submit an escrow agreement in REFS for review and approval. Escrow accounts may not be established without the prior written approval of the escrow agreement by the Office pursuant to Section 651.033(1)(c), Florida Statutes

Note that if the Applicant will have outstanding indebtedness that requires a debt service reserve to be held in escrow pursuant to a trust indenture or mortgage lien on the facility and for which the debt service reserve may only be used to pay principal and interest payments on the debt that the debtor is obligated to pay, pursuant to Section 651.035(1)(b), Florida Statutes, such an escrow account may be included in the debt service portion of its minimum liquid reserves. Please explain if Applicant will have such a debt service reserve and provide supporting documentation.

After licensure, for such an account to be applied to debt service reserves, the provider must furnish a copy of the agreement under which such debt service is held and a statement of the amount being held in escrow for the debt service reserve certified by the lender or trustee and the provider to be correct.

### **Section III-12 Continuing Care Contracts**

Provide copies of each continuing care contract, reservation agreement, waitlist agreement, and addendum, to be entered into between the Applicant and residents, which must meet the minimum requirements of 651.022, 651.023, 651.055, and 651.061 Florida Statutes. The contracts must include a statement describing the procedures required by law relating to the release of escrowed entrance fees. Such a statement may be furnished through an addendum.

If Applicant will offer personal services or nursing services through written contractual agreement, the contractual agreement to provide personal services or nursing services must be

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disclosed in the contract for continuing care.

Please note that continuing care contracts must be approved by the Office before use. Review and approval of the continuing care contract forms, reservation agreements, and addendums to such agreements is independent of the application process. To begin this review process, contract forms must also be submitted for review through the IRFS portal. Such contracts may be submitted through the portal after the application has been accepted by the Office.

**Section III-13          Contractors, Vendors, Services, and Other Agreements**

Furnish copies of any agreements whereby the Applicant accepts obligations, debts, and encumbrances which would affect the facility.

Submit copies of any contract entered into or to be entered into by the Applicant in relation to marketing, construction, or long-term financing, leases of land or property, or management of the facility and the provision of shelter, food, and health care to residents. For example, management agreements, leases, development agreements, etc.

Please indicate if any person whose name is required to be provided in this application pursuant to Section 651.022(2)(b)1.-10., Florida Statutes, owns any interest in or receives any remuneration from, directly or indirectly, any professional service firm, association, trust, partnership, or corporation providing goods, leases, or services to the facility for which the application is made, with a real or anticipated value of \$10,000 USD or more.

If so, provide the name and address of the professional service firm, association, trust, partnership, or corporation in which such interest is held; describe such goods, leases, or services, the probable cost to the facility or provider; and why such goods, leases, or services should not be purchased from an independent entity. Explain whether the contract or arrangement is the result of arms-length negotiations, a bid, or otherwise. If no person meets these conditions, please provide a statement to that effect.

Additionally, furnish copies of any other agreements referenced in this filing.

**Section III-14          Advertisements**

Furnish the form of any advertisement or other written material proposed to be used in the solicitation of residents.

**SECTION IV - MANAGEMENT**

**Section IV-1          Management Information Forms**

**Form OIR-C1-471  
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Please submit Management Information Forms fully describing the management, ownership, and control of Applicant up to and including any 10% or greater shareholders of the ultimate parent. A Management Information Form should be submitted for each entity in the ownership chain.

Forms should contain the first, middle, and last name of each officer, director, and 10% or greater owner of the entity named on the form. The Management Information Form is included in the packet.

**Section IV-2            Biographical Affidavits as to Officers, Directors, and Shareholders**

Provide a National Association of Insurance Commissioners (“NAIC”) Biographical Affidavit (NAIC Form 11) for each officer, director, and shareholder listed in Section IV-1. Applicant may omit officers, directors, and shareholders of those companies in the organizational structure between the immediate parent and the ultimate parent. Please note that if an individual has a Biographical Affidavit on file with the Office, and the Biographical Affidavit was signed and notarized within 2 years of the date of the Application being filed, a Biographical Affidavit need not be submitted for that individual.

All questions must be answered. All “Yes” answers must be explained. Please note Item 8 of the NAIC Biographical Affidavit requires 20 years of employment history.

Each Biographical Affidavit must be signed and notarized.

The affiant’s social security number must be submitted to the Office. Section 119.071(5), Florida Statutes, gives authority for an agency to collect social security numbers if imperative for the performance of that agency’s duties and responsibilities as prescribed by law. Limited collection of social security numbers is imperative for the Office to insure that the owners, management, officers, and directors of entities regulated by the Office are competent and trustworthy, possess financial standing and business experience, and have not been found guilty of, or not pleaded guilty or nolo contendere to, any felony or crime punishable by imprisonment of one year.

However, pursuant to Section 119.071(5), Florida Statutes, social security numbers collected by an agency are confidential and exempt from Section 119.07(1), Florida Statutes, and Section 24(a), Art. I of the State Constitution, and must be segregated on a separate page. Therefore, please include the affiant’s name and social security number on the separate page marked CONFIDENTIAL and provided in this packet, and attach that page to the NAIC Biographical Affidavit (NAIC Form 11) that is also included in this packet.

**Section IV-3            Background Investigative Report**

A Background Investigative Report must be provided for each person for whom a Biographical Affidavit is required, as described above. Background reports must be submitted by an approved background investigation vendor directly to the Office. Attach proof of payment confirming that all

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background reports have been ordered when submitting the application. Please refer to Form OIR-C1-905, Instructions for Furnishing Background Investigative Reports, included in this packet.

**Section IV-4      Fingerprint Cards**

Fingerprint cards must be provided to the Office for each person for whom a Biographical Affidavit is required. Please refer to Form OIR-C1-938, Fingerprint Payment and Submission Procedure, for instructions. If an individual has submitted a fingerprint card dated within 5 years of the date of the Application filing, a fingerprint card need not be submitted for that individual.

**CHECKLIST**

Applicant

Name:

\_\_\_\_\_

Federal Identification Number: \_\_\_\_\_

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Home \_\_\_\_\_ Office \_\_\_\_\_ Address: \_\_\_\_\_  
(Street Address) (City) (State) (Zip Code)

Phone Number: \_\_\_\_\_

**Please complete and check off all items prior to submission. Applicant should provide an explanation for any items that have not been checked off and submitted.**

Please note that if any material change occurs in the facts set forth in this application while it is pending before the Office, an amendment setting forth such change must be filed with the Office within 10 business days after the Applicant becomes aware of such change, and a copy of the amendment must be sent by registered mail to the principal office of the facility and to the principal office of the controlling company. Submit copies of the registered mail return receipts when filing with the Office.

**SECTION I – APPLICATION FORM AND FEES**

- 1. Application fee paid
  - a. Copy of invoice included
  - b. Copy of check
- 2. All fingerprint fees paid electronically
  - a. Copies of online payment confirmation

**CHECKLIST**

**SECTION II - LEGAL**

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**APPLICATION FOR PROVISIONAL CERTIFICATE OF AUTHORITY FOR A CONTINUING CARE PROVIDER**

- 1. Authorization Letter
- 2. Organizational Documents
  - a. Certified by the Secretary of State (if applicable)
- 3. Bylaws (or equivalent document)
  - a. Certified by corporate Secretary
- 4. Certificate of Status
- 5. Fictitious Name Filing (if applicable)
- 6. Parent Companies and Controlling Partners
  - a. Organizational Documents
    - i. Certified by the Secretary of State (if applicable)
    - b. Bylaws
      - ii. Certified by corporate Secretary
    - c. Certificates of Status
    - d. Fictitious Name Filings (if applicable)
- 7. Organizational Charts
  - a. Complete charts showing all parent, holding, affiliate, and subsidiary companies
  - b. With ownership percentages
- 8. Service of Process Form

**CHECKLIST**

**SECTION III – FINANCIAL**

**APPLICATION FOR PROVISIONAL CERTIFICATE OF AUTHORITY FOR A CONTINUING CARE PROVIDER**

- 1. Plan of Operations
- 2. Interrogatories, Exhibit III-2
- 3. Quarterly Financial Statements
  - a. Applicant's most recent unaudited quarterly financial statements
  - b. Most recent unaudited quarterly financial statements for affiliate or controlling company, if required (see directions in III-3)
- 4. Annual Financial Statements
  - a. Applicant's most recent annual financial statements, audited if available
  - b. Most recent annual financial statements or audit for affiliate or controlling company, if required (see directions in III-4)
- 5. Applicant's History in the Industry
  - a. Brief history of the company since its incorporation
  - b. History in Florida
  - c. Management experience of individuals
  - d. Experience of controlling companies and management companies
  - e. Detailed listing of continuing care experience
  - f. Audited financial reports of comparable facilities
- 6. Proof of Ownership, Right to Operate, or Manage
  
- 7. Feasibility Study

**APPLICATION FOR PROVISIONAL CERTIFICATE OF AUTHORITY FOR A CONTINUING CARE PROVIDER**

**a.** Indicate the page number where each of the following required elements is located within the feasibility study:

A description of the proposed facility, including:

- The location pg \_\_\_\_\_
- The size pg \_\_\_\_\_
- The healthcare delivery system pg \_\_\_\_\_
- Anticipated completion date pg \_\_\_\_\_
- Proposed construction program pg \_\_\_\_\_
- The primary market area pg \_\_\_\_\_
- The secondary market area, if applicable pg \_\_\_\_\_
- Projected unit sales per month pg \_\_\_\_\_
- Projected revenues, including: pg \_\_\_\_\_
  - Anticipated entrance fees pg \_\_\_\_\_
  - Monthly service fees pg \_\_\_\_\_
  - Nursing care revenues, if applicable pg \_\_\_\_\_
  - Other sources of revenue pg \_\_\_\_\_
- Projected expenses, including: pg \_\_\_\_\_
  - Staffing requirements and salaries pg \_\_\_\_\_
  - Cost of property, plant, and equipment pg \_\_\_\_\_
  - Depreciation expense pg \_\_\_\_\_
  - Interest expense pg \_\_\_\_\_
  - Marketing expense pg \_\_\_\_\_
  - Other operating expense pg \_\_\_\_\_
- Projected balance sheet of the Applicant pg \_\_\_\_\_
- Expectations for the financial condition of the project, including: pg \_\_\_\_\_
  - Projected cash flow statement pg \_\_\_\_\_
  - Estimate of funds necessary to cover startup losses pg \_\_\_\_\_
- Inflation factor, if any, and a statement of how and where it is applied pg \_\_\_\_\_
- Project costs pg \_\_\_\_\_
- Total amount of debt financing required pg \_\_\_\_\_

- Marketing activities, including: pg \_\_\_\_\_
  - Marketing projections pg \_\_\_\_\_

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Resident rates, fees, and charges pg \_\_\_\_\_  
The breakeven point pg \_\_\_\_\_  
The competition pg \_\_\_\_\_  
Resident contract provisions, including: pg \_\_\_\_\_  
    The projected amount of contractual liability attributable to refundable contracts pg \_\_\_\_\_  
Any other factors that may affect the feasibility of the facility pg \_\_\_\_\_  
Appropriate population projections, including: pg \_\_\_\_\_  
    Morbidity assumptions pg \_\_\_\_\_  
    Mortality assumptions pg \_\_\_\_\_  
Any other assumptions used in the study pg \_\_\_\_\_  
The name of the person who prepared the feasibility study and their experience  
in preparing similar studies or otherwise consulting in the field of continuing care pg \_\_\_\_\_

In addition to the list above, any other information that the Applicant deems relevant and appropriate to enable the Office to make a more informed determination may be included in the feasibility study.

- 8.** Financial Ratio Projections
  - a.** Days cash on hand
  - b.** Debt service coverage ratio
  - c.** Occupancy
- 9.** Minimum Liquid Reserve Projections
  - a.** Debt Service Reserve
  - b.** Operating Reserve
  - c.** Renewal and Replacement Reserve
- 10.** Funding Plan and Supporting Documents
  - a.** Sources and Uses of Funds
  - b.** Financing agreements
  - c.** Bond documents (if applicable)
- 11.** Escrow Agreements
  - a.** Entrance fee escrow agreement

**APPLICATION FOR PROVISIONAL CERTIFICATE OF AUTHORITY FOR A CONTINUING CARE PROVIDER**

- b.** Seven-day escrow agreement
- c.** Minimum liquid reserve escrow agreements
  - i.** Debt Service Reserve
  - ii.** Operating Reserve
  - iii.** Renewal and Replacement Reserve
- 12.** Continuing Care Contracts
  - a.** Continuing care contracts
  - b.** Reservation agreements
  - c.** Waitlist agreements
  - d.** Addendums
- 13.** Contractors, Vendors, Services, and Other Agreements
  - a.** Marketing agreements
  - b.** Development or construction contracts
  - c.** Construction or long-term financing agreements
  - d.** Leases of land or property
  - e.** Management agreements
  - f.** Contracts related to the provision of the following to residents
    - i.** Shelter
    - ii.** Food
    - iii.** Health care to residents
  - g.** Affiliated contracts pursuant to Section 651.022(2)(b)8., Florida Statutes
- 14.** Advertisements

**CHECKLIST**

**SECTION IV – MANAGEMENT**

**APPLICATION FOR PROVISIONAL CERTIFICATE OF AUTHORITY FOR A CONTINUING CARE PROVIDER**

- 1. Management Information Forms submitted for all required entities
- 2. Biographical affidavits submitted for all required individuals
  - a. All information completed (no blanks)
  - b. "Yes" answers explained
  - c. Signed
  - d. Notarized
- 3. Background investigative reports for all required individuals. The reports must be based on the Biographical Affidavits submitted to the Office with this Application
  - a. Proof of order and confirmation of payment submitted to the Office
- 4. Fingerprint cards for all required individuals
  - a. All information completed (no blanks)
  - b. Signed

**EXHIBIT III-2**

INTERROGATORIES

1. The Applicant is:

Applicant Name: \_\_\_\_\_

Federal Identification Number: \_\_\_\_\_

Home Office Address: \_\_\_\_\_  
(Street Address) (City) (State) (Zip Code)

Phone Number: \_\_\_\_\_

2. The contact person for the Applicant is:

Name: \_\_\_\_\_

Employer: \_\_\_\_\_

Address: \_\_\_\_\_  
(Street Address) (City) (State) (Zip Code)

Phone Number: \_\_\_\_\_

Email Address: \_\_\_\_\_

3. The continuing care facility that is the subject of this application is:

Facility Name: \_\_\_\_\_

Address: \_\_\_\_\_  
(Street Address) (City) (State) (Zip Code)

4. The number and type of units at the proposed facility is as follows:

- \_\_\_\_\_ Independent living units
- \_\_\_\_\_ Assisted living units
- \_\_\_\_\_ Sheltered skilled nursing beds
- \_\_\_\_\_ Community skilled nursing beds
- \_\_\_\_\_ Rental units
- \_\_\_\_\_ Total units

5. Health care will be provided:

**APPLICATION FOR PROVISIONAL CERTIFICATE OF AUTHORITY FOR A CONTINUING CARE PROVIDER**

- \_\_\_\_\_ by the Applicant
- \_\_\_\_\_ by an affiliate, pursuant to contract
- \_\_\_\_\_ by a third-party, pursuant to contract

6. Health care will be provided (check one):

- \_\_\_\_\_ on-site
- \_\_\_\_\_ off-site

7. The assisted living or skilled nursing facilities proposed to provide care to residents are:

Facility Name: \_\_\_\_\_

Address: \_\_\_\_\_  
(Street Address) (City) (State) (Zip Code)

Facility Name: \_\_\_\_\_

Address: \_\_\_\_\_  
(Street Address) (City) (State) (Zip Code)

8. Identify the entity that has or will apply for the proposed nursing bed "Certificate of Need" with the Florida Agency for Health Care Administration:

Provider Name: \_\_\_\_\_

Address \_\_\_\_\_  
(Street Address) (City) (State) (Zip Code)

9. The total number of sheltered skilled nursing beds proposed is: \_\_\_\_\_.

10. The total number of community skilled nursing beds proposed is: \_\_\_\_\_.

11. Will the Applicant own or lease the facility?

- \_\_\_\_\_ own
- \_\_\_\_\_ lease

12. Will the Applicant employ a management company to operate the facility?

- \_\_\_\_\_ yes
- \_\_\_\_\_ no

If yes, submit a copy of the agreement, which must comply with Section 651.1151, Florida Statutes, in Section III-13. Submit the information required in Section IV – Management, for the management company, including complete biographical information for all owners, officers, and directors of the management company.

13. Pursuant to Section 651.022(2)(b), Florida Statutes, please attach a listing the full names,



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residences, and business addresses of each of the following:

- a. The proprietor, if the Applicant or provider is an individual.
- b. Every partner or member, if the Applicant or provider is a partnership or other unincorporated association, however organized, having fewer than 50 partners or members, together with the business name and address of the partnership or other organization.
- c. The principal partners or members, if the Applicant or provider is a partnership or other unincorporated association, however organized, having 50 or more partners or members, together with the business name and business address of the partnership or other organization. If such unincorporated organization has officers and a board of directors, the full name and business address of each officer and director may be set forth in lieu of the full name and business address of its principal members.
- d. The corporation and each officer and director thereof, if the Applicant or provider is a corporation.
- e. Every trustee and officer, if the Applicant or provider is a trust.
- f. The manager, whether an individual, corporation, partnership, or association.
- g. Any stockholder holding at least a 10% interest in the operations of the facility in which the care is to be offered.
- h. Any person whose name is required to be provided in the application under this paragraph and who owns any interest in or receives any remuneration from, directly or indirectly, any professional service firm, association, trust, partnership, or corporation providing goods, leases, or services to the facility for which the application is made, with a real or anticipated value of \$10,000 or more, and the name and address of the professional service firm, association, trust, partnership, or corporation in which such interest is held. The Applicant shall describe such goods, leases, or services and the probable cost to the facility or provider and shall describe why such goods, leases, or services should not be purchased from an independent entity.
- i. Any person, corporation, partnership, association, or trust owning land or property leased to the facility, along with a copy of the lease agreement.
- j. Any affiliated parent or subsidiary corporation or partnership.

**APPLICATION FOR PROVISIONAL CERTIFICATE OF AUTHORITY FOR A CONTINUING CARE PROVIDER**

**14.** Has any person identified in the listing required by question 10 above, the administrator of the facility, the manager of the facility, or any such person living in the same location:

**a.** Been convicted of a felony or pleaded nolo contendere to a felony charge, been held liable or enjoined in a civil action by final judgement, if the felony or civil action involved fraud, embezzlement, fraudulent conversion, or misappropriation of property?

\_\_\_\_\_ yes  
\_\_\_\_\_ no

**b.** Is such a proceeding currently pending?

\_\_\_\_\_ yes  
\_\_\_\_\_ no

**c.** If so, provide a certified copy of the complaint and the final adjudication by the recording public official.

**15.** Has any person identified in the listing required by question 10 above, the administrator of the facility, the manager of the facility, or any such person living in the same location:

**a.** Subject to a currently effective injunctive or restrictive order or federal or state administrative order relating to business activity or health care as a result of an action brought by a public agency or department, including, without limitation, an action affecting a license under Chapters 400 or 429, Florida Statutes?

\_\_\_\_\_ yes  
\_\_\_\_\_ no

**b.** If so, provide a certified copy of the complaint and the final adjudication by the recording public official.

**16.** The Applicant's fiscal year-end is: \_\_\_\_\_.

**APPLICATION CERTIFICATION**

**The below certification must be executed by two officers of Applicant, one of whom must be the President or Chief Financial Officer, and the other the Secretary.\***

The undersigned state that they are officers having personal knowledge of this application submitted to the Florida Office of Insurance Regulation by \_\_\_\_\_ (“Applicant”), that they have read said application, and that they know the contents thereof and verify that the items indicated in the application checklist are true and complete to the best of their knowledge and have been submitted with the application. The undersigned represent that they have the authority to bind the Applicant, and that by their signatures on the instrument, the Applicant on behalf of which they have acted executed the instrument.

I understand that whoever knowingly makes a false statement in writing with the intent to mislead a public servant in the performance of his or her official duties is guilty of a misdemeanor of the second degree, pursuant to Section 837.06, Florida Statutes, punishable as provided in Section 775.082 or Section 775.083, Florida Statutes.

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

\*Other officers, or similar persons with the authority to bind Applicant, will be accepted only if the Applicant does not have

**APPLICATION FOR PROVISIONAL CERTIFICATE OF AUTHORITY FOR A CONTINUING CARE PROVIDER**

these positions.

**INVOICE**

NAME OF COMPANY: \_\_\_\_\_

FEIN: \_\_\_\_\_

ADDRESS: \_\_\_\_\_

CITY, STATE & ZIP CODE: \_\_\_\_\_

PHONE NUMBER: \_\_\_\_\_

ADDRESS (IF DIFFERENT FROM COMPANY ADDRESS)

\_\_\_\_\_

\_\_\_\_\_

(CITY)

(STATE)

(ZIP CODE)

1. Make payable to the Department of Financial Services and mail check and invoice only to the Department of Financial Services, Bureau of Financial Services, P.O. Box 6100, Tallahassee, Florida 32314-6100.
2. Include a copy of the check and invoice with the application filing submitted electronically via iApply.

TYPE: 12 CLASS: 26 Filing Fee: \$50



## **Florida Office of Insurance Regulation**

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### **APPLICATION FOR CERTIFICATE OF AUTHORITY FOR A CONTINUING CARE PROVIDER**

This packet is designed to assist individuals in preparing the application in accordance with Florida Statutes and Rules and to facilitate expeditious processing of the application by the Florida Office of Insurance Regulation ("Office").

Please submit all documents required by this packet in searchable PDF format unless otherwise indicated or required by Florida Statutes.

If this packet requires submission of forms or rates, upon receipt of an email notification of acceptance of the application, the Applicant is directed to return to the Industry Portal <http://www.floir.com/iportal> and select "Form & Rate Filing Assembly and Submission" to begin the submission of forms and/or rates.

In order for a submission to be considered a complete application, all required information must be included in the filing, including the completed application checklist.

The completed application packet must be submitted to the Office by selecting iApply – Online Company Admissions at the following link:

**<http://www.floir.com/iportal>**

Any questions concerning this application packet or iApply for Life and Health applicants may be directed to [lhappcoord@floir.com](mailto:lhappcoord@floir.com). Property and Casualty applicants are directed to [pcappcoord@floir.com](mailto:pcappcoord@floir.com).

**APPLICATION FOR CERTIFICATE OF AUTHORITY FOR A CONTINUING CARE PROVIDER**

**INSTRUCTIONS**

**SECTION I - APPLICATION FEES**

**Section I-1          Application Fees**

Applicant must pay the application fee of \$75 U.S. Dollars (“USD”) pursuant to Section 651.015(2)(a), Florida Statutes. This fee is due at the time the application packet is filed and is not refundable.

Secure your check to the Invoice in this application and mail to:

Department of Financial Services  
Bureau of Financial Services  
Post Office Box 6100  
Tallahassee, Florida 32314-6100

Include copies of the completed Invoice and check with your application filing submitted via iApply. This procedure will expedite the processing of your application and assure a timely recording of the fee payment.

**Section I-2          Fingerprint Processing Fees**

Applicants are required to pay a fee for the processing of the fingerprint cards required in Section IV-4. Please see Form OIR-C1-938, Fingerprint Payment and Submission Procedure, for instructions.

# APPLICATION FOR CERTIFICATE OF AUTHORITY FOR A CONTINUING CARE PROVIDER

## SECTION II – LEGAL

### **Section II-1**      **Authorization Letter**

Provide a letter of authorization for anyone other than company personnel or the company-sponsoring agent, designating the named individual to represent the Applicant.

### **Section II-2**      **Certificate of Status**

Submit a certificate of status dated within the last year. A certificate of status is a document issued by the public official having supervision of the records of corporations in the Applicant's home state or jurisdiction of domicile, usually the Secretary of State or equivalent office, that shows the company is duly organized in the state or jurisdiction of domicile and that all taxes and fees have been paid.

### **Section II-3**      **Changes to Any Previously Submitted Legal Documents**

If there have been any revisions, amendments, or other changes to the Section II – Legal documents filed with the Provisional Certificate of Authority (“PCOA”) application (Form OIR-A3-471) please submit the revised documents or amendments. If the revised documents or amendments required certification in the PCOA application, a properly certified document or amendment should be provided. If none of the documents provided with the PCOA application have been revised, amended, or otherwise changed, submit a statement that there have been no revisions, amendments, or other changes to the Section II – Legal documents provided with the PCOA application and that there are no new documents to submit.

# APPLICATION FOR CERTIFICATE OF AUTHORITY FOR A CONTINUING CARE PROVIDER

## SECTION III - FINANCIAL

### **Section III-1**      **Feasibility Study**

Submit an independent feasibility study that complies with the requirements of Section 651.023(1)(b), Florida Statutes. The Application Checklist below lists the required components of the feasibility study.

The provider may submit any other information it deems relevant and appropriate to enable the Office to make a more informed determination. If such information is submitted, please provide an explanation of why the additional information is relevant and appropriate for the Office to consider in reviewing the application filing.

### **Section II-2**      **Changes to Any Previously Submitted Financial Documents**

If there have been any revisions, amendments, or other changes to the Section III – Financial documents filed with the Provisional Certificate of Authority (“PCOA”) application (Form OIR-A3-471) please submit the revised documents or amendments. If none of the documents provided with the PCOA application have been revised, amended, or otherwise changed, submit a statement that there have been no revisions, amendments, or other changes to the Section III – Financial documents provided with the PCOA application and that there are no new documents to submit.

### **Section III-3**      **Financing Plan Documentation**

Submit documents evidencing that commitments have been secured for both construction financing and long-term financing, or that a documented plan acceptable to the Office has been adopted by the Applicant for long-term financing.

Please provide financing agreements, commitments, letters of intent to finance, term sheets, or other agreements or similar documents with affiliates, lenders, or underwriters that describe the proposed plan for the financing and funding plan for the proposed facility. Please note if the documents are drafts or in final form. Provide executed copies for any agreements that are already in-force.

If agreements have not been executed at the time of filing, please provide an explanation of the conditions precedent to the parties executing each agreement and a timeline of when the agreements are expected to be executed.

If bonds are to be issued in connection with the project, submit the official statement used in connection with the proposed bond issue, a copy of the bond indenture, and a sample form of the bond. Submit drafts if final versions are not yet available. The final documents will be due to the Office within 30 days after the bonds are issued.

**Form OIR-C1-473**  
**Rev.: 11/19**  
**Rule 69O-193.003**



## APPLICATION FOR CERTIFICATE OF AUTHORITY FOR A CONTINUING CARE PROVIDER

### **Section III-4          Satisfaction of Lending Conditions**

For projects financed in whole or part by one or more lenders, whether affiliated or third-party, submit documentation from the lender(s) that all conditions of the lender have been satisfied to activate the commitment to disburse funds. The lender should explain any other conditions precedent to the disbursement of funds. This requirement does not apply to projects financed by public bond issue.

### **Section III-5          Sufficiency of Funds**

Submit documents evidencing that the aggregate amount of entrance fees received by or pledged to the Applicant, plus anticipated proceeds from any long-term financing commitment, plus funds from all other sources in the actual possession of the Applicant, equal at least 100% of the aggregate cost of construction or purchasing, equipping, and furnishing the facility plus 100% of the anticipated startup losses of the facility.

Submit documents evidencing that Applicant will be able to comply with the minimum liquid reserve requirements of Section 651.035, Florida Statutes.

### **Section III-6          Audited Annual Financial Statements**

Submit a complete audited financial report of the Applicant, prepared by an independent certified public accountant in accordance with generally accepted accounting principles, as of the date the Applicant commenced business operations or for the fiscal year that ended immediately preceding the date of the application, whichever is later.

If Applicant relies on funding from an affiliate or controlling company, provide the most recent annual financial statements or audit for that entity as well.

### **Section III-7          Unaudited Quarterly Financial Statements**

Submit complete unaudited quarterly financial statements attested to by the Applicant for each quarter after the date of the last audit.

### **Section III-8          Escrow Statements**

Submit documents evidencing that the Applicant has complied with the escrow requirements of Section 651.023(5), Florida Statutes, and will be able to comply with Section 651.035, Florida Statutes. Statements should be dated within 1 month of the filing date of the Application.

## APPLICATION FOR CERTIFICATE OF AUTHORITY FOR A CONTINUING CARE PROVIDER

### **Section III-9          Reservation Deposit Requirement**

Submit documentation evidencing that the project has a minimum of 30% of the units reserved for which the provider is charging an entrance fee. The Office may not issue a Certificate of Authority until it has received documentation evidencing that a minimum of 50% of the units have been reserved.

In order for a unit to be considered reserved, the provider must collect a minimum deposit of the lesser of \$40,000 USD or 10% of the then-current entrance fee for that unit. Initial entrance fee means the total entrance fee charged by the facility to the first occupant of a unit.

As evidence of meeting the reservation deposit requirement, please submit a schedule detailing each unit reservation. For each reservation, the schedule should include the name(s) of the payor or resident(s), the unit being reserved, the price of the care contract, and the amount of money paid, and the date the reservation contract was executed. The schedule should also include the percentage of units that have been reserved.

The schedule should be supported by one or more entrance fee escrow statement(s) submitted as part of Applicant's response to Section III-8. The entrance fee escrow statement(s) need not include every item detailed in the schedule, but should provide enough detail for the Office to substantiate the accuracy of the schedule. For example, the escrow statement may include the amount of funds in escrow broken down by the name(s) of the payor or resident(s) or unit number. If the statement issued by the escrow agent is not sufficient to verify the individual reservations submitted in the schedule, Applicant may submit other documentation providing sufficient detail that is certified by the escrow agent to be true and correct.

# APPLICATION FOR CERTIFICATE OF AUTHORITY FOR A CONTINUING CARE PROVIDER

## SECTION IV - MANAGEMENT

### **Section IV-1 Management Information Forms**

Please submit Management Information Forms fully describing the management, ownership, and control of Applicant up to and including any 10% or greater shareholders of the ultimate parent. A Management Information Form should be submitted for each entity in the ownership chain.

Forms should contain the first, middle, and last name of each officer, director, and 10% or greater owner of the entity named on the form. The Management Information Form is included in the packet.

### **Section IV-2 Biographical Affidavits as to Officers, Directors, and Shareholders**

Provide a National Association of Insurance Commissioners (“NAIC”) Biographical Affidavit (NAIC Form 11) for each officer, director, and shareholder listed in Section IV-1. Applicant may omit officers, directors, and shareholders of those companies in the organizational structure between the immediate parent and the ultimate parent. Please note that if an individual has a Biographical Affidavit on file with the Office, and the Biographical Affidavit was signed and notarized within 2 years of the date of the Application being filed, a Biographical Affidavit need not be submitted for that individual.

All questions must be answered. All “Yes” answers must be explained. Please note Item 8 of the NAIC Biographical Affidavit requires 20 years of employment history.

Each Biographical Affidavit must be signed and notarized.

The affiant’s social security number must be submitted to the Office. Section 119.071(5), Florida Statutes, gives authority for an agency to collect social security numbers if imperative for the performance of that agency’s duties and responsibilities as prescribed by law. Limited collection of social security numbers is imperative for the Office to insure that the owners, management, officers, and directors of entities regulated by the Office are competent and trustworthy, possess financial standing and business experience, and have not been found guilty of, or not pleaded guilty or nolo contendere to, any felony or crime punishable by imprisonment of one year.

However, pursuant to Section 119.071(5), Florida Statutes, social security numbers collected by an agency are confidential and exempt from Section 119.07(1), Florida Statutes, and Section 24(a), Art. I of the State Constitution, and must be segregated on a separate page. Therefore, please include the affiant’s name and social security number on the separate page marked CONFIDENTIAL and provided in this packet, and attach that page to the NAIC Biographical Affidavit (NAIC Form 11) that is also included in this packet.

**Form OIR-C1-473**  
**Rev.: 11/19**  
**Rule 69O-193.003**

## APPLICATION FOR CERTIFICATE OF AUTHORITY FOR A CONTINUING CARE PROVIDER

### **Section IV-3          Background Investigative Report**

A Background Investigative Report must be provided for each person for whom a Biographical Affidavit is required, as described above. Background reports must be submitted by an approved background investigation vendor directly to the Office. Attach proof of payment confirming that all background reports have been ordered when submitting the application. Please refer to Form OIR-C1-905, Instructions for Furnishing Background Investigative Reports, included in this packet.

### **Section IV-4          Fingerprint Cards**

Fingerprint cards must be provided to the Office for each person for whom a Biographical Affidavit is required. Please refer to Form OIR-C1-938, Fingerprint Payment and Submission Procedure, for instructions. If an individual has submitted a fingerprint card dated within 5 years of the date of the Application filing, a fingerprint card need not be submitted for that individual.

**APPLICATION FOR CERTIFICATE OF AUTHORITY FOR A CONTINUING CARE PROVIDER**

**CHECKLIST**

Applicant \_\_\_\_\_ Name: \_\_\_\_\_

Federal Identification Number: \_\_\_\_\_

Home \_\_\_\_\_ Office \_\_\_\_\_ Address: \_\_\_\_\_  
(Street Address) (City) (State) (Zip Code)

Phone Number: \_\_\_\_\_

**Please complete and check off all items prior to submission. Applicant should provide an explanation for any items that have not been checked off and submitted.**

Please note that if any material change occurs in the facts set forth in this application while it is pending before the Office, an amendment setting forth such change must be filed with the Office within 10 business days after the Applicant becomes aware of such change, and a copy of the amendment must be sent by registered mail to the principal office of the facility and to the principal office of the controlling company. Submit copies of the registered mail return receipts when filing with the Office.

**SECTION I – APPLICATION FORM AND FEES**

- 1. Application fee paid
  - a. Copy of invoice included
  - b. Copy of check
- 2. All fingerprint fees paid electronically
  - a. Copies of online payment confirmation

# APPLICATION FOR CERTIFICATE OF AUTHORITY FOR A CONTINUING CARE PROVIDER

## CHECKLIST

### SECTION II – LEGAL

- 1. Authorization Letter
- 2. Certificate of Status
- 3. Updates or amendments to any previously submitted legal documents, or statement of no changes made and no documents to submit

#### Legal Documents Previously Submitted with PCOA Application (for reference):

- a. Organizational Documents
  - i. Certified by the Secretary of State (if applicable)
- b. Bylaws
  - i. Certified by corporate Secretary
- c. Certificate of Status
- d. Fictitious Name Filing (if applicable)
- e. Parent Companies and Controlling Partners
  - i. Organizational Documents
    - Certified by the Secretary of State (if applicable)
  - ii. Bylaws
    - Certified by corporate Secretary
  - iii. Certificate of Status
  - iv. Fictitious Name Filing (if applicable)
  - v. Organizational Charts
    - With ownership percentages
- f. Service of Process Form

APPLICATION FOR CERTIFICATE OF AUTHORITY FOR A CONTINUING CARE PROVIDER

CHECKLIST

SECTION III – FINANCIAL

- 1. Feasibility Study
- a. Prepared by an independent certified public accountant or an independent consulting actuary
- b. Indicate the page number where each of the following required elements is located within the feasibility study:

A description of the proposed facility, including:

- The location pg \_\_\_\_\_
- The size pg \_\_\_\_\_
- The healthcare delivery system pg \_\_\_\_\_
- Anticipated completion date pg \_\_\_\_\_
- Proposed construction program pg \_\_\_\_\_
- The primary market area pg \_\_\_\_\_
- The secondary market area, if applicable pg \_\_\_\_\_
- Projected unit sales per month pg \_\_\_\_\_
- Projected revenues, including: pg \_\_\_\_\_
  - Anticipated entrance fees pg \_\_\_\_\_
  - Monthly service fees pg \_\_\_\_\_
  - Nursing care revenues, if applicable pg \_\_\_\_\_
  - Other sources of revenue pg \_\_\_\_\_
- Projected expenses, including: pg \_\_\_\_\_
  - Staffing requirements and salaries pg \_\_\_\_\_
  - Cost of property, plant, and equipment pg \_\_\_\_\_
  - Depreciation expense pg \_\_\_\_\_
  - Interest expense pg \_\_\_\_\_
  - Marketing expense pg \_\_\_\_\_
  - Other operating expense pg \_\_\_\_\_
- Projected balance sheet of the Applicant pg \_\_\_\_\_
- Expectations for the financial condition of the project, including: pg \_\_\_\_\_
  - Projected cash flow statement pg \_\_\_\_\_
  - Estimate of funds necessary to cover startup losses pg \_\_\_\_\_

**Form OIR-C1-473**  
**Rev.: 11/19**  
**Rule 69O-193.003**

**APPLICATION FOR CERTIFICATE OF AUTHORITY FOR A CONTINUING CARE PROVIDER**

Inflation factor, if any, and a statement of how and where it is applied pg \_\_\_\_\_

Project costs pg \_\_\_\_\_

Total amount of debt financing required pg \_\_\_\_\_

Marketing activities, including: pg \_\_\_\_\_

    Actual marketing results to date pg \_\_\_\_\_

    Marketing projections pg \_\_\_\_\_

Resident rates, fees, and charges pg \_\_\_\_\_

The breakeven point pg \_\_\_\_\_

The competition pg \_\_\_\_\_

Resident contract provisions, including: pg \_\_\_\_\_

    The projected amount of contractual liability attributable to refundable contracts pg \_\_\_\_\_

Any other factors that may affect the feasibility of the facility pg \_\_\_\_\_

Appropriate population projections, including: pg \_\_\_\_\_

    Morbidity assumptions pg \_\_\_\_\_

    Mortality assumptions pg \_\_\_\_\_

Any other assumptions used in the study pg \_\_\_\_\_

The name of the person who prepared the feasibility study and their experience in preparing similar studies or otherwise consulting in the field of continuing care pg \_\_\_\_\_

Financial forecasts or projections prepared in accordance with standards adopted by the American Institute of Certified Public Accountants or in accordance with standards for feasibility studies for continuing care retirement communities adopted by the Actuarial Standards Board pg \_\_\_\_\_

If the study is prepared by an independent certified public accountant, it must contain an examination opinion or a compilation report containing a financial forecast or projections for the first 5 years of operations which take into account an actuary’s mortality and morbidity assumptions as the study relates to turnover, rates, fees, and charges. pg \_\_\_\_\_



## APPLICATION FOR CERTIFICATE OF AUTHORITY FOR A CONTINUING CARE PROVIDER

If the study is prepared by an independent consulting actuary, it must contain mortality and morbidity assumptions as the study relates to turnover, rates, fees, and charges and an actuary's signed opinion that the project as proposed is feasible and that the study has been prepared in accordance with standards adopted by the American Academy of Actuaries.

pg \_\_\_\_\_

In addition to the list above, any other information that the Applicant deems relevant and appropriate to enable the Office to make a more informed determination may be included in the feasibility study.

2. Updates of amendments to any previously submitted financial documents, or statements of no changes made and no documents to submit

### Financial Documents Previously Submitted with PCOA Application (for reference):

- a. Plan of Operation
- b. Interrogatories
- c. Applicant's History in the Industry
  - i. Brief history of the company since its incorporation.
  - ii. History in Florida
  - iii. Management experience of individuals
  - iv. Experience of controlling company and management company
  - v. Detailed listing of continuing care experience
  - vi. Audited financial reports of comparable facilities
- d. Proof of Ownership, Right to Operate, or Manage
- e. Financial Ratio Projections
  - i. Days cash on hand
  - ii. Occupancy
  - iii. Debt service coverage ratio
- f. Minimum Liquid Reserve Projections
  - i. Debt Service Reserve
  - ii. Operating Reserve
  - iii. Renewal and Replacement Reserve
- g. Escrow Agreements
  - i. Entrance fee escrow agreement
  - ii. Seven-day escrow agreement
  - iii. Minimum liquid reserve escrow agreements
    - 1. Debt Service Reserve
    - 2. Operating Reserve
    - 3. Renewal and Replacement Reserve

**APPLICATION FOR CERTIFICATE OF AUTHORITY FOR A CONTINUING CARE PROVIDER**

- h. Continuing Care Contracts**
  - i. Continuing care contracts**
  - ii. Reservation agreements**
  - iii. Waitlist agreements**
  - iv. Addendums**
- i. Contractors, Vendors, Services, and Other Agreements**
  - i. Marketing agreements**
  - ii. Development or construction contracts**
  - iii. Construction or long-term financing agreements**
  - iv. Leases of land or property**
  - v. Management agreements**
  - vi. Contracts related to the provision of the following to residents**
    - 1. Shelter
    - 2. Food
    - 3. Health care to residents
  - vii. Affiliated contracts pursuant to Section 651.022(2)(b)8., Florida Statutes**
- j. Advertisements**

- 3. Financial Plan documentation**
- 4. Satisfaction of lending conditions**
- 5. Sufficiency of funds**
- 6. Annual financial statements**
  - a. Complete audited financial report**
  - b. Prepared by an independent certified public accountant**
- 7. Quarterly statements**
  - a. Complete unaudited quarterly statements since date of last audit**
  - b. Attested to by Applicant**
- 8. Escrow statements**
- 9. Reservation deposit requirement**
  - a. Schedule of deposits**
  - b. Escrow statement or supporting documentation**

**APPLICATION FOR CERTIFICATE OF AUTHORITY FOR A CONTINUING CARE PROVIDER**

**CHECKLIST**

**SECTION IV – MANAGEMENT**

- 1. Management Information Forms submitted for all required entities
- 2. Biographical affidavits submitted for all required individuals
  - a. All information completed (no blanks)
  - b. "Yes" answers explained
  - c. Signed
  - d. Notarized
- 3. Background investigative reports for all required individuals. The reports must be based on the Biographical Affidavits submitted to the Office with this Application.
  - a. Proof of order and confirmation of payment submitted to the Office
- 4. Fingerprint cards for all required individuals
  - a. All information completed (no blanks)
  - b. Signed

**APPLICATION FOR CERTIFICATE OF AUTHORITY FOR A CONTINUING CARE PROVIDER**

**APPLICATION CERTIFICATION**

**The below certification must be executed by two officers of Applicant, one of whom must be the President or Chief Financial Officer, and the other the Secretary\*.**

The undersigned state that they are officers having personal knowledge of this application submitted to the Florida Office of Insurance Regulation by \_\_\_\_\_ (“Applicant”), that they have read said application, and that they know the contents thereof and verify that the items indicated in the application checklist are true and complete to the best of their knowledge and have been submitted with the application. The undersigned represent that they have the authority to bind the Applicant, and that by their signatures on the instrument, the Applicant on behalf of which they have acted executed the instrument.

I understand that whoever knowingly makes a false statement in writing with the intent to mislead a public servant in the performance of his or her official duties is guilty of a misdemeanor of the second degree, pursuant to Section 837.06, Florida Statutes, punishable as provided in Section 775.082 or Section 775.083, Florida Statutes.

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

\*Other officers, or similar persons with the authority to bind Applicant, will be accepted only if Applicant does not have these positions.

**Form OIR-C1-473  
Rev.: 11/19  
Rule 69O-193.003**

APPLICATION FOR CERTIFICATE OF AUTHORITY FOR A CONTINUING CARE PROVIDER

INVOICE

NAME OF COMPANY: \_\_\_\_\_

FEIN: \_\_\_\_\_

ADDRESS: \_\_\_\_\_

CITY, STATE & ZIP CODE: \_\_\_\_\_

PHONE NUMBER: \_\_\_\_\_

ADDRESS (IF DIFFERENT FROM COMPANY ADDRESS)

\_\_\_\_\_

\_\_\_\_\_

(CITY)

(STATE)

(ZIP CODE)

1. Make payable to the Department of Financial Services and mail check and invoice only to the Department of Financial Services, Bureau of Financial Services, P.O. Box 6100, Tallahassee, Florida 32314-6100.
2. Include a copy of the check and invoice with the application filing submitted electronically via iApply.

TYPE: 12 CLASS: 21 Filing Fee: \$75



## Florida Office of Insurance Regulation

### INSTRUCTIONS FOR FURNISHING BACKGROUND INVESTIGATIVE REPORTS

1. A background investigative report must be completed for each individual as indicated in the instructions in the application package. The background investigative report must be conducted using the same affidavit submitted to the Florida Office of Insurance Regulation ("Office") for each individual as part of the application.
2. For specific information regarding background investigation vendors, please refer to the NAIC website, "Third Party Vendors for Background Reports" at: [http://www.naic.org/industry\\_ucaa.htm](http://www.naic.org/industry_ucaa.htm)
3. The applicant is responsible for paying for the reports and for handling billing arrangements with the selected vendor.
4. Applicants are required to ensure that the selected vendor will submit investigative reports electronically to the Office to this e-mail address:

[bkgrnd-inv@flor.com](mailto:bkgrnd-inv@flor.com)

Submissions should be in Microsoft Word format, with appropriate reference to the applicant in the subject of each transmittal e-mail. Reports should be submitted prior to, or contemporaneously with, the submission of each application filing, with the exception of acquisition filings.

6. Applicants must include evidence indicating that background reports have been ordered, including proof of payment, as a component in the online submission via iApply.
7. Questions regarding this process may be directed to [pcappcoord@flor.com](mailto:pcappcoord@flor.com) (Property and Casualty applicants) or to [lhappcoord@flor.com](mailto:lhappcoord@flor.com) (Life and Health applicants).



## Florida Office of Insurance Regulation

### FINGERPRINT PAYMENT AND SUBMISSION PROCEDURES

Each individual subject to the fingerprinting process must be registered through IdentoGO by Idemia, at <https://fl.ibtfingerprint.com/>. For payment, processing, or appointment issues please contact the IdentoGo Customer Service Center at 1-800-528-1358.

#### **DIGITAL PRINTS** - Florida Residents only:

Access <https://fl.ibtfingerprint.com/>, select "Schedule a New Appointment" and follow the prompts. Please retain a copy of the payment confirmation as it will be a required component in the electronic application submitted via iApply.

#### **FINGERPRINT CARD** - Non-Florida Residents (and Florida residents who are physically unable to be digitally fingerprinted):

Access <https://fl.ibtfingerprint.com/>, select "Register for Fingerprint Card Processing Service" and follow the prompts. Select "No Cards" on the Shipping Details screen. Retain a copy of the payment confirmation as it will be a required component in the electronic application submitted via iApply.

Everyone must complete **two** fingerprint cards provided by the Florida Office of Insurance Regulation. Blank fingerprint cards may be requested by emailing [FPRequest@floir.com](mailto:FPRequest@floir.com). Fingerprinting must be performed by a technician within a law enforcement agency or other authorized entity. Most law enforcement agencies and many security companies provide civil applicant fingerprinting services.

**NOTE:** Please provide your Payment Confirmation Number from IdentoGo on the "REF" line of your fingerprint card. Not including your Payment Confirmation Number will delay the processing of your submission.

Mail **only** completed cards with a cover letter to:

Florida Office of Insurance Regulation  
Market Research & Technology Unit  
Fingerprint Card Processing  
Room B-50 Larson Building  
200 East Gaines Street  
Tallahassee, Florida 32399-0326

**Do NOT mail application paperwork with your fingerprint cards. All application materials must be sent directly to the appropriate unit (Property & Casualty Company Admissions or Life & Health Company Admissions) within the Office of Insurance Regulation. Failure to do so will delay the processing of your application.**



## Florida Office of Insurance Regulation

# CONFIDENTIAL

Pursuant to section 119.071(5), Florida Statutes, social security numbers collected by an agency are confidential and exempt from section 119.07(1), Florida Statutes, and section 24(a), Art. I of the State Constitution. The requirement must be relevant to the purpose for which collected and must be clearly documented. The social security numbers must be segregated on a separate page from the rest of the record.

Applicant's Name: \_\_\_\_\_

Applicant's Social Security Number: \_\_\_\_\_

The Applicant must submit their social security number.

Section 119.071(5), Florida Statutes, gives an agency authority to collect social security numbers if imperative for the performance of that agency's duties and responsibilities as prescribed by law. It is imperative that the Office of Insurance Regulation collect social security numbers to perform background investigations to ensure that the owners, management, officers, and directors of entities regulated by the Office are competent and trustworthy, possess financial standing and business experience, and have not been found guilty of, or not pleaded guilty or nolo contendere to, any felony or crime punishable by imprisonment of one year. In establishing these qualifications and the Office of Insurance Regulation's responsibility to ensure that individuals meet these qualifications, the legislature recognized that owners, officers, and directors of an insurance company are in a position to cause great harm to the public should they be untrustworthy or have a criminal background. These individuals control vast amount of funds that belong to policyholders. To meet the legislative intent that these individuals are qualified and can be trusted, having the identifying social security number is essential for the Office of Insurance Regulation to adequately perform its background investigative duty. There are many individuals with the same name and without the social security number it would be difficult if not impossible to be reasonably sure that the correct individuals are identified and to verify that they meet the statutory requirements.

# CONFIDENTIAL



**Uniform Certificate of Authority Application (UCAA)  
BIOGRAPHICAL AFFIDAVIT**

To the extent permitted by law, this affidavit will be kept confidential by the state insurance regulatory authority. The affiant may be required to provide additional information during the third-party verification process if they have attended a foreign school or lived and worked internationally.

**(Print or Type)**

Full name, address and telephone number of the present or proposed entity under which this biographical statement is being required (Do Not Use Group Names). \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

In connection with the above-named entity, I herewith make representations and supply information about myself as hereinafter set forth. (Attach addendum or separate sheet if space hereon is insufficient to answer any question fully.) IF ANSWER IS "NO" OR "NONE," SO STATE. ALL FIELDS MUST HAVE A RESPONSE. INCOMPLETE FORMS COULD DELAY THE APPLICATION PROCESS or RESULT IN REJECTION OF THE APPLICATION.

1. Affiant's Full Name (Initials Not Acceptable): First: \_\_\_\_\_ Middle: \_\_\_\_\_ Last: \_\_\_\_\_

2. a. Are you a citizen of the United States?

Yes  No

b. Are you a citizen of any other country?

Yes  No

If yes, what country? \_\_\_\_\_

3. Affiant's occupation or profession: \_\_\_\_\_

4. Affiant's business address: \_\_\_\_\_

Business telephone: \_\_\_\_\_ Business Email: \_\_\_\_\_

5. Education and training:

<u>College/University</u>	<u>City/State</u>	<u>Dates Attended (MM/YY)</u>	<u>Degree Obtained</u>
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\_\_\_\_\_

<u>Graduate Studies</u>	<u>College/University</u>	<u>City/State</u>	<u>Dates Attended (MM/YY)</u>	<u>Degree Obtained</u>
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\_\_\_\_\_

<u>Other Training: Name</u>	<u>City/State</u>	<u>Dates Attended (MM/YY)</u>	<u>Degree/Certification Obtained</u>
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\_\_\_\_\_

Note: If affiant attended a foreign school, please provide full address and telephone number of the college/university. If applicable, provide the foreign student Identification Number and/or attach foreign diploma or certificate of attendance to the Biographical Affidavit Personal Supplemental Information.

Applicant Company Name: \_\_\_\_\_

NAIC No. \_\_\_\_\_

FEIN: \_\_\_\_\_

6. List of memberships in professional societies and associations:

<u>Name of Society/Association</u>	<u>Contact Name</u>	<u>Address of Society/Association</u>	<u>Telephone Number of Society/Association</u>
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7. Present or proposed position with the Applicant Company: \_\_\_\_\_

\_\_\_\_\_

8. List complete employment record for the past twenty (20) years, whether compensated or otherwise (up to and including present jobs, positions, partnerships, owner of an entity, administrator, manager, operator, directorates or officerships). Please list the most recent first. Attach additional pages if the space provided is insufficient. It is only necessary to provide telephone numbers and supervisory information for the past ten (10) years. Additional information may be required during the third-party verification process for international employers.

Beginning/Ending Dates (MM/YY): \_\_\_\_\_ - \_\_\_\_\_ Employer's Name: \_\_\_\_\_

Address: \_\_\_\_\_ City: \_\_\_\_\_ State/Province: \_\_\_\_\_

Country: \_\_\_\_\_ Postal Code: \_\_\_\_\_ Phone: \_\_\_\_\_ Offices/Positions Held: \_\_\_\_\_

Type of Business: \_\_\_\_\_ Supervisor/Contact: \_\_\_\_\_

Beginning/Ending Dates (MM/YY): \_\_\_\_\_ - \_\_\_\_\_ Employer's Name: \_\_\_\_\_

Address: \_\_\_\_\_ City: \_\_\_\_\_ State/Province: \_\_\_\_\_

Country: \_\_\_\_\_ Postal Code: \_\_\_\_\_ Phone: \_\_\_\_\_ Offices/Positions Held: \_\_\_\_\_

Type of Business: \_\_\_\_\_ Supervisor/Contact: \_\_\_\_\_

Beginning/Ending Dates (MM/YY): \_\_\_\_\_ - \_\_\_\_\_ Employer's Name: \_\_\_\_\_

Address: \_\_\_\_\_ City: \_\_\_\_\_ State/Province: \_\_\_\_\_

Country: \_\_\_\_\_ Postal Code: \_\_\_\_\_ Phone: \_\_\_\_\_ Offices/Positions Held: \_\_\_\_\_

Type of Business: \_\_\_\_\_ Supervisor/Contact: \_\_\_\_\_

Beginning/Ending Dates (MM/YY): \_\_\_\_\_ - \_\_\_\_\_ Employer's Name: \_\_\_\_\_

Address: \_\_\_\_\_ City: \_\_\_\_\_ State/Province: \_\_\_\_\_

Country: \_\_\_\_\_ Postal Code: \_\_\_\_\_ Phone: \_\_\_\_\_ Offices/Positions Held: \_\_\_\_\_

Type of Business: \_\_\_\_\_ Supervisor/Contact: \_\_\_\_\_

9. a. Have you ever been in a position which required a fidelity bond?

Yes  No

If any claims were made on the bond, give details: \_\_\_\_\_  
\_\_\_\_\_

b. Have you ever been denied an individual or position schedule fidelity bond, or had a bond canceled or revoked?

Yes  No

If yes, give details: \_\_\_\_\_  
\_\_\_\_\_

10. List any professional, occupational and vocational licenses (including licenses to sell securities) issued by any public or governmental licensing agency or regulatory authority or licensing authority that you presently hold or have held in the past. For any non-insurance regulatory issuer, identify and provide the name, address and telephone number of the licensing authority or regulatory body having jurisdiction over the license (s) issued. If your professional license number is your Social Security Number (SSN) or embeds your SSN or any sequence of more than five numbers that are reasonably identifiable as your SSN, then write SSN for that portion of the professional license number that is represented by your SSN. (For example, "SSN", "12-SSN-345" or "1234-SSN" (last 6 digits)). Attach additional pages if the space provided is insufficient.

\_\_\_\_\_  
\_\_\_\_\_

Organization/Issuer of License: \_\_\_\_\_ Address: \_\_\_\_\_

City: \_\_\_\_\_ State/Province: \_\_\_\_\_ Country: \_\_\_\_\_ Postal Code: \_\_\_\_\_

License Type: \_\_\_\_\_ License #: \_\_\_\_\_ Date Issued (MM/YY): \_\_\_\_\_

Date Expired (MM/YY): \_\_\_\_\_ Reason for Termination: \_\_\_\_\_

Non-Insurance Regulatory Phone Number (if known): \_\_\_\_\_

Organization/Issuer of License: \_\_\_\_\_ Address: \_\_\_\_\_

City: \_\_\_\_\_ State/Province: \_\_\_\_\_ Country: \_\_\_\_\_ Postal Code: \_\_\_\_\_

License Type: \_\_\_\_\_ License #: \_\_\_\_\_ Date Issued (MM/YY): \_\_\_\_\_

Date Expired (MM/YY): \_\_\_\_\_ Reason for Termination: \_\_\_\_\_

Non-Insurance Regulatory Phone Number (if known): \_\_\_\_\_

11. In responding to the following, if the record has been sealed or expunged, and the affiant has personally verified that the record was sealed or expunged, an affiant may respond "no" to the question. Have you ever:

a. Been refused an occupational, professional, or vocational license or permit by any regulatory authority, or any public administrative, or governmental licensing agency?

Yes  No

b. Had any occupational, professional, or vocational license or permit you hold or have held, been subject to any judicial, administrative, regulatory, or disciplinary action?

Applicant Company Name: \_\_\_\_\_

NAIC No. \_\_\_\_\_

FEIN: \_\_\_\_\_

Yes  No

- c. Been placed on probation or had a fine levied against you or your occupational, professional, or vocational license or permit in any judicial, administrative, regulatory, or disciplinary action?

Yes  No

- d. Been charged with, or indicted for, any criminal offense(s) other than civil traffic offenses?

Yes  No

- e. Pled guilty, or nolo contendere, or been convicted of, any criminal offense(s) other than civil traffic offenses?

Yes  No

- f. Had adjudication of guilt withheld, had a sentence imposed or suspended, had pronouncement of a sentence suspended, or been pardoned, fined, or placed on probation, for any criminal offense(s) other than civil traffic offenses?

Yes  No

- g. Been subject to a cease and desist letter or order, or enjoined, either temporarily or permanently, in any judicial, administrative, regulatory, or disciplinary action, from violating any federal, state law or law of another country regulating the business of insurance, securities or banking, or from carrying out any particular practice or practices in the course of the business of insurance, securities or banking?

Yes  No

- h. Been, within the last ten (10) years, a party to any civil action involving dishonesty, breach of trust, or a financial dispute?

Yes  No

- i. Had a finding made by the Comptroller of any state or the Federal Government that you have violated any provisions of small loan laws, banking or trust company laws, or credit union laws, or that you have violated any rule or regulation lawfully made by the Comptroller of any state or the Federal Government?

Yes  No

- j. Had a lien or foreclosure action filed against you or any entity while you were associated with that entity?

Yes  No

If the response to any question above is yes, please provide details including dates, locations, disposition, etc. Attach a copy of the complaint and filed adjudication or settlement as appropriate.

\_\_\_\_\_  
\_\_\_\_\_

12. List any entity subject to regulation by an insurance regulatory authority that you control directly or indirectly. The term "control" (including the terms "controlling," "controlled by" and "under common control with") means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting securities, by contract other than a commercial contract for goods or non-management services, or otherwise, unless the power is the result of an official position with or corporate office held

by the person. Control shall be presumed to exist if any person, directly or indirectly, owns, controls, holds with the power to vote, or holds proxies representing, ten percent (10%) or more of the voting securities of any other person.

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If any of the stock is pledged or hypothecated in any way, give details. \_\_\_\_\_

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13. Do [Will] you or members of your immediate family individually or cumulatively subscribe to or own, beneficially or of record, 10% or more of the outstanding shares of stock of any entity subject to regulation by an insurance regulatory authority, or its affiliates? An “affiliate” of, or person “affiliated” with, a specific person, is a person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, the person specified.

Yes  No

If yes, please identify the company or companies in which the cumulative stock holdings represent 10% or more of the outstanding voting securities.

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If any of the shares of stock are pledged or hypothecated in any way, give details.

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14. Have you ever been adjudged a bankrupt?

Yes  No

If yes, provide details: \_\_\_\_\_

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15. To your knowledge has any company or entity (including entities controlled by the holding company) for which you were an officer or director, trustee, investment committee member, key management employee or controlling stockholder, had any of the following events occur while you served in such capacity? If employed at the holding company level provide the group code. \_\_\_\_\_

- a. Been refused a permit, license, or certificate of authority by any regulatory authority, or governmental-licensing agency?

Yes  No

- b. Had its permit, license, or certificate of authority suspended, revoked, canceled, non-renewed, or subjected to any judicial, administrative, regulatory, or disciplinary action (including rehabilitation, liquidation, receivership, conservatorship, federal bankruptcy proceeding, state insolvency, supervision or any other similar proceeding)?

Yes  No

- c. Been placed on probation or had a fine levied against it or against its permit, license, or certificate of authority in any civil, criminal, administrative, regulatory, or disciplinary action?

Yes  No

Applicant Company Name: \_\_\_\_\_

NAIC No. \_\_\_\_\_

FEIN: \_\_\_\_\_

If the answer to any of the above is yes, please indicate and give details. When responding to questions (b) and (c), affiant should also include any events within twelve (12) months after his or her departure from the entity. \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

Note: If an affiant has any doubt about the accuracy of an answer, the question should be answered in the positive and an explanation provided.

Dated and signed this \_\_\_\_\_ day of \_\_\_\_\_ 20 \_\_\_\_\_ at \_\_\_\_\_. I hereby certify under penalty of perjury that I am acting on my own behalf and that the foregoing statements are true and correct to the best of my knowledge and belief.

\_\_\_\_ I hereby acknowledge that I may be contacted to provide additional information regarding international searches.

\_\_\_\_\_  
(Signature of Affiant)

State of: \_\_\_\_\_ County of: \_\_\_\_\_

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ by \_\_\_\_\_, and:

- who is personally known to me, or
- who produced the following identification: \_\_\_\_\_.

[SEAL]

\_\_\_\_\_  
Notary Public

\_\_\_\_\_  
Printed Notary Name

\_\_\_\_\_  
My Commission Expires

**BIOGRAPHICAL AFFIDAVIT  
Supplemental Personal Information**

**(Print or Type)**

To the extent permitted by law, this affidavit will be kept confidential by the state insurance regulatory authority. The affiant may be required to provide additional information during the third-party verification process if they have attended a foreign school or lived and worked internationally.

Full name, address, and telephone number of the present or proposed entity under which this biographical statement is being required (Do Not Use Group Names).

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1. Affiant's Full Name (Initials Not Acceptable): First: \_\_\_\_\_ Middle: \_\_\_\_\_ Last: \_\_\_\_\_  
IF ANSWER IS "NO" OR "NONE," SO STATE. ALL FIELDS MUST HAVE A RESPONSE. INCOMPLETE FORMS  
COULD DELAY THE APPLICATION PROCESS or RESULT IN REJECTION OF THE APPLICATION.

2. Have you ever used any other name, including first, middle or last name, nickname, maiden name or aliases?

Yes  No

If yes, give the reason if any, if NONE indicate such, and provide the full name(s) and date(s) used.

<u>Beginning/Ending Date(s) Used (MM/YY)</u>	<u>Name(s) Specify: First, Middle or Last Name</u>	<u>Reason (If NONE, indicate such)</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

Note: Dates provided in response to this question may be approximate. Parties using this form understand that there could be an overlap of dates when transitioning from one name to another. If applicable, provide the foreign student Identification Number and/or attach foreign diploma or certificate of attendance to the Biographical Affidavit Personal Supplemental Information.

3. Affiant's Social Security Number: \_\_\_\_\_

4. Government Identification Number if not a U.S. Citizen: \_\_\_\_\_

5. Foreign Student ID# (if applicable) : \_\_\_\_\_

Applicant Company Name: \_\_\_\_\_

NAIC No. \_\_\_\_\_

FEIN: \_\_\_\_\_

6. Date of Birth: (MM/DD/YY) : \_\_\_\_\_ Place of Birth, City: \_\_\_\_\_  
State/Province: \_\_\_\_\_ Country: \_\_\_\_\_

7. Name of Affiant's Spouse (if applicable) : \_\_\_\_\_

8. List your residences for the last ten (10) years starting with your current address, giving:

<u>Beginning/Ending Dates (MM/YY)</u>	<u>Address</u>	<u>City</u>	<u>State/ Province</u>	<u>Country</u>	<u>Postal Code</u>

Note: Dates provided in response to this question may be approximate, except for current address. Parties using this form understand that there could be an overlap of dates when transitioning from one address to another.

Dated and signed this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ at \_\_\_\_\_. I hereby certify under penalty of perjury that I am acting on my own behalf and that the foregoing statements are true and correct to the best of my knowledge and belief.

\_\_\_ I hereby acknowledge that I may be contacted to provide additional information regarding international searches.

\_\_\_\_\_  
(Signature of Affiant)

State of: \_\_\_\_\_ County of: \_\_\_\_\_

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ by \_\_\_\_\_, and:

- who is personally known to me, or
- who produced the following identification: \_\_\_\_\_

[SEAL]

\_\_\_\_\_  
Notary Public

\_\_\_\_\_  
Printed Notary Name

\_\_\_\_\_  
My Commission Expires



**DISCLOSURE AND AUTHORIZATION CONCERNING BACKGROUND REPORTS**

*(All states except California, Minnesota and Oklahoma)*

This Disclosure and Authorization is provided to you in connection with pending or future application(s) of \_\_\_\_\_ [company name] (“Company”) for licensure or a permit to organize (“Application”) with a department of insurance in one or more states within the United States. Company desires to procure a consumer or investigative consumer report (or both) (“Background Reports”) regarding your background for review by a department of insurance in any state where Company pursues an Application during the term of your functioning as, or seeking to function as, an officer, member of the board of directors or other management representative (“Affiant”) of Company or of any business entities affiliated with Company (“Term of Affiliation”) for which a Background Report is required by a department of insurance reviewing any Application. Background Reports requested pursuant to your authorization below may contain information bearing on your character, general reputation, personal characteristics, mode of living and credit standing. The purpose of such Background Reports will be to evaluate the Application and your background as it pertains thereto. To the extent required by law, the Background Reports procured under this Disclosure and Authorization will be maintained as confidential.

You may obtain copies of any Background Reports about you from the consumer reporting agency (“CRA”) that produces them. You may also request more information about the nature and scope of such reports by submitting a written request to Company. To obtain contact information regarding CRA or to submit a written request for more information, contact \_\_\_\_\_ [company’s designated person, position, or department, address and phone].

Attached for your information is a “Summary of Your Rights Under the Fair Credit Reporting Act.”

**AUTHORIZATION:** I am currently an Affiant of Company as defined above. I have read and understand the above Disclosure and by my signature below, I consent to the release of Background Reports to a department of insurance in any state where Company files or intends to file an Application, and to the Company, for purposes of investigating and reviewing such Application and my status as an Affiant. I authorize all third parties who are asked to provide information concerning me to cooperate fully by providing the requested information to CRA retained by Company for purposes of the foregoing Background Reports, except records that have been erased or expunged in accordance with law.

I understand that I may revoke this Authorization at any time by delivering a written revocation to Company and that Company will, in that event, forward such revocation promptly to any CRA that either prepared or is preparing Background Reports under this Disclosure and Authorization. This Authorization shall remain in full force and effect until the earlier of (i) the expiration of the Term of Affiliation, (ii) written revocation as described above, or (iii) six (6) months following the date of my signature below.

A true copy of this Disclosure and Authorization shall be valid and have the same force and effect as the signed original.

\_\_\_\_\_  
(Printed Full Name and Residence Address)

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Date)

State of: \_\_\_\_\_ County of: \_\_\_\_\_

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ by \_\_\_\_\_, and:

- who is personally known to me, or
- who produced the following identification: \_\_\_\_\_

[SEAL]

\_\_\_\_\_  
Notary Public  
\_\_\_\_\_  
Printed Notary Name  
\_\_\_\_\_  
My Commission Expires

Applicant Company Name: \_\_\_\_\_

NAIC No. \_\_\_\_\_

FEIN: \_\_\_\_\_

**DISCLOSURE AND AUTHORIZATION CONCERNING BACKGROUND REPORTS**  
*(Minnesota and Oklahoma)*

This Disclosure and Authorization is provided to you in connection with pending or future application(s) of \_\_\_\_\_ [company name] (“Company”) for licensure or a permit to organize (“Application”) with a department of insurance in one or more states within the United States. Company desires to procure a consumer or investigative consumer report (or both) (“Background Reports”) regarding your background for review by a department of insurance in any state where Company pursues an Application during the term of your functioning as, or seeking to function as, an officer, member of the board of directors or other management representative (“Affiant”) of Company or of any business entities affiliated with Company (“Term of Affiliation”) for which a Background Report is required by a department of insurance reviewing any Application. Background Reports requested pursuant to your authorization below may contain information bearing on your character, general reputation, personal characteristics, mode of living and credit standing. The purpose of such Background Reports will be to evaluate the Application and your background as it pertains thereto. To the extent required by law, the Background Reports procured under this Disclosure and Authorization will be maintained as confidential.

You may request more information about the nature and scope of Background Reports produced by any consumer reporting agency (“CRA”) by submitting a written request to Company. You should submit any such written request for more information, to \_\_\_\_\_ [company’s designated person, position, or department, address and phone].

Attached for your information is a “Summary of Your Rights Under the Fair Credit Reporting Act.” You will be provided with a copy of any Background Report procured by Company if you check the box below.

By checking this box, I request a copy of any Background Report from any CRA retained by Company, at no extra charge.

**AUTHORIZATION:** I am currently an Affiant of Company as defined above. I have read and understand the above Disclosure and by my signature below, I consent to the release of Background Reports to a department of insurance in any state where Company files or intends to file an Application, and to the Company, for purposes of investigating and reviewing such Application and my status as an Affiant. I authorize all third parties who are asked to provide information concerning me to cooperate fully by providing the requested information to CRA retained by Company for purposes of the foregoing Background Reports, except records that have been erased or expunged in accordance with law.

I understand that I may revoke this Authorization at any time by delivering a written revocation to Company and that Company will, in that event, forward such revocation promptly to any CRA that either prepared or is preparing Background Reports under this Disclosure and Authorization. This Authorization shall remain in full force and effect until the earlier of (i) the expiration of the Term of Affiliation, (ii) written revocation as described above, or (iii) six (6) months following the date of my signature below.

A true copy of this Disclosure and Authorization shall be valid and have the same force and effect as the signed original.

\_\_\_\_\_  
(Printed Full Name and Residence Address)

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Date)

State of: \_\_\_\_\_ County of: \_\_\_\_\_

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ by \_\_\_\_\_, and:

- who is personally known to me, or
- who produced the following identification: \_\_\_\_\_

[SEAL]

\_\_\_\_\_  
Notary Public

\_\_\_\_\_  
Printed Notary Name

\_\_\_\_\_  
My Commission Expires

**DISCLOSURE AND AUTHORIZATION CONCERNING BACKGROUND REPORTS**  
*(California)*

This Disclosure and Authorization is provided to you in connection with a pending application of \_\_\_\_\_ [company name] (“Company”) for licensure or a permit to organize (“Application”) with a department of insurance in one or more states within the United States. Company desires to procure a consumer or investigative consumer report (or both) (“Background Reports”) regarding your background for review by any department of insurance in such states where Company is currently pursuing an Application, because you are either functioning as, or are seeking to function as, an officer, member of the board of directors or other management representative (“Affiant”) of Company or of any business entities affiliated with Company (“Term of Affiliation”) for which a Background Report is required by a department of insurance reviewing any Application. Background Reports will be obtained through \_\_\_\_\_ [name of CRA, address] (“CRA”). Background Reports requested pursuant to your authorization below may contain information bearing on your character, general reputation, personal characteristics, mode of living and credit standing. The purpose of such Background Reports will be to evaluate the Application and your background as it pertains thereto. To the extent required by law, the Background Reports procured under this Disclosure and Authorization will be maintained as confidential.

You may request more information about the nature and scope of Background Reports produced by any consumer reporting agency (“CRA”) by submitting a written request to Company. You should submit any such written request for more information, to \_\_\_\_\_ [company’s designated person, position, or department, address and phone].

Attached for your information is a “Summary of Your Rights Under the Fair Credit Reporting Act.” You will be provided with a copy of any Background Report procured by Company if you check the box below.

- By checking this box, I request a copy of any Background Report from any CRA retained by Company, at no extra charge.

Under section 1786.22 of the California Civil Code, you may view the file maintained on you by the CRA listed above. You may also obtain a copy of this file, upon submitting proper identification and paying the costs of duplication services, by appearing at the CRA in person or by mail; you may also receive a summary of the file by telephone. The CRA is required to have personnel available to explain your file to you and the CRA must explain to you any coded information appearing in your file. If you appear in person, you may be accompanied by one other person of your choosing, provided that person furnishes proper identification.

**AUTHORIZATION:** I am currently an Affiant of Company as defined above. I have read and understand the above Disclosure and by my signature below, I consent to the release of Background Reports to a department of insurance in any state where Company files or intends to file an Application, and to the Company, for purposes of investigating and reviewing such Application and my status as an Affiant. I authorize all third parties who are asked to provide information concerning me to cooperate fully by providing the requested information to CRA retained by Company for purposes of the foregoing Background Reports, except records that have been erased or expunged in accordance with law.

I understand that I may revoke this Authorization at any time by delivering a written revocation to Company and that Company will, in that event, forward such revocation promptly to any CRA that either prepared or is preparing Background Reports under this Disclosure and Authorization. In no event, however, will this authorization remain in effect beyond six (6) months following the date of my signature below.

A true copy of this Disclosure and Authorization shall be valid and have the same force and effect as the signed original.

\_\_\_\_\_  
(Printed Full Name and Residence Address)

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Date)

State of: \_\_\_\_\_ County of \_\_\_\_\_

The foregoing instrument was acknowledged before me this \_\_\_ day of \_\_\_\_\_, 20 by \_\_\_\_\_, and:

- who is personally known to me, or
- who produced the following identification: \_\_\_\_\_

[SEAL]

\_\_\_\_\_  
Notary Public

\_\_\_\_\_  
Printed Notary Name

\_\_\_\_\_  
My Commission Expires



**Florida Office of Insurance Regulation**  
**Company Admissions**

**DISCLAIMER OF CONTROL AFFIDAVIT - INDIVIDUAL**

I, \_\_\_\_\_, the undersigned Affiant, do not and will not exercise or attempt to exercise any influence or control, either directly or indirectly, over the business operations, affairs, or activities of the Applicant, \_\_\_\_\_, or any entity owned or controlled by the Applicant and licensed by the Florida Office of Insurance Regulation ("Office"), without the advance written consent of the Office.

I understand that pursuant to Section 837.06, Florida Statutes, whoever knowingly makes a false statement in writing with the intent to mislead a public servant in the performance of his or her official duty shall be guilty of a misdemeanor of the second degree, punishable as provided in Section 775.082 or Section 775.083, Florida Statutes.

It is with this understanding, that I, the undersigned Affiant, do hereby swear and affirm, under oath and penalty of perjury, that all the above statements are true and correct.

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Print full name)

\_\_\_\_\_  
(Date)

State of \_\_\_\_\_

County of \_\_\_\_\_

Sworn to and subscribed before me this this \_\_\_\_ day of \_\_\_\_\_, 20\_\_, by  
\_\_\_\_\_  
(name of affiant)

\_\_\_\_\_  
(Signature of the Notary)

(Notary Stamp)

Personally Known \_\_\_\_\_ OR Produced Identification \_\_\_\_\_

Type of Identification Produced \_\_\_\_\_

My Commission Expires \_\_\_\_\_

Form OIR-C1-1467

Rev.: 07/19

Rule 69O-193.003, F.A.C.



**Florida Office of Insurance Regulation**  
**Company Admissions**

**DISCLAIMER OF CONTROL AFFIDAVIT - ENTITY**

I, \_\_\_\_\_, the undersigned Affiant, representing \_\_\_\_\_, certify that other than the individuals listed on the attached register, no person in this company does or will exercise or attempt to exercise any influence or control, either directly or indirectly, over the business operations, affairs, or activities of the Applicant, \_\_\_\_\_, or any entity owned or controlled by the Applicant and licensed by the Florida Office of Insurance Regulation ("Office"), without the advance written consent of the Office.

I understand that pursuant to Section 837.06, Florida Statutes, whoever knowingly makes a false statement in writing with the intent to mislead a public servant in the performance of his or her official duty shall be guilty of a misdemeanor of the second degree, punishable as provided in Section 775.082 or Section 775.083, Florida Statutes.

It is with this understanding, that I, the undersigned Affiant, do hereby swear and affirm, under oath and penalty of perjury, that all the above statements are true and correct.

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Print full name)

\_\_\_\_\_  
(Date)

State of \_\_\_\_\_

County of \_\_\_\_\_

Sworn to and subscribed before me this this \_\_\_\_ day of \_\_\_\_\_, 20\_\_, by

\_\_\_\_\_  
(name of affiant)

\_\_\_\_\_  
(Signature of the Notary)

(Notary Stamp)

Personally Known \_\_\_\_\_ OR Produced Identification \_\_\_\_\_

Type of Identification Produced \_\_\_\_\_

My Commission Expires \_\_\_\_\_

Form OIR-C1-1468

Rev.: 07/19

Rule 69O-193.003, F.A.C



**Florida Office of Insurance Regulation**  
***Company Admissions***

**DISCLAIMER OF CONTROL AFFIDAVIT – ENTITY**

**REGISTER**

Below is a complete list of individuals associated with \_\_\_\_\_ who do or will exercise or attempt to exercise influence or control, either directly or indirectly, over the business operations, affairs, or activities of the Applicant, or any entity owned or controlled by the Applicant and licensed by the Office.

<u>Name (Typed or Printed)</u>	<u>Position</u>
1.	
2.	
3.	
4.	
5.	
6.	
7.	
8.	
9.	
10.	
11.	
12.	

\*Additional pages in the same format may be attached as needed.

Form OIR-C1-1468  
Rev.: 07/19  
Rule 69O-193.003, F.A.C



**Florida Office of Insurance Regulation**  
**Company Admissions**

**DISCLAIMER OF CONTROL AFFIDAVIT - INVESTMENT COMPANIES**

I, \_\_\_\_\_, the undersigned Affiant, on behalf of \_\_\_\_\_ swear that \_\_\_\_\_ holds the shares of Applicant, \_\_\_\_\_, solely for investment purposes and does not and will not exercise or attempt to exercise any influence or control, either directly or indirectly, over the business operations, affairs, or activities of Applicant, or any entity owned or controlled by the Applicant and licensed by the Florida Office of Insurance Regulation ("Office"), without the advance written consent of the Office. I further swear that \_\_\_\_\_ does not have, and will not seek, influence or representation on the Board of Directors of the Applicant.

I understand that pursuant to Section 837.06, Florida Statutes, whoever knowingly makes a false statement in writing with the intent to mislead a public servant in the performance of his or her official duty shall be guilty of a misdemeanor of the second degree, punishable as provided in Section 775.082 or Section 775.083, Florida Statutes.

It is with this understanding, that I, the undersigned Affiant, do hereby swear and affirm, under oath and penalty of perjury, that all the above statements are true and correct.

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Print full name)

\_\_\_\_\_  
(Date)

State of \_\_\_\_\_

County of \_\_\_\_\_

Sworn to and subscribed before me this this \_\_\_\_ day of \_\_\_\_\_, 20\_\_, by

\_\_\_\_\_  
(name of affiant)

\_\_\_\_\_  
(Signature of the Notary)

(Notary Stamp)

Personally Known \_\_\_\_\_ OR Produced Identification \_\_\_\_\_

Type of Identification Produced \_\_\_\_\_

My Commission Expires \_\_\_\_\_

Form OIR-C1-2211

Rev.: 07/19

Rule 69O-193.003, F.A.C.



## **Florida Office of Insurance Regulation**

### **APPLICATION FOR EXPANSION OF A CERTIFICATED CONTINUING CARE FACILITY**

This packet is designed to assist individuals in preparing the application in accordance with Florida Statutes and Rules and to facilitate expeditious processing of the application by the Florida Office of Insurance Regulation ("Office").

Please submit all documents required by this packet in searchable PDF format unless otherwise indicated or required by Florida Statutes.

If this packet requires submission of forms or rates, upon receipt of an email notification of acceptance of the application, the Applicant is directed to return to the Industry Portal <http://www.floir.com/iportal> and select "Form & Rate Filing Assembly and Submission" to begin the submission of forms and/or rates.

In order for a submission to be considered a complete application, all required information must be included in the filing, including the completed application checklist.

The completed application packet must be submitted to the Office by selecting iApply – Online Company Admissions at the following link:

**<http://www.floir.com/iportal>**

Any questions concerning this application packet or iApply for Life and Health applicants may be directed to [lhappcoord@floir.com](mailto:lhappcoord@floir.com). Property and Casualty applicants are directed to [pcappcoord@floir.com](mailto:pcappcoord@floir.com).

**For OIR-C1-2218  
Rev.: 11/19  
Rule 69O-193.003**



# APPLICATION FOR EXPANSION OF A CERTIFICATED CONTINUING CARE FACILITY

## INSTRUCTIONS

A provider is only required to file this application for approval of an expansion in the following circumstances:

- (1) The expansion is equivalent to the addition of at least 20% of existing units, and the provider has not exceeded the current statewide median for days cash on hand, debt service coverage ratio, and total facility occupancy for the most recent two consecutive annual reporting periods, or
- (2) For a provider that has exceeded the current statewide median for days cash on hand, debt service coverage ratio, and total facility occupancy for the most recent two consecutive annual reporting periods, the expansion is equivalent to an increase greater than 35% of existing units.

Existing units means the sum of the total number of independent living units and assisted living units identified in the most recent annual report filed with the Office, pursuant to Section 651.026, Florida Statutes. Skilled nursing units should not be included in the calculation. Note that these expansion approval requirements do not apply to construction for which a certificate of need from the Agency for Health Care Administration is required.

If the provider exceeds the statewide median for days cash on hand, debt service coverage ratio, and total facility occupancy for the most recent two consecutive annual reporting periods, the provider is automatically granted approval to expand the total number of existing units by up to 35% upon submitting a letter to the Office indicating the total number of planned units in the expansion, the proposed sources and uses of funds, and an attestation that the provider understands and pledges to comply with all minimum liquid reserve and escrow account requirements.

The statewide median for days cash on hand, debt service coverage ratio, and total facility occupancy is the median calculated in the most recent annual report submitted by the Office to the Continuing Care Advisory Council pursuant to Section 651.121(8), Florida Statutes.

# APPLICATION FOR EXPANSION OF A CERTIFICATED CONTINUING CARE FACILITY

## SECTION I – FEES

### **Section I-1**            **Fingerprint Processing Fees**

Applicants are required to pay a fee for the processing of the fingerprint cards required in Section IV-4. Please see Form OIR-C1-938, Fingerprint Payment and Submission Procedure, for instructions.

## SECTION II – LEGAL

### **Section II-1**            **Authorization Letter**

Provide a letter of authorization for anyone other than company personnel or the company-sponsoring agent, designating the named individual to represent the Applicant.

### **Section II-2**            **Certificate of Status**

Submit a certificate of status dated within the last year. A certificate of status is a document issued by the public official having supervision of the records of corporations in the Applicant's home state or jurisdiction of domicile, usually the Secretary of State or equivalent office, that shows the company is duly organized in the state or jurisdiction of domicile and that all taxes and fees have been paid.

### **Section II-3**            **Changes to Any Previously Submitted Legal Documents**

If there have been any revisions, amendments, or other changes to previously filed legal documents (listed in the Checklist under Legal) and those documents have not been submitted to the Office, please submit the revised documents or amendments. If the revised documents or amendments required certification, a properly certified document or amendment should be provided. If none of the previously provided documents have been revised, amended, or otherwise changed, submit a statement that there have been no revisions, amendments, or other changes to any previously provided legal documents and that there are no new documents to submit.

# APPLICATION FOR EXPANSION OF A CERTIFICATED CONTINUING CARE FACILITY

## SECTION III – FINANCIAL

### **Section III-1 Plan of Operations**

Submit a general summary of the plan of operations of Applicant. The plan should include management structure, healthcare delivery system, and a description of the types of continuing care contracts offered, including health care benefits and refundable contract options. Be sure to include a description of the facility after the expansion and any changes to the healthcare delivery system. This plan should be consistent with the feasibility study.

### **Section III-2 Interrogatories**

Submit complete responses to all interrogatories attached as Exhibit III-2.

### **Section III-3 Feasibility Study**

Submit an independent feasibility study that complies with the requirements of Section 651.0246(2)(a), Florida Statutes. The Application Checklist below lists the required components of the feasibility study.

The provider may submit any other information it deems relevant and appropriate to enable the Office to make a more informed determination. If such information is submitted, please provide an explanation of why the additional information is relevant and appropriate for the Office to consider in reviewing the application filing.

### **Section III-4 Financial Ratio Projections**

Please provide a projected days cash on hand, occupancy, and debt service coverage ratio calculations for the first 5 years of operations of the expansion. Please explain when the provider anticipates meeting the minimum requirements provided in Sections 651.011(15) or 651.011(25), Florida Statutes. These projections should be consistent with the feasibility study.

### **Section III-5 Minimum Liquid Reserve Projections**

Provide a projected calculation of the facility's minimum liquid reserves for the first 5 years of operations of the expansion and a description of how Applicant will fund the minimum liquid reserves. These projections should be consistent with the feasibility study.

### **Section III-6 Funding Plan and Supporting Documents**

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## APPLICATION FOR EXPANSION OF A CERTIFICATED CONTINUING CARE FACILITY

Furnish a Sources and Uses of Funds statement explaining the projects proposed method of financing and disclosing all sources and all uses of funds to be used to develop the expansion. The statement should describe construction and long-term financing for the facility.

Please provide available documentation regarding the Sources and Uses of Funds statement. This includes financing commitments, letters of intent to finance, term sheets, or other agreements or similar documents with affiliates, lenders, or underwriters regarding funding for the proposed facility. Please note if the documents are drafts or in final form. Provide executed copies for any agreements that are already in-force. If no such documents exist at this time, please provide a statement that such documentation is not available at this time.

If agreements have not been executed at the time of filing, please provide an explanation of the conditions precedent to the parties executing the various agreements and a timeline of when the agreements are expected to be executed.

Note that the aggregate amount of entrance fees received by or pledged to the Applicant, plus anticipated proceeds from any long-term financing commitment, and funds from all other sources in the actual possession of the Applicant, must equal at least 100% of the aggregate cost of constructing or purchasing, equipping, and furnishing the facility plus 100% of the anticipated startup losses of the expansion.

Note that the Office may not approve an application that includes in the plan of financing any encumbrance of the operating reserves or renewal and replacement reserves required by Chapter 651, Florida Statutes.

### **Section III-7 Escrow Agreements**

Submit draft escrow agreements for any new escrow account that will be established in connection with the proposed expansion. If the Applicant will use existing escrow accounts to meet the requirements of Sections 651.0246 and 651.035, Florida Statutes, please indicate which accounts will be used.

Note that in order to secure initial reservation deposits and entrance fees in accordance with Sections 651.0246(3) and (4), Florida Statutes, reservation deposits and entrance fees associated with the expansion should be held in a separate account or subaccount than funds received for existing units.

If the provider will have outstanding indebtedness related to the expansion that requires a debt service reserve to be held in escrow pursuant to a trust indenture or mortgage lien on the facility and for which the debt service reserve may only be used to pay principal and interest payments on the debt that the debtor is obligated to pay, pursuant to Section 651.035(1)(b),

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## **APPLICATION FOR EXPANSION OF A CERTIFICATED CONTINUING CARE FACILITY**

Florida Statutes, such an escrow account may be included in its debt service reserves. Please explain if Applicant will have such a debt service reserve related to the expansion and provide supporting documentation. After approval of the expansion, for such an account to be applied to debt service reserves, the provider must furnish a copy of the agreement under which such debt service is held and a statement of the amount being held in escrow for the debt service reserve certified by the lender or trustee and the provider to be correct.

### **Section III-8 Continuing Care Contracts**

Provide copies of each continuing care contract, reservation agreement, waitlist agreement, and addendum, to be entered into between the Applicant and residents of the expansion, which must meet the minimum requirements of Sections 651.022, 651.023, 651.055, and 651.061 Florida Statutes, unless such contracts have previously been reviewed and approved by the Office. The contracts for the expansion must include a statement describing the procedures required by law relating to the release of escrowed entrance fees. Such a statement may be furnished through an addendum.

Please provide a listing of all the continuing care contracts currently offered at the facility.

Please note that continuing care contracts must be approved by the Office before use. Review and approval of the continuing care contract forms, reservation agreements, and addendums to such agreements is independent of the application process. Any new resident contract forms the Applicant intends to use regarding the expansion must also be submitted for review through the IRFS portal.

### **Section III-9 Contractors, Vendors, Services, and Other Agreements**

Furnish copies of any new agreements related to the expansion whereby the Applicant accepts obligations, debts, and encumbrances which would affect the facility.

Submit copies of any new contract entered into or to be entered into by the Applicant in relation to marketing, construction, long-term financing, leases of land or property, or management of the facility and the provision of shelter, food, and health care to residents. For example, management agreements, leases, development agreements, etc.

Please indicate if any person specified in Section 651.022(2)(b)1.-10., Florida Statutes, owns any interest in or receives any remuneration from, directly or indirectly, any professional service firm, association, trust, partnership, or corporation providing goods, leases, or services to the facility for which the application is made, with a real or anticipated value of \$10,000 USD or more.

If so, provide the name and address of the professional service firm, association, trust, partnership, or corporation in which such interest is held; describe such goods, leases, or

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services; the probable cost to the facility or provider; and why such goods, leases, or services should not be purchased from an independent entity. Explain whether the contract or arrangement is the result of arms-length negotiations, a bid, or otherwise. If no person meets these conditions, please provide a statement to that effect.

Additionally, furnish copies of any other agreements referenced in this filing.

### **Section III-10      Advertisements**

Furnish the form of any advertisement or other written material proposed to be used in the solicitation of residents.

# APPLICATION FOR EXPANSION OF A CERTIFICATED CONTINUING CARE FACILITY

## SECTION IV – MANAGEMENT

### **Section IV-1 Management Information Forms**

Please submit Management Information Forms fully describing the management, ownership, and control of the provider up to and including any 10% or greater owners of the ultimate parent. A Management Information Form should be submitted for each entity in the ownership chain.

Forms should contain the first, middle, and last name of each officer, director, and 10% or greater owner of the entity named on the form. The Management Information Form is included in the packet.

### **Section IV-2 Biographical Affidavits as to Officers, Directors, and Shareholders**

For individuals named on the Management Information Forms who have not previously submitted Biographical Affidavits, provide a National Association of Insurance Commissioners (“NAIC”) Biographical Affidavit (NAIC Form 11) for each officer, director, and shareholder listed in Section IV-1. Applicant may omit officers, directors, and shareholders of those companies in the organizational structure between the immediate parent and the ultimate parent. Please note that if an individual has a Biographical Affidavit on file with the Office, and the Biographical Affidavit was signed and notarized within 2 years of the date of the Application being filed, a Biographical Affidavit need not be submitted for that individual.

All questions must be answered. All “Yes” answers must be explained. Please note Item 8 of the NAIC Biographical Affidavit requires 20 years of employment history.

Each Biographical Affidavit must be signed and notarized.

The affiant’s social security number must be submitted to the Office. Section 119.071(5), Florida Statutes, gives authority for an agency to collect social security numbers if imperative for the performance of that agency’s duties and responsibilities as prescribed by law. Limited collection of social security numbers is imperative for the Office to insure that the owners,

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## **APPLICATION FOR EXPANSION OF A CERTIFICATED CONTINUING CARE FACILITY**

management, officers, and directors of any entity regulated by the Office are competent and trustworthy, possess financial standing and business experience, and have not been found guilty of, or not pleaded guilty or nolo contendere to, any felony or crime punishable by imprisonment of one year.

However, pursuant to Section 119.071(5), Florida Statutes, social security numbers collected by an agency are confidential and exempt from Section 119.07(1), Florida Statutes, and Section 24(a), Art. I of the State Constitution, and must be segregated on a separate page. Therefore, please include the affiant's name and social security number on the separate page marked CONFIDENTIAL and provided in this packet, and attach that page to the NAIC Biographical Affidavit (NAIC Form 11) that is also included in this packet.

### **Section IV-3            Background Investigative Report**

For individuals named on the Management Information Forms who have not previously submitted a Background Investigative Report, a Background Investigative Report must be provided for each person for whom a Biographical Affidavit is required, as described above. Background Investigative Reports must be submitted by an approved background investigation vendor directly to the Office. Attach proof of payment confirming that all background reports have been ordered when submitting the application. Please refer to Form OIR-C1-905, Instructions for Furnishing Background Investigative Reports, included in this packet.

### **Section IV-4            Fingerprint Cards**

For individuals named on the Management Information Forms who have not previously submitted Fingerprint Cards, Fingerprint Cards must be provided to the Office for each person for whom a Biographical Affidavit is required. Please refer to Form OIR-C1-938, Fingerprint Payment and Submission Procedure, for instructions. If an individual has submitted a fingerprint card dated within 5 years of the date of the Application filing, a fingerprint card need not be submitted for that individual.



**APPLICATION FOR EXPANSION OF A CERTIFICATED CONTINUING CARE FACILITY**

**CHECKLIST**

Applicant \_\_\_\_\_ Name: \_\_\_\_\_

Federal Identification Number: \_\_\_\_\_

Home \_\_\_\_\_ Office \_\_\_\_\_ Address: \_\_\_\_\_  
(Street Address) (City) (State) (Zip Code)

Phone Number: \_\_\_\_\_

**Please complete and check off all items prior to submission. Applicant should provide an explanation for any items that have not been checked off and submitted.**

Please note that if any material change occurs in the facts set forth in this application while it is pending before the Office, an amendment setting forth such change must be filed with the Office within 10 business days after the Applicant becomes aware of such change, and a copy of the amendment must be sent by registered mail to the principal office of the facility and to the principal office of the controlling company. Submit copies of the registered mail return receipts when filing with the Office.

**SECTION I – FEES**

- 1. All fingerprint fees paid electronically
- a. Copies of online payment confirmation

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**APPLICATION FOR EXPANSION OF A CERTIFICATED CONTINUING CARE FACILITY**

**CHECKLIST**

**SECTION II – LEGAL**

- 1. Authorization Letter
- 2. Certificate of Status
- 3. Updates or amendments to any previously submitted legal documents, or statement of no changes made and no documents to submit

Legal Documents Previously Submitted (for reference):

- a. Organizational Documents
  - i. Certified by the Secretary of State (if applicable)
- b. Bylaws
  - i. Certified by corporate Secretary
- c. Certificate of Status
- d. Fictitious Name Filing (if applicable)
- e. Parent Companies and Controlling Partners
  - i. Organizational Documents
    - Certified by the Secretary of State (if applicable)
  - ii. Bylaws
    - Certified by corporate Secretary
  - iii. Certificate of Status
  - iv. Fictitious Name Filing (if applicable)
  - v. Organizational Charts
    - With ownership percentages

**APPLICATION FOR EXPANSION OF A CERTIFICATED CONTINUING CARE FACILITY**

f. Service of Process Form (Form OIR-C1-144)

**CHECKLIST**

**SECTION III – FINANCIAL**

- 1. Plan of Operations
- 2. Interrogatories, Exhibit III-2
- 3. Feasibility Study
  - a. Prepared by an independent certified public accountant
  - b. Indicate the page number where each of the following required elements is located within the feasibility study:

A description of the facility and proposed expansion, including:	pg _____
The location	pg _____
The size	pg _____
The healthcare delivery system	pg _____
The anticipated completion date	pg _____
The proposed construction program	pg _____
The primary market area	pg _____
The secondary market area, if applicable	pg _____
Projected unit sales per month	pg _____
Projected revenues, including:	pg _____

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Anticipated entrance fees pg \_\_\_\_\_

Monthly service fees pg \_\_\_\_\_

Nursing care revenues, if applicable pg \_\_\_\_\_

Other sources of revenue pg \_\_\_\_\_

Projected expenses, including: pg \_\_\_\_\_

    Staffing requirements and salaries pg \_\_\_\_\_

    Cost of property, plant, and equipment pg \_\_\_\_\_

    Depreciation expense pg \_\_\_\_\_

    Interest expense pg \_\_\_\_\_

    Marketing expense pg \_\_\_\_\_

    Other operating expense pg \_\_\_\_\_

Projected balance sheet of the Applicant, including pg \_\_\_\_\_

Expectations for the financial condition of the project, including pg \_\_\_\_\_

    Projected cash flow statement pg \_\_\_\_\_

    Estimate of funds necessary to cover startup losses pg \_\_\_\_\_

Inflation factor, if any, and a statement of how and where it is applied pg \_\_\_\_\_

Project costs pg \_\_\_\_\_

Total amount of debt financing required pg \_\_\_\_\_

Marketing projections pg \_\_\_\_\_

Resident rates, fees, and charges pg \_\_\_\_\_

The breakeven point pg \_\_\_\_\_

The competition pg \_\_\_\_\_

Resident contract provisions, including: pg \_\_\_\_\_

    Description of contracts in-force at or offered by the facility pg \_\_\_\_\_

    Description of contracts to be offered related to the expansion pg \_\_\_\_\_

    Total amount of contractual liability attributable to refundable contracts pg \_\_\_\_\_

Other factors that may affect the feasibility of the facility pg \_\_\_\_\_

Appropriate population projections, including: pg \_\_\_\_\_

    Morbidity assumptions pg \_\_\_\_\_

    Mortality assumptions. pg \_\_\_\_\_

The assumptions used in the study, if any pg \_\_\_\_\_

# APPLICATION FOR EXPANSION OF A CERTIFICATED CONTINUING CARE FACILITY

The name of the person who prepared the feasibility study and their experience in preparing similar studies or otherwise consulting in the field of continuing care

pg \_\_\_\_\_

Financial forecasts or projections prepared in accordance with standards adopted by the American Institute of Certified Public Accountants or in accordance with standards for feasibility studies for continuing care retirement communities adopted by the Actuarial Standards Board.

pg \_\_\_\_\_

If the study is prepared by an independent certified public accountant, it must contain an examination opinion or a compilation report containing a financial forecast or projections for the first 5 years of operations which take into account an actuary's mortality and morbidity assumptions as the study relates to turnover, rates, fees, and charges.

pg \_\_\_\_\_

In addition to the list above, any other information that the Applicant deems relevant and appropriate to enable the Office to make a more informed determination may be included in the feasibility study

- 4. Financial Ratio Projections
  - a. Days cash on hand
  - b. Debt service coverage ratio
  - c. Occupancy
- 5. Minimum Liquid Reserve Projections and Funding
  - d. Debt Service Reserve
  - e. Operating Reserve
  - f. Renewal and Replacement Reserve
- 6. Funding Plan and Supporting Documents
  - g. Sources and Uses of Funds
  - h. Financing agreements
  - i. Bond documents (if applicable)

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- 7.** Escrow Agreements
- 8.** Continuing Care Contract
- 9.** Contractors, Vendors, Services, and Other Agreements
  - a.** Marketing agreements
  - b.** Development or construction contracts
  - c.** Construction or long-term financing agreements
  - d.** Leases of land or property
  - e.** Management agreements
  - f.** Contracts related to the provision of the following to residents
    - i.** Shelter
    - ii.** Food
    - iii.** Health care to residents
  - g.** Affiliated contracts pursuant to Section 651.022(2)(b)8., Florida Statutes
- 10.** Advertisements

**APPLICATION FOR EXPANSION OF A CERTIFICATED CONTINUING CARE FACILITY**

**CHECKLIST**

**SECTION IV – MANAGEMENT**

- 1. Management Information Forms submitted for all required entities
- 2. Biographical affidavits submitted for all required individuals
  - a. All information completed (no blanks)
  - b. "Yes" answers explained
  - c. Signed
  - d. Notarized
- 3. Background investigative reports for all required individuals. The reports must be based on the Biographical Affidavits submitted to the Office with this Application.
  - a. Proof of order and confirmation of payment submitted to the Office
- 4. Fingerprint cards for all required individuals
  - a. All information completed (no blanks)

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**APPLICATION FOR EXPANSION OF A CERTIFICATED CONTINUING CARE FACILITY**

**b. Signed**

**EXHIBIT III-2**

**INTERROGATORIES**

**1. The Applicant is:**

Applicant Name: \_\_\_\_\_

Federal Identification Number: \_\_\_\_\_

Home Office Address: \_\_\_\_\_  
(Street Address) (City) (State) (Zip Code)

Phone Number: \_\_\_\_\_

**2. The contact person for the Applicant is:**

Name: \_\_\_\_\_

Employer: \_\_\_\_\_

Address: \_\_\_\_\_  
(Street Address) (City) (State) (Zip Code)

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**APPLICATION FOR EXPANSION OF A CERTIFICATED CONTINUING CARE FACILITY**

Phone Number: \_\_\_\_\_

Email Address: \_\_\_\_\_

3. The continuing care facility that is the subject of this application is:

Facility Name: \_\_\_\_\_

Address: \_\_\_\_\_  
(Street Address) (City) (State) (Zip Code)

4. Please provide management’s calculation of the following measures, as defined by Chapter 651.011, Florida Statutes.

	<b>As of the Last Submitted Annual Report</b>	<b>As of the Prior Annual Report</b>
<b>Debt Service Coverage Ratio</b>		
<b>Days Cash on Hand</b>		
<b>Occupancy</b>		

5. As of the most recent annual report filed with the Office, provide the breakdown below of each type of unit at the facility.

	<b>Occupied – CCRC Contract</b>	<b>Occupied – Rental</b>	<b>Under Construction/ Unavailable for Occupancy</b>	<b>Vacant</b>	<b>Total</b>
<b>Independent Living</b>					
<b>Assisted Living (including</b>					

**APPLICATION FOR EXPANSION OF A CERTIFICATED CONTINUING CARE FACILITY**

<b>Memory Care)</b>					
<b>Skilled Nursing</b>					

6. If one or more fiscal quarters have passed since the as of date of the most recent annual report filed with the Office, provide the breakdown below of each type of unit at the facility as of the most recent quarter.

	<b>Occupied – CCRC Contract</b>	<b>Occupied – Rental</b>	<b>Under Construction/ Unavailable for Occupancy</b>	<b>Vacant</b>	<b>Total</b>
<b>Independent Living</b>					
<b>Assisted Living (including Memory Care)</b>					
<b>Skilled Nursing</b>					

As of date for the information above: \_\_\_\_\_.

7. Provide the number of units to be constructed in all phases of the proposed expansion:

<b>Unit Type</b>	<b>Number of Units</b>
Independent Living	
Assisted Living	
Skilled Nursing	
Rental	

8. Will the expansion be built in phases?  Yes  No

If so, please provide a breakdown of the number of units to be added at each phase of the expansion. If more than three phases are contemplated, please attach a table showing the units to be added in each phase.

	<b>Phase 1</b>	<b>Phase 2</b>	<b>Phase 3</b>
Independent Living			
Assisted Living			

**APPLICATION FOR EXPANSION OF A CERTIFICATED CONTINUING CARE FACILITY**

(including Memory Care)			
Skilled Nursing			

9. Office approval is required for the addition of at least 20% of existing units. Existing units means the sum of the total number of independent living units and assisted living units identified in the most recent annual report filed with the Office, pursuant to Section 651.026. Skilled nursing units should not be included in the calculation.

The expansion proposed in this application represents a \_\_\_\_\_% increase in existing units.

**APPLICATION CERTIFICATION**

**The below certification must be executed by two officers of Applicant, one of whom must be the President or Chief Financial Officer, and the other the Secretary\*.**

The undersigned state that they are officers having personal knowledge of this application submitted to the Florida Office of Insurance Regulation by \_\_\_\_\_ (“Applicant”), that they have read said application, and that they know the contents thereof and verify that the items indicated in the application checklist are true and complete to the best of their knowledge and have been submitted with the application. The undersigned represent that they have the authority to bind the Applicant, and that by their signatures on the instrument, the Applicant on behalf of which they have acted executed the instrument.

I understand that whoever knowingly makes a false statement in writing with the intent to mislead a public servant in the performance of his or her official duties is guilty of a misdemeanor of the second degree, pursuant to Section 837.06, Florida Statutes, punishable as provided in Section 775.082 or Section 775.083, Florida Statutes.

**Form OIR-C1-2218**  
**Rev.: 11/19**  
**Rule 69O-193.003**

**APPLICATION FOR EXPANSION OF A CERTIFICATED CONTINUING CARE FACILITY**

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

\*Other officers, or similar persons with the authority to bind Applicant, will be accepted only if the Applicant does not have these positions.



## **Florida Office of Insurance Regulation**

### **APPLICATION FOR THE SIMULTANEOUS ACQUISITION OF A CONTINUING CARE FACILITY AND ISSUANCE OF A CERTIFICATE OF AUTHORITY TO A PROVIDER**

This packet is designed to assist individuals in preparing the application in accordance with Florida Statutes and Rules and to facilitate expeditious processing of the application by the Florida Office of Insurance Regulation ("Office").

Please submit all documents required by this packet in searchable PDF format unless otherwise indicated or required by Florida Statutes.

If this packet requires submission of forms or rates, upon receipt of an email notification of acceptance of the application, the Applicant is directed to return to the Industry Portal <http://www.floir.com/iportal> and select "Form & Rate Filing Assembly and Submission" to begin the submission of forms and/or rates.

In order for a submission to be considered a complete application, all required information must be included in the filing, including the completed application checklist.

The completed application packet must be submitted to the Office by selecting iApply – Online Company Admissions at the following link:

**<http://www.floir.com/iportal>**

Any questions concerning this application packet or iApply for Life and Health applicants may be directed to [lhappcoord@floir.com](mailto:lhappcoord@floir.com). Property and Casualty applicants are directed to [pcappcoord@floir.com](mailto:pcappcoord@floir.com).

**APPLICATION FOR THE SIMULTANEOUS ACQUISITION OF A CONTINUING CARE FACILITY  
AND ISSUANCE OF A CERTIFICATE OF AUTHORITY TO A PROVIDER**

**INSTRUCTIONS**

**SECTION I – APPLICATION FORM AND FEES**

**Section I-1            Application Fees**

Applicant must pay the acquisition application fee of \$75 U.S. Dollars (“USD”), pursuant to Section 651.015(2)(a), Florida Statutes. This fee is due at the time the application packet is filed and is not refundable.

Secure your check to the Invoice in this application and mail to:

Department of Financial Services  
Bureau of Financial Services  
Post Office Box 6100  
Tallahassee, Florida 32314-6100

Include copies of the completed Invoice and check with your application filing submitted via iApply. This procedure will expedite the processing of your application and assure a timely recording of the fee payment.

**Section I-2            Fingerprint Processing Fees**

Applicants are required to pay a fee for the processing of the fingerprint cards required in Section IV-4. Please see Form OIR-C1-938, Fingerprint Payment and Submission Procedure, for instructions.

**APPLICATION FOR THE SIMULTANEOUS ACQUISITION OF A CONTINUING CARE FACILITY  
AND ISSUANCE OF A CERTIFICATE OF AUTHORITY TO A PROVIDER**

**SECTION II - LEGAL**

**Section II-1      Authorization Letter**

Provide a letter of authorization for anyone other than company personnel or the company-sponsoring agent, designating the named individual to represent the Applicant.

**Section II-2      Organizational Documents**

Submit a copy of Applicant's organizational documents or charter documents, such as Articles of Incorporation, Partnership Agreements, Trust Agreements, Association Membership Agreements, etc., complete with all amendments, certified within the last year by the public official with whom the originals are on file in the state or jurisdiction of domicile. If the originals are not required to be on file with a public official in the state or jurisdiction of domicile, then the copies should be certified by an appropriate representative of Applicant.

**Section II-3      Bylaws**

Submit a copy of Applicant's Bylaws, Operating Agreement, Constitution, Rules and Regulations, or similar document. The document should be certified by Applicant's Secretary as a true and correct copy of the current document and dated within the last year. Only the Secretary's signature will be accepted, unless the Applicant does not have this position.

**Section II-4      Certificate of Status**

Submit a certificate of status dated within the last year. A certificate of status is a document issued by the public official having supervision of the records of corporations in the Applicant's home state or jurisdiction of domicile, usually the Secretary of State or equivalent office, that shows the company is duly organized in the state or jurisdiction of domicile and that all taxes and fees have been paid.

**Section II-5      Fictitious Name Filing**

If the Applicant plans to utilize a fictitious name, provide documentation of compliance with Section 865.09, Florida Statutes, dealing with fictitious names.

**Section II-6      Parent Companies and Controlling Partners**

Provide complete organizational documents as required in Sections II-2 and II-5 for all entities controlling the Applicant upward to the ultimate controlling entity.

**APPLICATION FOR THE SIMULTANEOUS ACQUISITION OF A CONTINUING CARE FACILITY  
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**Section 11-7            Organizational Charts**

Furnish complete organizational charts for the Applicant. The organizational charts should disclose the relationship between all entities in the organizational structure, including all parent, holding, subsidiary, and other affiliated companies, and stating all ownership percentages. One chart should be submitted for each entity showing the organization prior to the proposed acquisition, and one chart showing the Applicant's entire structure after the proposed acquisition.

**Section II-8            Description of Transaction**

Submit a narrative describing the structure of the transaction resulting in the acquisition of the continuing care facility. Please include information regarding what assets and liabilities will be assumed and an explanation of how current residents' contracts will be affected.

**Section II-9            Notification Statement**

Provide return receipt cards demonstrating proof of compliance with Section 628.4615(2)(a), Florida Statutes, which requires that the acquiring entity send the letter of notification by registered mail to the principal office of the provider and any controlling company

**Section II-10          Application**

Applicant should furnish the continuing care facility and any controlling company with a copy of the application. Submit proof that this has been done.

**Section II-11          Service of Process Form**

Provide a properly executed Service of Process Consent & Agreement form (Form OIR-C1-144).



**APPLICATION FOR THE SIMULTANEOUS ACQUISITION OF A CONTINUING CARE FACILITY  
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**Section II-12      Statutory Statements**

Submit a detailed response to items (b)-(f) of Section 628.4615(4), Florida Statutes, listed below. Each of these sections should be clearly labelled and responded to individually.

**(b)** The source and amount of the funds or other consideration used, or to be used, in making the acquisition.

**(c)** Any plans or proposals which such persons may have made to liquidate the specialty insurer, to sell any of its assets or merge or consolidate it with any person, or to make any other major change in its business or corporate structure or management; and any plans or proposals which such persons may have made to liquidate any controlling company of the specialty insurer, to sell any of its assets or merge or consolidate it with any person, or to make any other major change in its business or corporate structure or management.

**(d)** The nature and the extent of the controlling interest which the person or affiliated person of such person proposes to acquire, the terms of the proposed acquisition, and the manner in which the controlling interest is to be acquired of a specialty insurer or controlling company which is not a stock corporation.

**(e)** The number of shares or other securities which the person or affiliated person of such person proposes to acquire, the terms of the proposed acquisition, and the manner in which the securities are to be acquired.

**(f)** Information as to any contract, arrangement, or understanding with any party with respect to any of the securities of the specialty insurer or controlling company, including, but not limited to, information relating to the transfer of any of the securities, option arrangements, puts or calls, or the giving or withholding of proxies, which information names the party with whom the contract, arrangement, or understanding has been entered into and gives the details thereof.

**APPLICATION FOR THE SIMULTANEOUS ACQUISITION OF A CONTINUING CARE FACILITY  
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**SECTION III - FINANCIAL**

**Section III-1            Plan of Operations**

Submit a general summary of the plan of operations of Applicant. The plan should include management structure, healthcare delivery system, and a description of the types of continuing care contracts offered, including health care benefits and refundable contract options. This plan should be consistent with the feasibility study.

**Section III-2            Interrogatories**

Submit complete responses to all interrogatories attached as Exhibit III-2.

**Section III-3            Unaudited Quarterly Financial Statements**

Furnish a copy of Applicant's most recent quarterly financial statements. If Applicant relies on funding from an affiliate or controlling company, provide the most recent quarterly financial statements for that entity as well.

**Section III-4            Annual Financial Statements**

Furnish a copy of Applicant's most recent annual financial report. Please provide audited financial statements, if available. If Applicant relies on funding from an affiliate or controlling company, provide the most recent annual financial statements or audit for that entity as well.

**Section III-5            Applicant's History in the Industry**

Furnish a history of the Applicant including the following information.

- (A) A brief history of the company since its incorporation.
- (B) A history of the Applicant's operations in Florida.
- (C) A brief description of the management experience of each individual (by name) involved in the operation of the Applicant and the facility.
- (D) A description of the experience of any controlling company or management company in the field of continuing care.

**APPLICATION FOR THE SIMULTANEOUS ACQUISITION OF A CONTINUING CARE FACILITY AND ISSUANCE OF A CERTIFICATE OF AUTHORITY TO A PROVIDER**

**(E)** Provide a listing of all continuing care facilities currently or previously owned, managed or developed by the Applicant. As used in this paragraph, "Applicant" includes the Applicant and its affiliates and principals. The listing must include the following information:

- i. The facility's name, address, city, and state;
- ii. An indication of if Applicant's role with the facility was that of an owner, manger, developer, or a combination thereof;
- iii. An indication regarding whether Applicant is currently involved with the facility or if their involvement has ceased;
- iv. For facilities located outside of the state of Florida, an indication of whether the facility is regulated by a state agency similar to the Office of Insurance Regulation. If so, please provide the name of the agency and indicate whether the facility currently holds a license issued by the agency or if a license was previously held; and
- v. Disclosure of any administrative actions, bankruptcy or receivership proceedings, violations of financing covenants and related defaults, or similar significant financial or regulatory issues that occurred while the facility was owned, managed, or being developed by Applicant. For previously owned, managed, or developed facilities, include any such occurrences up to one year after the relationship was terminated.

Applicant may submit documentation, including but not limited to written explanations, consultant reports, court filings, and audited financial statements, to describe the circumstances surrounding the issue(s) and their resolution.

**(F)** Regarding the facilities identified in (E) above, please provide financial statements for comparable facilities meeting the criteria described below. If audited financial statements were prepared, provide audited financial statements. If audited financial statements were not prepared, provide a statement that audited financial statements were not prepared and unaudited annual financial statements.

1. Current Facilities: For comparable facilities currently owned, managed, or being developed, provide the most recent financial statements. If there are more than 2 comparable facilities, please provide financial statements for at least 2 facilities based on the criteria below.

a. A facility that would be representative of the average financial and operating performance based on debt service coverage ratio, days cash on hand, occupancy, and net operating margin; and

b. The facility whose financial and operating performance is the least strong when evaluated on the basis of debt service coverage ratio, days cash on hand, occupancy, and net operating margin.

**APPLICATION FOR THE SIMULTANEOUS ACQUISITION OF A CONTINUING CARE FACILITY  
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2. Previous Facilities: For comparable facilities previously owned, managed, or developed, provide the financial statements prepared for the last period in which the facility was owned, managed, or being developed by Applicant. If there are more than 2 comparable facilities, please provide financial statements for at least 2 facilities based on the criteria below.

a. A facility that would be representative of the average financial and operating performance based on debt service coverage ratio, days cash on hand, occupancy, and net operating margin; and

b. The facility whose financial and operating performance is the least strong when evaluated on the basis of debt service coverage ratio, days cash on hand, occupancy, and net operating margin.

**Section III-6 Purchase Agreements, Tender or Exchange Offers, or Similar Documents**

Furnish a copy of all purchase agreements, tender or exchange offers and offering documents, or similar documents associated with the acquisition of the facility.

**Section III-7 Feasibility Study**

Submit an independent feasibility study that complies with the requirements of Section 651.023(1)(b), Florida Statutes. The Application Checklist below lists the required components of a feasibility study.

The provider may submit any other information it deems relevant and appropriate to enable the Office to make a more informed determination. If such information is submitted, please provide an explanation of why the additional information is relevant and appropriate for the Office to consider in reviewing the application filing.

**Section III-8 Financial Ratio Projections**

Please provide a projected days cash on hand, occupancy, and debt service coverage ratio calculations for the first 5 years of operations. Please explain if the provider anticipates dropping below the minimum standards established in Section 651.011(15) or 651.011(25), Florida Statutes, and if so, how it will come back into compliance. These projections should be consistent with the feasibility study.

**Section III-9 Minimum Liquid Reserve Projections**

Provide a projected calculation of the facility's minimum liquid reserves for the first 5 years of operations broken down by debt service reserve, operating reserve, and renewal and replacement reserve, as well as a description of how Applicant will fund the minimum liquid reserves. These projections should be consistent with the feasibility study.

**Form OIR-C1-2219**

**Rev.: 11/19**

**Rule 690-193.003**

**APPLICATION FOR THE SIMULTANEOUS ACQUISITION OF A CONTINUING CARE FACILITY  
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**Section III-10      Funding Plan and Supporting Documents**

Furnish a Sources and Uses of Funds statement disclosing all sources and all uses of funds to be used in the acquisition. The statement should describe funding of the acquisition, any planned construction, and long-term financing for the facility.

Please provide financing agreements, commitments, letters of intent to finance, term sheets, or other agreements or similar documents with affiliates, lenders, or underwriters that describe the proposed plan for the financing and funding plan for the proposed facility. Please note if the documents are drafts or in final form. Provide executed copies for any agreements that are already in-force.

If agreements have not been executed at the time of filing, please provide an explanation of the conditions precedent to the parties executing each agreement and a timeline of when the agreements are expected to be executed.

If bonds are to be issued in connection with the acquisition, any planned construction, or long-term financing for the facility, submit the official statement used in connection with the proposed bond issue, a copy of the bond indenture, and a sample form of the bond. Submit drafts if final versions are not yet available. The final documents will be due to the Office within 30 days after the bonds are issued.

**Section III-11      Escrow Agreements**

Submit draft escrow agreements in compliance with Sections 651.023, 651.033, and 651.035, Florida Statutes. The following escrow agreements should be included:

- Seven-day escrow agreement
- Minimum liquid reserve escrow agreements
  - Debt Service Reserve
  - Operating Reserve
  - Renewal and Replacement Reserve

A provider may submit a statement that it intends to deposit its minimum liquid reserves with the Department of Financial Services Bureau of Collateral Management pursuant to Section 651.033(1)(a), Florida Statutes, in lieu of submitting a minimum liquid reserve escrow agreement. If, after licensure, Applicant wishes to establish a minimum liquid reserve escrow account, they may submit an escrow agreement in REFS for review and approval. Escrow accounts may not be established without the prior written approval of the escrow agreement by the Office pursuant to Section 651.033(1)(c), Florida Statutes.

**APPLICATION FOR THE SIMULTANEOUS ACQUISITION OF A CONTINUING CARE FACILITY  
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Note that if the Applicant will have outstanding indebtedness that requires a debt service reserve to be held in escrow pursuant to a trust indenture or mortgage lien on the facility and for which the debt service reserve may only be used to pay principal and interest payments on the debt that the debtor is obligated to pay, pursuant to Section 651.035(1)(b), Florida Statutes, such an escrow account may be included in the debt service portion of its minimum liquid reserves. Please explain if Applicant will have such a debt service reserve and provide supporting documentation.

After licensure, for such an account to be applied to debt service reserves, the provider must furnish a copy of the agreement under which such debt service is held and a statement of the amount being held in escrow for the debt service reserve certified by the lender or trustee and the provider to be correct.

**Section III-12 Continuing Care Contracts**

Provide copies of each continuing care contract, reservation agreement, waitlist agreement, and addendum to be entered into between the Applicant and residents, which must meet the minimum requirements of Sections 651.055, 651.023, 651.022, and 651.061 Florida Statutes.

Please provide a list describing the continuing care contracts that the Applicant will assume as part of the acquisition transaction, including healthcare and refund obligations assumed.

Please note that continuing care contracts must meet the minimum requirements of Section 651.055, Florida Statutes, and must be approved by the Office before use. Review and approval of the continuing care contract forms, reservation agreements, and addendums to such agreements is independent of the application process. To begin this review process, contract forms must also be submitted for review through the IRFS portal. Such contracts may be submitted through the portal after the application has been accepted by the Office.

**Section III-13 Contractors, Vendors, Services, and Other Agreements**

Furnish copies of any agreements whereby the Applicant accepts obligations, debts, and encumbrances which would affect the facility.

Submit copies of any contract entered into or to be entered into by the Applicant in relation to marketing, construction, or long-term financing, leases of land or property, or management of the facility and the provision of shelter, food, and health care to residents. For example, management agreements, leases, development agreements, etc.

Please indicate if any person whose name is required to be provided in this application pursuant to Section 651.022(2)(b)1.-10., Florida Statutes, owns any interest in or receives any remuneration from, directly or indirectly, any professional service firm, association, trust, partnership, or corporation providing goods, leases, or services to the facility for which the application is made, with a real or anticipated value of \$10,000 USD or more.

**APPLICATION FOR THE SIMULTANEOUS ACQUISITION OF A CONTINUING CARE FACILITY  
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If so, provide the name and address of the professional service firm, association, trust, partnership, or corporation in which such interest is held; describe such goods, leases, or services; the probable cost to the facility or provider; and why such goods, leases, or services should not be purchased from an independent entity. Explain whether the contract or arrangement is the result of arms-length negotiations, a bid, or otherwise. If no person meets these conditions, please provide a statement to that effect.

Additionally, furnish copies of any other agreements referenced in this filing.

**Section III-14      Advertisements**

Furnish the form of any advertisement or other written material proposed to be used in the solicitation of residents

**APPLICATION FOR THE SIMULTANEOUS ACQUISITION OF A CONTINUING CARE FACILITY  
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**SECTION IV – MANAGEMENT**

**Section IV-1            Management Information Forms**

Please submit Management Information Forms fully describing the post-acquisition management, ownership, and control of the domestic insurer up to and including any 10% or greater shareholders of the ultimate parent. A Management Information Form should be submitted for each entity in the ownership chain.

Forms should contain the first, middle, and last name of each officer, director, and 10% or greater owner of the entity named on the form. The Management Information Form is included in the packet.

**Section IV-2            Biographical Affidavits as to Officers, Directors, and Shareholders**

Provide a National Association of Insurance Commissioners (“NAIC”) Biographical Affidavit (NAIC Form 11) for each officer, director, and shareholder listed in Section IV-1. Applicant may omit officers, directors, and shareholders of those companies in the organizational structure between the immediate parent and the ultimate parent. Please note that if an individual has a Biographical Affidavit on file with the Office, and the Biographical Affidavit was signed and notarized within 2 years of the date of the Application being filed, a Biographical Affidavit need not be submitted for that individual.

All questions must be answered. All “Yes” answers must be explained. Please note Item 8 of the NAIC Biographical Affidavit requires 20 years of employment history. Only 10 years of employment history is required for this application.

Each Biographical Affidavit must be signed and notarized.

The affiant’s social security number must be submitted to the Office. Section 119.071(5), Florida Statutes, gives authority for an agency to collect social security numbers if imperative for the performance of that agency’s duties and responsibilities as prescribed by law. Limited collection of social security numbers is imperative for the Office to insure that the owners, management, officers, and directors of any entity regulated by the Office competent and trustworthy, possess financial standing and business experience, and have not been found guilty of, or not pleaded guilty or nolo contendere to, any felony or crime punishable by imprisonment of one year.

However, pursuant to Section 119.071(5), Florida Statutes, social security numbers collected by an agency are confidential and exempt from Section 119.07(1), Florida Statutes, and Section 24(a), Art. I of the State Constitution, and must be segregated on a separate page. Therefore, please include the affiant’s name and social security number on the separate page marked CONFIDENTIAL and provided in this packet, and attach that page to the NAIC Biographical Affidavit (NAIC Form 11) that is also included in this packet.

**Form OIR-C1-2219  
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**Section IV-3            Background Investigative Report**

A Background Investigative Report must be provided for each person for whom a Biographical Affidavit is required, as described above. Background reports must be submitted by an approved background investigation vendor directly to the Office. Attach proof of payment confirming that all background reports have been ordered when submitting the application. Please refer to Form OIR-C1-905, Instructions for Furnishing Background Investigative Reports, included in this packet.

**Section IV-4            Fingerprint Cards**

Fingerprint cards must be provided to the Office for each person for whom a Biographical Affidavit is required. Please refer to Form OIR-C1-938, Fingerprint Payment and Submission Procedure, for instructions. If an individual has submitted a fingerprint card dated within 5 years of the date of the Application filing, a fingerprint card need not be submitted for that individual.

**APPLICATION FOR THE SIMULTANEOUS ACQUISITION OF A CONTINUING CARE FACILITY  
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**CHECKLIST**

Applicant Name: \_\_\_\_\_

Federal Identification Number: \_\_\_\_\_

Home Office Address: \_\_\_\_\_  
(Street Address) (City) (State) (Zip Code)

Phone Number: \_\_\_\_\_

**Please complete and check off all items prior to submission. Applicant should provide an explanation for any items that have not been checked off and submitted.**

Please note that if any material change occurs in the facts set forth in this application while it is pending before the Office, an amendment setting forth such change must be filed with the Office within 10 business days after the Applicant becomes aware of such change, and a copy of the amendment must be sent by registered mail to the principal office of the facility and to the principal office of the controlling company. Submit copies of the registered mail return receipts when filing with the Office.

**SECTION I – APPLICATION FORM AND FEES**

- 1. Application fee paid
  - a. Copy of invoice included
  - b. Copy of check
- 2. All fingerprint fees paid electronically
  - a. Copies of online payment confirmation

**APPLICATION FOR THE SIMULTANEOUS ACQUISITION OF A CONTINUING CARE FACILITY  
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**CHECKLIST**

**SECTION II - LEGAL**

- 1. Authorization Letter
- 2. Organizational Documents
  - a. Certified by the Secretary of State (if applicable)
- 3. Bylaws (or equivalent documents)
  - a. Certified by corporate Secretary
- 4. Certificate of Status
- 5. Fictitious Name Filing (if applicable)
- 6. Parent Companies and Controlling Partners
  - a. Organizational Documents
    - i. Certified by the Secretary of State (if applicable)
  - b. Bylaws (or equivalent document)
    - i. Certified by corporate Secretary
  - c. Certificate of Status
  - d. Fictitious Name Filing (if applicable)
- 7. Organizational Charts
  - a. Chart showing Applicant's organization prior to acquisition
    - i. With ownership percentages
  - b. Chart showing facility's ownership structure prior to the acquisition
    - i. With ownership percentages

**APPLICATION FOR THE SIMULTANEOUS ACQUISITION OF A CONTINUING CARE FACILITY  
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- c. Chart showing all entities after the acquisition
  - i. With ownership percentages
- 8. Description of Transaction
- 9. Notification Statement
  - a. Return receipt cards for
    - i. Principal office of the provider
    - ii. Any controlling company of the provider
- 10. Proof that this Application has been furnished to the continuing care facility and any controlling company
- 11. Service of Process Form (see instructions in II-10)
- 12. Statutory Statements, Section 628.4615(b)-(f), Florida Statutes

**APPLICATION FOR THE SIMULTANEOUS ACQUISITION OF A CONTINUING CARE FACILITY  
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**CHECKLIST**

**SECTION III – FINANCIAL**

- 1. Plan of Operations
- 2. Interrogatories, Exhibit III-2
- 3. Quarterly Financial Statements
  - a. Applicant's most recent unaudited quarterly financial statements
  - b. Most recent unaudited quarterly financial statements for affiliate or controlling company, if required (see directions in III-3)
- 4. Annual Financial Statements
  - a. Applicant's most recent annual financial statements, audited if available
  - b. Most recent annual financial statements or audit for affiliate or controlling company, if required (see directions in III-4)
- 5. Applicant's History in the Industry
  - a. Brief history of the company since its incorporation
  - b. History in Florida
  - c. Management experience of individuals
  - d. Experience of controlling companies and management companies
  - e. Detailed listing of continuing care experience
  - f. Audited financial reports of comparable facilities
- 6. Purchase Agreements, Tender or Exchange Offers, or Similar Documents
- 7. Feasibility Study
  - a. Prepared by an independent certified public accountant or an independent consulting actuary
  - b. Indicate the page number where each of the following required elements is located within the feasibility study:

**APPLICATION FOR THE SIMULTANEOUS ACQUISITION OF A CONTINUING CARE FACILITY  
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A description of the facility, including:	pg _____
The location	pg _____
The size	pg _____
The healthcare delivery system	pg _____
Current facility occupancy rates	pg _____
Recent marketing results	pg _____
Any anticipated post-acquisition renovations or construction	pg _____
Current resident contract provisions	pg _____
Refund liability	pg _____
The primary market area	pg _____
The secondary market area, if applicable	pg _____
Projected unit sales per month	pg _____
Projected revenues, including	pg _____
Anticipated entrance fees	pg _____
Monthly service fees	pg _____
Nursing care revenues, if applicable	pg _____
Other sources of revenue	pg _____
Projected expenses, including	pg _____
Staffing requirements and salaries	pg _____
Cost of property, plant, and equipment	pg _____
Depreciation expense	pg _____
Interest expense	pg _____
Marketing expense	pg _____
Other operating expense	pg _____
Projected balance sheet of the Applicant	pg _____
Expectations for the financial condition of the project, including	pg _____
Projected cash flow statement; and	pg _____
Estimate of funds necessary to cover startup losses	pg _____
Inflation factor, if any, and a statement of how and where it is applied	pg _____
Project costs	pg _____
Total amount of debt financing required.	pg _____
Marketing projections.	pg _____

**Form OIR-C1-2219**  
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Resident rates, fees, and charges. pg \_\_\_\_\_

The breakeven point. pg \_\_\_\_\_

The competition. pg \_\_\_\_\_

Resident contract provisions, including pg \_\_\_\_\_

    Description of contracts in-force at or offered by the facility pg \_\_\_\_\_

    Description of contracts to be offered related to the expansion pg \_\_\_\_\_

    Total amount of contractual liability attributable to refundable contracts pg \_\_\_\_\_

Other factors that may affect the feasibility of the facility. pg \_\_\_\_\_

Appropriate population projections, including pg \_\_\_\_\_

    Morbidity assumptions; and pg \_\_\_\_\_

    Mortality assumptions. pg \_\_\_\_\_

The assumptions used in the study, if any. pg \_\_\_\_\_

The name of the person who prepared the feasibility study and their experience  
in preparing similar studies or otherwise consulting in the field of continuing  
care. pg \_\_\_\_\_

Financial forecasts or projections prepared in accordance with standards  
adopted by the American Institute of Certified Public Accountants or in  
accordance with standards for feasibility studies for continuing care retirement  
communities adopted by the Actuarial Standards Board. pg \_\_\_\_\_

If the study is prepared by an independent certified public accountant, it  
must contain an examination opinion or a compilation report containing a  
financial forecast or projections for the first 5 years of operations which  
take into account an actuary's mortality and morbidity assumptions as the  
study relates to turnover, rates, fees, and charges. pg \_\_\_\_\_

**APPLICATION FOR THE SIMULTANEOUS ACQUISITION OF A CONTINUING CARE FACILITY AND ISSUANCE OF A CERTIFICATE OF AUTHORITY TO A PROVIDER**

If the study is prepared by an independent consulting actuary, it must contain mortality and morbidity assumptions as the study relates to turnover, rates, fees, and charges and an actuary's signed opinion that the project as proposed is feasible and that the study has been prepared in accordance with standards adopted by the American Academy of Actuaries.

pg \_\_\_\_\_

In addition to the list above, any other information that the Applicant deems relevant and appropriate to enable the Office to make a more informed determination may be included in the feasibility study.

- 1. Financial Ratio Projections
  - a. Days cash on hand
  - b. Debt service coverage ratio
  - c. Occupancy
- 2. Minimum Liquid Reserve Projections
  - a. Debt Service Reserve
  - b. Operating Reserve
  - c. Renewal and Replacement Reserve
- 3. Funding Plan and Supporting Documents
  - a. Sources and Uses of Funds
  - b. Financing agreements
  - c. Bond documents (if applicable)
- 4. Escrow Agreements
  - a. Seven-day escrow agreement
  - b. Minimum liquid reserve escrow agreements
    - i. Debt Service Reserve
    - ii. Operating Reserve
    - iii. Renewal and Replacement Reserve



**APPLICATION FOR THE SIMULTANEOUS ACQUISITION OF A CONTINUING CARE FACILITY  
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- 5.** Continuing Care Contracts
  - a.** Continuing care contracts
  - b.** Reservation agreements
  - c.** Waitlist agreements
  - d.** Addendums
- 6.** Contractors, Vendors, Services, and Other Agreements
  - a.** Marketing agreements
  - b.** Development or construction contracts
  - c.** Construction or long-term financing agreements
  - d.** Leases of land or property
  - e.** Management agreements
  - f.** Contracts related to the provision of the following to residents
    - i.** Shelter
    - ii.** Food
    - iii.** Health care to residents
  - g.** Affiliated contracts pursuant to Section 651.022(2)(b)8., Florida Statutes
- 7.** Advertisements

**APPLICATION FOR THE SIMULTANEOUS ACQUISITION OF A CONTINUING CARE FACILITY  
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**CHECKLIST**

**SECTION IV – MANAGEMENT**

- 1. Management Information Forms submitted for all required entities
- 2. Biographical affidavits submitted for all required individuals
  - a. All information completed (no blanks)
  - b. "Yes" answers explained
  - c. Signed
  - d. Notarized
- 3. Background investigative reports for all required individuals. The reports must be based on the Biographical Affidavits submitted to the Office with this Application.
  - a. Proof of order and confirmation of payment submitted to the Office
- 4. Fingerprint cards for all required individuals
  - a. All information completed (no blanks)
  - b. Signed

**APPLICATION FOR THE SIMULTANEOUS ACQUISITION OF A CONTINUING CARE FACILITY  
AND ISSUANCE OF A CERTIFICATE OF AUTHORITY TO A PROVIDER**

**EXHIBIT III-2**

**INTERROGATORIES**

1. The Applicant is:

Applicant Name: \_\_\_\_\_

Federal Identification Number: \_\_\_\_\_

Home Office Address: \_\_\_\_\_  
(Street Address) (City) (State) (Zip Code)

Phone Number: \_\_\_\_\_

2. The contact person for the Applicant is:

Name: \_\_\_\_\_

Employer: \_\_\_\_\_

Address: \_\_\_\_\_  
(Street Address) (City) (State) (Zip Code)

Phone Number: \_\_\_\_\_

Email Address: \_\_\_\_\_

3. The continuing care facility that is the subject of this application is:

Facility Name: \_\_\_\_\_

Address: \_\_\_\_\_  
(Street Address) (City) (State) (Zip Code)

4. The number and type of units at the facility is as follows:

- \_\_\_\_\_ Independent living units
- \_\_\_\_\_ Assisted living units
- \_\_\_\_\_ Sheltered skilled nursing beds
- \_\_\_\_\_ Community skilled nursing beds
- \_\_\_\_\_ Rental units
- \_\_\_\_\_ Total units

**APPLICATION FOR THE SIMULTANEOUS ACQUISITION OF A CONTINUING CARE FACILITY AND ISSUANCE OF A CERTIFICATE OF AUTHORITY TO A PROVIDER**

5. Health care will be provided:  
 by the Applicant  
 by an affiliate, pursuant to contract  
 by a third-party, pursuant to contract

6. Health care will be provided (check one)  
 on-site  
 off-site

7. The assisted living or skilled nursing facilities providing healthcare to residents are:

Facility Name: \_\_\_\_\_

Address: \_\_\_\_\_  
(Street Address) (City) (State) (Zip Code)

Facility Name: \_\_\_\_\_

Address: \_\_\_\_\_  
(Street Address) (City) (State) (Zip Code)

8. Will the Applicant own or lease the facility?  
 own  
 lease

9. Will the Applicant employ a management company to operate the facility?  
 yes  
 no

If yes submit a copy of the agreement in Section III-13, which must comply with Section 651.1151, Florida Statutes, and the information required in Section IV – Management, including management information forms for the management company and its owners, a list of the officers and directors of the management company, and complete biographical information for all principals.

10. Pursuant to Section 651.022(2)(b), Florida Statutes, please attach a listing the full names, residences, and business addresses of each of the following:
- a. The proprietor, if the Applicant or provider is an individual.
  - b. Every partner or member, if the Applicant or provider is a partnership or other unincorporated association, however organized, having fewer than 50 partners or members, together with the business name and address of the partnership or other organization.

**APPLICATION FOR THE SIMULTANEOUS ACQUISITION OF A CONTINUING CARE FACILITY  
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- c. The principal partners or members, if the Applicant or provider is a partnership or other unincorporated association, however organized, having 50 or more partners or members, together with the business name and business address of the partnership or other organization. If such unincorporated organization has officers and a board of directors, the full name and business address of each officer and director may be set forth in lieu of the full name and business address of its principal members.
- d. The corporation and each officer and director thereof, if the Applicant or provider is a corporation.
- e. Every trustee and officer, if the Applicant or provider is a trust.
- f. The manager, whether an individual, corporation, partnership, or association.
- g. Any stockholder holding at least a 10% interest in the operations of the facility in which the care is to be offered.
- h. Any person whose name is required to be provided in the application under this paragraph and who owns any interest in or receives any remuneration from, directly or indirectly, any professional service firm, association, trust, partnership, or corporation providing goods, leases, or services to the facility for which the application is made, with a real or anticipated value of \$10,000 or more, and the name and address of the professional service firm, association, trust, partnership, or corporation in which such interest is held. The Applicant shall describe such goods, leases, or services and the probable cost to the facility or provider and shall describe why such goods, leases, or services should not be purchased from an independent entity.
- i. Any person, corporation, partnership, association, or trust owning land or property leased to the facility, along with a copy of the lease agreement.
- j. Any affiliated parent or subsidiary corporation or partnership.

**APPLICATION FOR THE SIMULTANEOUS ACQUISITION OF A CONTINUING CARE FACILITY  
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**11.** Has any person identified in the listing required by question 10 above, the administrator of the facility, the manager of the facility, or any such person living in the same location:

**a.** Been convicted of a felony or pleaded nolo contendere to a felony charge, been held liable or enjoined in a civil action by final judgement, if the felony or civil action involved fraud, embezzlement, fraudulent conversion, or misappropriation of property?

\_\_\_\_\_ yes  
\_\_\_\_\_ no

**b.** Is such a proceeding currently pending?

\_\_\_\_\_ yes  
\_\_\_\_\_ no

**c.** If so, provide a certified copy of the complaint and the final adjudication by the recording public official.

**12.** Has any person identified in the listing required by question 10 above, the administrator of the facility, the manager of the facility, or any such person living in the same location:

**a.** Subject to a currently effective injunctive or restrictive order or federal or state administrative order relating to business activity or health care as a result of an action brought by a public agency or department, including, without limitation, an action affecting a license under Chapter 400 or 429, Florida Statutes?

\_\_\_\_\_ yes  
\_\_\_\_\_ no

**b.** If so, provide a certified copy of the complaint and the final adjudication by the recording public official.

**13.** The Applicant's fiscal year-end is: \_\_\_\_\_.

**APPLICATION FOR THE SIMULTANEOUS ACQUISITION OF A CONTINUING CARE FACILITY  
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**APPLICATION CERTIFICATION**

**The below certification must be executed by two officers of Applicant, one of whom must be the President or Chief Financial Officer, and the other the Secretary\*.**

The undersigned state that they are officers having personal knowledge of this application submitted to the Florida Office of Insurance Regulation by \_\_\_\_\_ (“Applicant”), that they have read said application, and that they know the contents thereof and verify that the items indicated in the application checklist are true and complete to the best of their knowledge and have been submitted with the application. The undersigned represent that they have the authority to bind the Applicant, and that by their signatures on the instrument, the Applicant on behalf of which they have acted executed the instrument.

I understand that whoever knowingly makes a false statement in writing with the intent to mislead a public servant in the performance of his or her official duties is guilty of a misdemeanor of the second degree, pursuant to Section 837.06, Florida Statutes, punishable as provided in Section 775.082 or Section 775.083, Florida Statutes.

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

\*Other officers, or similar persons with the authority to bind Applicant, will be accepted only if Applicant does not have these positions.

**APPLICATION FOR THE SIMULTANEOUS ACQUISITION OF A CONTINUING CARE FACILITY  
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**INVOICE**

NAME OF COMPANY: \_\_\_\_\_

FEIN: \_\_\_\_\_

ADDRESS: \_\_\_\_\_

CITY, STATE & ZIP CODE: \_\_\_\_\_

PHONE NUMBER: \_\_\_\_\_

ADDRESS (IF DIFFERENT FROM COMPANY ADDRESS)

\_\_\_\_\_

\_\_\_\_\_

(CITY)

(STATE)

(ZIP CODE)

1. Make payable to the Department of Financial Services and mail check and invoice only to the Department of Financial Services, Bureau of Financial Services, P.O. Box 6100, Tallahassee, Florida 32314-6100.
2. Include a copy of the check and invoice with the application filing submitted electronically via iApply.

TYPE: 11 CLASS: 17 Filing Fee: \$75





## **Florida Office of Insurance Regulation**

### **CONSOLIDATED APPLICATION FOR PROVISIONAL CERTIFICATE OF AUTHORITY AND CERTIFICATE OF AUTHORITY FOR A CONTINUING CARE PROVIDER**

This packet is designed to assist individuals in preparing the application in accordance with Florida Statutes and Rules and to facilitate expeditious processing of the application by the Florida Office of Insurance Regulation ("Office").

Please submit all documents required by this packet in searchable PDF format unless otherwise indicated or required by Florida Statutes.

If this packet requires submission of forms or rates, upon receipt of an email notification of acceptance of the application, the Applicant is directed to return to the Industry Portal <http://www.floir.com/iportal> and select "Form & Rate Filing Assembly and Submission" to begin the submission of forms and/or rates.

In order for a submission to be considered a complete application, all required information must be included in the filing, including the completed application checklist.

The completed application packet must be submitted to the Office by selecting iApply – Online Company Admissions at the following link:

**<http://www.floir.com/iportal>**

Any questions concerning this application packet or iApply for Life and Health applicants may be directed to [lhappcoord@floir.com](mailto:lhappcoord@floir.com). Property and Casualty applicants are directed to [pcappcoord@floir.com](mailto:pcappcoord@floir.com).

**INSTRUCTIONS**

**SECTION I - APPLICATION FEES**

**Section I-1          Application Fees**

Applicants must pay an application-filing fee of \$75 U.S. Dollars (“USD”) pursuant to Section 651.015(2)(a), Florida Statutes. This fee is due at the time the application packet is filed and is not refundable.

Secure your check to the Invoice in this application and send to:

Department of Financial Services  
Bureau of Financial Services  
Post Office Box 6100  
Tallahassee, Florida 32314-6100

Include copies of the completed Invoice and check with your application filing submitted via iApply. This procedure will expedite the processing of your application and assure a timely recording of the fee payment.

**Section I-2          Fingerprint Processing Fees**

Applicants are required to pay a fee for the processing of the fingerprint cards required in Section IV-4. Please see Form OIR-C1-938, Fingerprint Payment and Submission Procedure, for instructions.

**OFFICE OF INSURANCE REGULATION CONSOLIDATED APPLICATION FOR PROVISIONAL  
CERTIFICATE OF AUTHORITY AND CERTIFICATE OF AUTHORITY FOR A CONTINUING CARE FACILITY**

**SECTION II - LEGAL**

**Section II-1            Authorization Letter**

Provide a letter of authorization for anyone other than company personnel or the company-sponsoring agent, designating the named individual to represent the Applicant.

**Section II-2            Organizational Documents**

Submit a copy of Applicant's organizational documents or charter documents, such as Articles of Incorporation, Partnership Agreements, Trust Agreements, Association Membership Agreements, etc., complete with all amendments, certified within the last year by the public official with whom the originals are on file in the state or jurisdiction of domicile. If the originals are not required to be on file with a public official in the state or jurisdiction of domicile, then the copies should be certified by an appropriate representative of Applicant.

**Section II-3            Bylaws**

Submit a copy of Applicant's Bylaws, Operating Agreement, Constitution, Rules and Regulations, or similar document. This should be certified by Applicant's Secretary as a true and correct copy of the current document and dated within the last year. Only the Secretary's signature will be accepted, unless the Applicant does not have this position.

**Section II-4            Certificate of Status**

Submit a certificate of status dated within the last year. A certificate of status is a document issued by the public official having supervision of the records of corporations in the Applicant's home state or jurisdiction of domicile, usually the Secretary of State or equivalent office, that shows the company is duly organized in the state or jurisdiction of domicile and that all taxes and fees have been paid.

**Section II-5            Fictitious Name Filing**

If the Applicant plans to utilize a fictitious name, provide documentation of compliance with Section 865.09, Florida Statutes, dealing with fictitious names.

**Section II-6            Parent Companies and Controlling Partners**

Provide complete organizational documents required in Sections II-2 through II-5 for all entities controlling the Applicant upward to the ultimate controlling entity.

**OFFICE OF INSURANCE REGULATION CONSOLIDATED APPLICATION FOR PROVISIONAL  
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**Section II-7            Organizational Charts**

Furnish complete organizational charts for Applicant. The organizational charts should disclose the relationship between all entities in the organizational structure, include all parent, holding, subsidiary, and other affiliated companies, and state all ownership percentages.

**Section II-8            Service of Process Consent & Agreement**

Provide a properly executed Service of Process Consent & Agreement form (Form OIR-C1-144).

OFFICE OF INSURANCE REGULATION CONSOLIDATED APPLICATION FOR PROVISIONAL  
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**SECTION III - FINANCIAL**

**Section III-1 Plan of Operations**

Submit a general summary of the plan of operations of Applicant. The plan should include management structure, healthcare delivery system, and a description of the types of continuing care contracts offered, including health care benefits and refundable contract options. This plan should be consistent with the feasibility study.

**Section III-2 Interrogatories**

Submit complete responses to all interrogatories attached as Exhibit III-2.

**Section III-3 Unaudited Quarterly Financial Statements**

Submit complete unaudited quarterly financial statements attested to by the Applicant after the date of the last audit. If Applicant relies on funding from an affiliate or controlling company, provide the most recent quarterly financial statements for that entity as well.

**Section III-4 Audited Annual Financial Statements**

Submit a complete audited financial report of the Applicant, prepared by an independent certified public accountant in accordance with generally accepted accounting principles, as of the date the Applicant commenced business operations or for the fiscal year that ended immediately preceding the date of the application, whichever is later.

If Applicant relies on funding from an affiliate or controlling company, provide the most recent annual financial statements or audit for that entity as well.

**Section III-5 Applicant's History in the Industry**

Furnish a history of the Applicant including the following information.

- (A) A brief history of the company since its incorporation.
- (B) A history of the Applicant's operations in Florida.
- (C) A brief description of the management experience of each individual (by name) involved in the operation of the Applicant and the facility.
- (D) A description of the experience of any controlling company or management company in the field of continuing care.

**OFFICE OF INSURANCE REGULATION CONSOLIDATED APPLICATION FOR PROVISIONAL  
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- (E)** Provide a listing of all continuing care facilities currently or previously owned, managed or developed by the Applicant. As used in this paragraph, “Applicant” includes the Applicant and its affiliates and principals. The listing must include the following information:
- i. The facility’s name, address, city, and state;
  - ii. An indication of if Applicant’s role with the facility was that of an owner, manger, developer, or a combination thereof;
  - iii. An indication regarding whether Applicant is currently involved with the facility or if their involvement has ceased;
  - iv. For facilities located outside of the state of Florida, an indication of whether the facility is regulated by a state agency similar to the Office of Insurance Regulation. If so, please provide the name of the agency and indicate whether the facility currently holds a license issued by the agency or if a license was previously held; and
  - v. Disclosure of any administrative actions, bankruptcy or receivership proceedings, violations of financing covenants and related defaults, or similar significant financial or regulatory issues that occurred while the facility was owned, managed, or being developed by Applicant. For previously owned, managed, or developed facilities, include any such occurrences up to one year after the relationship was terminated.

Applicant may submit documentation, including but not limited to written explanations, consultant reports, court filings, and audited financial statements, to describe the circumstances surrounding the issue(s) and their resolution.

- (F)** Regarding the facilities identified in (E) above, please provide financial statements for comparable facilities meeting the criteria described below. If audited financial statements were prepared, provide audited financial statements. If audited financial statements were not prepared, provide a statement that audited financial statements were not prepared and unaudited annual financial statements.

1. Current Facilities: For comparable facilities currently owned, managed, or being developed, provide the most recent financial statements. If there are more than 2 comparable facilities, please provide financial statements for at least 2 facilities based on the criteria below.

- a. A facility that would be representative of the average financial and operating performance based on debt service coverage ratio, days cash on hand, occupancy, and net operating margin; and
- b. The facility whose financial and operating performance is the least strong when evaluated on the basis of debt service coverage ratio, days cash on hand, occupancy, and net operating margin.

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2. Previous Facilities: For comparable facilities previously owned, managed, or developed, provide the financial statements prepared for the last period in which the facility was owned, managed, or being developed by Applicant. If there are more than 2 comparable facilities, please provide financial statements for at least 2 facilities based on the criteria below.

a. A facility that would be representative of the average financial and operating performance based on debt service coverage ratio, days cash on hand, occupancy, and net operating margin; and

b. The facility whose financial and operating performance is the least strong when evaluated on the basis of debt service coverage ratio, days cash on hand, occupancy, and net operating margin.

**Section III-6 Proof of Ownership, Right to Operate, or Manage**

If Applicant is the owner of the proposed facility site, attach a copy of the warranty deed or contract for deed. If the Applicant intends to operate the facility, attach a copy of the proposed operating agreement. If the Applicant intends to manage or employ a management company to manage the facility, attach a copy of the proposed or executed management agreement.

**Section III-7 Feasibility Study**

Submit an independent feasibility study that complies with the requirements of Section 651.0215(2)(b), Florida Statutes. The Application Checklist below lists the required components of the feasibility study.

**Section III-8 Financial Ratio Projections**

Please provide a projected days cash on hand, occupancy, and debt service coverage ratio calculations for the first 5 years of operations. Please explain when the provider anticipates exceeding the minimum thresholds provided in Sections 651.011(15) and 651.011(25), Florida Statutes. These projections should be consistent with the feasibility study.

**Section III-9 Minimum Liquid Reserve Projections and Funding**

Provide a projected calculation of the facility's minimum liquid reserves for the first 5 years of operations and a description of how Applicant will fund the minimum liquid reserves. These projections should be consistent with the feasibility study.

Furnish documents evidencing that the Applicant will be able to comply with Section 651.035, Florida Statutes.

**OFFICE OF INSURANCE REGULATION CONSOLIDATED APPLICATION FOR PROVISIONAL  
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**Section III-10      Funding Plan**

Furnish a Sources and Uses of Funds statement explaining the projects proposed method of financing and disclosing all sources and all uses of funds to be used to develop the project. The statement should describe construction and long-term financing for the facility and should be supported by the information provided in response to Section III-11.

All reservation deposits and entrance fees must be placed in escrow in accordance with Section 651.033, Florida Statutes. The Applicant may not use or pledge any part of an initial entrance fee for the construction or purchase of the facility or as security for long-term financing.

Note that the Office may not approve an application that includes in the plan of financing any encumbrance of the operating reserves or renewal and replacement reserves required by Chapter 651, Florida Statutes.

**Section III-11      Financing Plan Documentation**

Submit documents evidencing that commitments have been secured for both construction financing and long-term financing or that a documented plan acceptable to the Office has been adopted by the Applicant for long-term financing.

Please provide financing agreements, commitments, letters of intent to finance, term sheets, or other agreements or similar documents with affiliates, lenders, or underwriters that describe the proposed plan for the financing and funding plan for the proposed facility. Please note if the documents are drafts or in final form. Provide executed copies for any agreements that are already in-force.

If agreements have not been executed at the time of filing, please provide an explanation of the conditions precedent to the parties executing each agreement and a timeline of when the agreements are expected to be executed.

If bonds are to be issued in connection with the project, submit the official statement used in connection with the proposed bond issue, a copy of the bond indenture, and a sample form of the bond. Submit drafts if final versions are not yet available. The final documents will be due to the Office within 30 days after the bonds are issued.

**Section III-12      Satisfaction of Lending Conditions**

For projects financed in whole or part by one or more lenders, whether affiliated or third-party, submit documentation from the lender(s) that all conditions of the lender have been satisfied to activate the commitment to disburse funds. The lender should explain any other conditions precedent to the disbursement of funds. This requirement does not apply to projects financed by public bond issue.



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**Section III-13      Sufficiency of Funds**

Submit documents evidencing that the aggregate amount of entrance fees received by or pledged to the Applicant, plus anticipated proceeds from any long-term financing commitment, plus funds from all other sources in the actual possession of the Applicant, equal at least 100% of the aggregate cost of construction or purchasing, equipping, and furnishing the facility plus 100% of the anticipated startup losses of the facility.

**Section III-14      Escrow Agreements**

Submit draft escrow agreements in compliance with Sections 651.0215, 651.023, 651.033, and 651.035, Florida Statutes. The following escrow agreements should be included:

- Entrance fee escrow agreement
- Seven-day escrow agreement
- Minimum liquid reserve escrow agreements
  - Debt Service Reserve
  - Operating Reserve
  - Renewal and Replacement Reserve

A provider may submit a statement that it intends to deposit its minimum liquid reserves with the Department of Financial Services Bureau of Collateral Management pursuant to Section 651.033(1)(a), Florida Statutes, in lieu of submitting a minimum liquid reserve escrow agreement. If, after licensure, Applicant wishes to establish a minimum liquid reserve escrow account, they may submit an escrow agreement in REFS for review and approval. Escrow accounts may not be established without the prior written approval of the escrow agreement by the Office pursuant to Section 651.033(1)(c), Florida Statutes.

Note that if the Applicant will have outstanding indebtedness that requires a debt service reserve to be held in escrow pursuant to a trust indenture or mortgage lien on the facility and for which the debt service reserve may only be used to pay principal and interest payments on the debt that the debtor is obligated to pay, pursuant to Section 651.035(1)(b), Florida Statutes, such an escrow account may be included in the debt service portion of its minimum liquid reserves. Please explain if Applicant will have such a debt service reserve and provide supporting documentation.

After licensure, for such an account to be applied to debt service reserves, the provider must furnish a copy of the agreement under which such debt service is held and a statement of the amount being held in escrow for the debt service reserve certified by the lender or trustee and the provider to be correct.

**OFFICE OF INSURANCE REGULATION CONSOLIDATED APPLICATION FOR PROVISIONAL  
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**Section III-15 Continuing Care Contracts**

Provide copies of each continuing care contract, reservation agreement, waitlist agreement, and addendum, to be entered into between the Applicant and residents, which must meet the minimum requirements of Sections 651.022, 651.023, 651.055, and 651.061 Florida Statutes. The contracts must include a statement describing the procedures required by law relating to the release of escrowed entrance fees. Such a statement may be furnished through an addendum.

If Applicant will offer personal services or nursing services through written contractual agreement, the contractual agreement to provide personal services or nursing services must be disclosed in the contract for continuing care.

Reservation deposits may not exceed the lesser of \$40,000 USD or 10% of the then-current fee for the unit selected by a resident and must be refundable at any time before the resident takes occupancy of the selected unit. Further, the resident contract must state that collection of the balance of the entrance fee is to occur after the resident is notified that his or her selected unit is available for occupancy and on or before the occupancy date. The reservation contract must state the cancellation policy and the terms of the continuing care contract.

Please note that continuing care contracts must be approved by the Office before use. Review and approval of the continuing care contract forms, reservation agreements, and addendums to such agreements is independent of the application process. To begin this review process, contract forms must also be submitted for review through the IRFS portal. Such contracts may be submitted through the portal after the application has been accepted by the Office.

**Section III-16 Contractors, Vendors, Services, and Other Agreements**

Furnish copies of any agreements whereby the Applicant accepts obligations, debts, and encumbrances which would affect the facility.

Submit copies of any contract entered into or to be entered into by the Applicant in relation to marketing, construction, long-term financing, leases of land or property, or management of the facility and the provision of shelter, food, and health care to residents. For example, management agreements, leases, development agreements, etc.

Please indicate if any person whose name is required to be provided in this application pursuant to Section 651.022(2)(b)1.-10., Florida Statutes, owns any interest in or receives any remuneration from, directly or indirectly, any professional service firm, association, trust, partnership, or corporation providing goods, leases, or services to the facility for which the application is made, with a real or anticipated value of \$10,000 USD or more.

**OFFICE OF INSURANCE REGULATION CONSOLIDATED APPLICATION FOR PROVISIONAL  
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If so, provide the name and address of the professional service firm, association, trust, partnership, or corporation in which such interest is held; describe such goods, leases, or services; the probable cost to the facility or provider; and why such goods, leases, or services should not be purchased from an independent entity. Explain whether the contract or arrangement is the result of arms-length negotiations, a bid, or otherwise. If no person meets these conditions, please provide a statement to that effect.

Additionally, furnish copies of any other agreements referenced in this filing.

**Section III-17      Advertisements**

Furnish the form of any advertisement or other written material proposed to be used in the solicitation of residents.

**OFFICE OF INSURANCE REGULATION CONSOLIDATED APPLICATION FOR PROVISIONAL  
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**SECTION IV – MANAGEMENT**

**Section IV-1            Management Information Forms**

Please submit Management Information Forms fully describing the management, ownership, and control of the Applicant up to and including any 10% or greater shareholders of the ultimate parent. A Management Information Form should be submitted for each entity in the ownership chain.

Forms should contain the first, middle, and last name of each officer, director, and 10% or greater owner of the entity named on the form. The Management Information Form is included in the packet.

**Section IV-2            Biographical Affidavits as to Officers, Directors, and Shareholders**

Provide a National Association of Insurance Commissioners (“NAIC”) Biographical Affidavit (NAIC Form 11) for each officer, director, and shareholder listed in Section IV-1. Applicant may omit officers, directors, and shareholders of those companies in the organizational structure between the immediate parent and the ultimate parent. Please note that if an individual has a Biographical Affidavit on file with the Office, and the Biographical Affidavit was signed and notarized within 2 years of the date of the Application being filed, a Biographical Affidavit need not be submitted for that individual.

All questions must be answered. All “Yes” answers must be explained. Please note Item 8 of the NAIC Biographical Affidavit requires 20 years of employment history.

Each Biographical Affidavit must be signed and notarized.

The affiant’s social security number must be submitted to the Office. Section 119.071(5), Florida Statutes, gives authority for an agency to collect social security numbers if imperative for the performance of that agency’s duties and responsibilities as prescribed by law. Limited collection of social security numbers is imperative for the Office to insure that the owners, management, officers, and directors of entities regulated by the Office are competent and trustworthy, possess financial standing and business experience, and have not been found guilty of, or not pleaded guilty or nolo contendere to, any felony or crime punishable by imprisonment of one year.

However, pursuant to Section 119.071(5), Florida Statutes, social security numbers collected by an agency are confidential and exempt from Section 119.07(1), Florida Statutes, and Section 24(a), Art. I of the State Constitution, and must be segregated on a separate page. Therefore, please include the affiant’s name and social security number on the separate page marked CONFIDENTIAL and provided in this packet, and attach that page to the NAIC Biographical Affidavit (NAIC Form 11) that is also included in this packet.

**Form OIR-C1-2220  
Rev.: 11/19  
Rule 69O-193.003**

**OFFICE OF INSURANCE REGULATION CONSOLIDATED APPLICATION FOR PROVISIONAL  
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**Section IV-3            Background Investigative Report**

A Background Investigative Report must be provided for each person for whom a Biographical Affidavit is required, as described above. Background reports must be submitted by an approved background investigation vendor directly to the Office. Attach proof of payment confirming that all background reports have been ordered when submitting the application. Please refer to Form OIR-C1-905, Instructions for Furnishing Background Investigative Reports, included in this packet.

**Section IV-4            Fingerprint Cards**

Fingerprint cards must be provided to the Office for each person for whom a Biographical Affidavit is required. Please refer to Form OIR-C1-938, Fingerprint Payment and Submission Procedure, for instructions. If an individual has submitted a fingerprint card dated within 5 years of the date of the Application filing, a fingerprint card need not be submitted for that individual.

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CHECKLIST

Applicant \_\_\_\_\_ Name: \_\_\_\_\_

Federal Identification Number: \_\_\_\_\_

Home \_\_\_\_\_ Office \_\_\_\_\_ Address: \_\_\_\_\_  
(Street Address) (City) (State) (Zip Code)

Phone Number: \_\_\_\_\_

**Please complete and check off all items prior to submission. Applicant should provide an explanation for any items that have not been checked off and submitted.**

Please note that if any material change occurs in the facts set forth in this application while it is pending before the Office, an amendment setting forth such change must be filed with the Office within 10 business days after the Applicant becomes aware of such change, and a copy of the amendment must be sent by registered mail to the principal office of the facility and to the principal office of the controlling company. Submit copies of the registered mail return receipts when filing with the Office.

**SECTION I – APPLICATION FORM AND FEES**

- 1. Application fee paid
  - a. Copy of invoice included
  - b. Copy of check
- 2. All fingerprint fees paid electronically
  - a. Copies of online payment confirmation

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**CHECKLIST**

**SECTION II - LEGAL**

- 1. Authorization Letter
- 2. Organizational Documents
  - a. Certified by the Secretary of State (if applicable)
- 3. Bylaws
  - a. Certified by corporate Secretary
- 4. Certificate of Status
- 5. Fictitious Name Filing (if applicable)
- 6. Parent Companies and Controlling Partners
  - a. Organizational Documents
    - i. Certified by the Secretary of State (if applicable)
  - b. Bylaws
    - ii. Certified by corporate Secretary
  - c. Certificates of Status
  - d. Fictitious Name Filings (if applicable)
- 7. Organizational Charts
  - a. Complete charts showing all parent, holding, affiliate, and subsidiary companies
  - b. With ownership percentages
- 8. Service of Process Form

**OFFICE OF INSURANCE REGULATION CONSOLIDATED APPLICATION FOR PROVISIONAL  
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**CHECKLIST**

**SECTION III – FINANCIAL**

- 1. Plan of Operations
- 2. Interrogatories, Exhibit III-2
- 3. Quarterly Financial Statements
  - a. Complete unaudited quarterly statements since date of last audit
  - b. Attested to by Applicant
  - c. Most recent unaudited quarterly financial statements for affiliate or controlling company, if required (see directions in III-3)
- 4. Annual Financial Statements
  - a. Complete audited financial report
  - b. Prepared by an independent certified public accountant
  - c. Most recent unaudited annual financial statements or audit for affiliate or controlling company, if required (see directions in III-4)
- 5. Applicant's History in the Industry
  - a. Brief history of the company since its incorporation
  - b. History in Florida
  - c. Management experience of individuals
  - d. Experience of controlling companies and management companies
  - e. Detailed listing of continuing care experience
  - f. Audited financial reports of comparable facilities
- 6. Proof of Ownership, Right to Operate, or Manage



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- 7. Feasibility Study
- a. Prepared by an independent certified public accountant or an independent consulting actuary
- b. Indicate the page number where each of the following required elements is located within the feasibility study:

A description of the proposed facility, including:

The location	pg _____
The size	pg _____
The healthcare delivery system	pg _____
Anticipated completion date	pg _____
Proposed construction program	pg _____
The primary market area.	pg _____
The secondary market area, if applicable.	pg _____
Projected unit sales per month	pg _____
Projected revenues, including	pg _____
Anticipated entrance fees	pg _____
Monthly service fees	pg _____
Nursing care revenues, if applicable	pg _____
Other sources of revenue	pg _____
Projected expenses, including	pg _____
Staffing requirements and salaries	pg _____
Cost of property, plant, and equipment	pg _____
Depreciation expense	pg _____
Interest expense	pg _____
Marketing expense	pg _____
Other operating expense	pg _____
Projected balance sheet of the Applicant	pg _____
Expectations for the financial condition of the project, including:	pg _____
Projected cash flow statement	pg _____
Estimate of funds necessary to cover startup losses	pg _____
Inflation factor, if any, and a statement of how and where it is applied	pg _____
Project costs	pg _____
Total amount of debt financing required	pg _____

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Marketing activities, including:	pg _____
Actual marketing results to date	pg _____
Marketing projections	pg _____
Resident rates, fees, and charges	pg _____
The breakeven point	pg _____
The competition	pg _____
Resident contract provisions, including:	pg _____
The projected amount of contractual liability attributable to refundable contracts	pg _____
Any other factors that may affect the feasibility of the facility	pg _____
Appropriate population projections, including:	pg _____
Morbidity assumptions	pg _____
Mortality assumptions	pg _____
Any other assumptions used in the study	pg _____
The name of the person who prepared the feasibility study and their experience in preparing similar studies or otherwise consulting in the field of continuing care	pg _____
Financial forecasts or projections prepared in accordance with standards adopted by the American Institute of Certified Public Accountants or in accordance with standards for feasibility studies for continuing care retirement communities adopted by the Actuarial Standards Board	pg _____
If the study is prepared by an independent certified public accountant, it must contain an examination opinion or a compilation report containing a financial forecast or projections for the first 5 years of operations which take into account an actuary's mortality and morbidity assumptions as the study relates to turnover, rates, fees, and charges.	pg _____
If the study is prepared by an independent consulting actuary, it must contain mortality and morbidity assumptions as the study relates to turnover, rates, fees, and charges and an actuary's signed opinion that the project as proposed is feasible and that the study has been prepare in accordance with standards adopted by the American Academy of Actuaries.	pg _____

In addition to the list above, any other information that the Applicant deems relevant and appropriate

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to enable the Office to make a more informed determination may be included in the feasibility study.

- 8.** Financial Ratio Projections
  - a.** Days cash on hand
  - b.** Debt service coverage ratio
  - c.** Occupancy
- 9.** Minimum Liquid Reserve Projections and Funding
  - a.** Debt Service Reserve
  - b.** Operating Reserve
  - c.** Renewal and Replacement Reserve
  - d.** Documents evidencing ability to comply
- 10.** Funding Plan and Supporting Documents
  - a.** Sources and Uses of Funds
  - b.** Financing agreements
  - c.** Bond documents (if applicable)
- 11.** Financing Plan Documentation
- 12.** Satisfaction of Lending Conditions
- 13.** Sufficiency of Funds
- 14.** Escrow Agreements
  - a.** Entrance fee escrow agreement
  - b.** Seven-day escrow agreement
  - c.** Minimum liquid reserve escrow agreements
    - i.** Debt Service Reserve
    - ii.** Operating Reserve
    - iii.** Renewal and Replacement Reserve
- 15.** Continuing Care Contracts

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- a. Continuing care contracts
- b. Reservation agreements
- c. Waitlist agreements
- d. Addendums
- 16.** Contractors, Vendors, Services, and Other Agreements
  - a. Marketing agreements
  - b. Development or construction contracts
  - c. Construction or long-term financing agreements
  - d. Leases of land or property
  - e. Management agreements
  - f. Contracts related to the provision of the following to residents
    - i. Shelter
    - ii. Food
    - iii. Health care to residents
  - g. Affiliated contracts pursuant to Section 651.022(2)(b)8., Florida Statutes
- 17.** Advertisements

**OFFICE OF INSURANCE REGULATION CONSOLIDATED APPLICATION FOR PROVISIONAL  
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CHECKLIST**

**SECTION IV – MANAGEMENT**

- 1. Management Information Forms submitted for all required entities
- 2. Biographical affidavits submitted for all required individuals
  - a. All information completed (no blanks)
  - b. "Yes" answers explained
  - c. Signed
  - d. Notarized
- 3. Background investigative reports for all required individuals. The reports must be based on the Biographical Affidavits submitted to the Office with this Application.
  - a. Proof of order and confirmation of payment submitted to the Office
- 4. Fingerprint cards for all required individuals
  - a. All information completed (no blanks)
  - b. Signed

**EXHIBIT III-2**

OFFICE OF INSURANCE REGULATION CONSOLIDATED APPLICATION FOR PROVISIONAL  
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INTERROGATORIES

1. The Applicant is:

Applicant Name: \_\_\_\_\_

Federal Identification Number: \_\_\_\_\_

Home Office Address: \_\_\_\_\_  
(Street Address) (City) (State) (Zip Code)

Phone Number: \_\_\_\_\_

2. The contact person for the Applicant is:

Name: \_\_\_\_\_

Employer: \_\_\_\_\_

Address: \_\_\_\_\_  
(Street Address) (City) (State) (Zip Code)

Phone Number: \_\_\_\_\_

Email Address: \_\_\_\_\_

3. The continuing care facility that is the subject of this application is:

Facility Name: \_\_\_\_\_

Address: \_\_\_\_\_  
(Street Address) (City) (State) (Zip Code)

4. The number and type of units at the proposed facility is as follows:

- \_\_\_\_\_ Independent living units
- \_\_\_\_\_ Assisted living units
- \_\_\_\_\_ Sheltered skilled nursing beds
- \_\_\_\_\_ Community skilled nursing beds
- \_\_\_\_\_ Rental units
- \_\_\_\_\_ Total units

5. Health care will be provided:

**Form OIR-C1-2220**  
**Rev.: 11/19**  
**Rule 69O-193.003**

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- by the Applicant
- by an affiliate, pursuant to contract
- by a third-party, pursuant to contract

6. Health care will be provided (check one)

- on-site
- off-site

7. The assisted living or skilled nursing facilities proposed to provide care to residents are:

Facility Name: \_\_\_\_\_

Address: \_\_\_\_\_  
(Street Address) (City) (State) (Zip Code)

Facility Name: \_\_\_\_\_

Address: \_\_\_\_\_  
(Street Address) (City) (State) (Zip Code)

8. Identify the entity that has or will apply for the proposed nursing bed "Certificate of Need" with the Florida Agency for Health Care Administration:

Provider Name: \_\_\_\_\_

Address: \_\_\_\_\_  
(Street Address) (City) (State) (Zip Code)

9. The total number of sheltered skilled nursing beds proposed is: \_\_\_\_\_.

10. The total number of community skilled nursing beds proposed is: \_\_\_\_\_.

11. Will the Applicant own or lease the facility?

- own
- lease

12. Will the Applicant employ a management company to operate the facility?

- yes
- no

If yes, submit a copy of the agreement, which must comply with Section 651.1151, Florida Statutes, in Section III-13. Submit the information required in Section IV – Management, for the management company, including complete biographical information for all owners, officers, and directors of the management company.

13. Pursuant to Section 651.022(2)(b), Florida Statutes, please attach a listing the full

**OFFICE OF INSURANCE REGULATION CONSOLIDATED APPLICATION FOR PROVISIONAL  
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names, residences, and business addresses of each of the following:

- a. The proprietor, if the Applicant or provider is an individual.
- b. Every partner or member, if the Applicant or provider is a partnership or other unincorporated association, however organized, having fewer than 50 partners or members, together with the business name and address of the partnership or other organization.
- c. The principal partners or members, if the Applicant or provider is a partnership or other unincorporated association, however organized, having 50 or more partners or members, together with the business name and business address of the partnership or other organization. If such unincorporated organization has officers and a board of directors, the full name and business address of each officer and director may be set forth in lieu of the full name and business address of its principal members.
- d. The corporation and each officer and director thereof, if the Applicant or provider is a corporation.
- e. Every trustee and officer, if the Applicant or provider is a trust.
- f. The manager, whether an individual, corporation, partnership, or association.
- g. Any stockholder holding at least a 10% interest in the operations of the facility in which the care is to be offered.
- h. Any person whose name is required to be provided in the application under this paragraph and who owns any interest in or receives any remuneration from, directly or indirectly, any professional service firm, association, trust, partnership, or corporation providing goods, leases, or services to the facility for which the application is made, with a real or anticipated value of \$10,000 or more, and the name and address of the professional service firm, association, trust, partnership, or corporation in which such interest is held. The Applicant shall describe such goods, leases, or services and the probable cost to the facility or provider and shall describe why such goods, leases, or services should not be purchased from an independent entity.
- i. Any person, corporation, partnership, association, or trust owning land or property leased to the facility, along with a copy of the lease agreement.
- j. Any affiliated parent or subsidiary corporation or partnership.



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**14.** Has any person identified in the listing required by question 10 above, the administrator of the facility, the manager of the facility, or any such person living in the same location:

**a.** Been convicted of a felony or pleaded nolo contendere to a felony charge, been held liable or enjoined in a civil action by final judgement, if the felony or civil action involved fraud, embezzlement, fraudulent conversion, or misappropriation of property?

\_\_\_\_\_ yes  
\_\_\_\_\_ no

**b.** Is such a proceeding currently pending?

\_\_\_\_\_ yes  
\_\_\_\_\_ no

**c.** If so, provide a certified copy of the complaint and the final adjudication by the recording public official.

**15.** Has any person identified in the listing required by question 10 above, the administrator of the facility, the manager of the facility, or any such person living in the same location:

**a.** Subject to a currently effective injunctive or restrictive order or federal or state administrative order relating to business activity or health care as a result of an action brought by a public agency or department, including, without limitation, an action affecting a license under Chapters 400 or 429, Florida Statutes?

\_\_\_\_\_ yes  
\_\_\_\_\_ no

**b.** If so, provide a certified copy of the complaint and the final adjudication by the recording public official.

**16.** The \_\_\_\_\_ Applicant's \_\_\_\_\_ fiscal \_\_\_\_\_ year-end \_\_\_\_\_ is:  
\_\_\_\_\_.

OFFICE OF INSURANCE REGULATION CONSOLIDATED APPLICATION FOR PROVISIONAL  
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APPLICATION CERTIFICATION

The below certification must be executed by two officers of Applicant, one of whom must be the President or Chief Financial Officer, and the other the Secretary\*.

The undersigned state that they are officers having personal knowledge of this application submitted to the Florida Office of Insurance Regulation by \_\_\_\_\_ (“Applicant”), that they have read said application, and that they know the contents thereof and verify that the items indicated in the application checklist are true and complete to the best of their knowledge and have been submitted with the application. The undersigned represent that they have the authority to bind the Applicant, and that by their signatures on the instrument, the Applicant on behalf of which they have acted executed the instrument.

I understand that whoever knowingly makes a false statement in writing with the intent to mislead a public servant in the performance of his or her official duties is guilty of a misdemeanor of the second degree, pursuant to Section 837.06, Florida Statutes, punishable as provided in Section 775.082 or Section 775.083, Florida Statutes.

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

\*Other officers, or similar persons with the authority to bind Applicant, will be accepted only if the Applicant does not have these positions.

OFFICE OF INSURANCE REGULATION CONSOLIDATED APPLICATION FOR PROVISIONAL  
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INVOICE

NAME OF COMPANY: \_\_\_\_\_

FEIN: \_\_\_\_\_

ADDRESS: \_\_\_\_\_

CITY, STATE & ZIP CODE: \_\_\_\_\_

PHONE NUMBER: \_\_\_\_\_

ADDRESS (IF DIFFERENT FROM COMPANY ADDRESS)

\_\_\_\_\_

\_\_\_\_\_

(CITY)

(STATE)

(ZIP CODE)

1. Make payable to the Department of Financial Services and mail check and invoice only to the Department of Financial Services, Bureau of Financial Services, P.O. Box 6100, Tallahassee, Florida 32314-6100.
2. Include a copy of the check and invoice with the application filing submitted electronically via iApply.

TYPE: 10 CLASS: 02 Filing Fee: \$75



**Florida Office of Insurance Regulation**

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**Management Information Form**

Provide a complete listing of the individuals or entities managing, owning, or exercising control over the entity named below, i.e., Incorporators, Officers, Directors, 10% or Greater Shareholders, Partners, Proprietors, Management Company Principals, Association Members, Trustees, Key Individuals, and other like positions. Please type or print clearly.

Name of Entity: \_\_\_\_\_

<b>Name</b>	<b>Title (e.g.: President)</b>	<b>Position (e.g.: Officer)</b>	<b>Ownership %</b>
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\*Additional pages in like format may be attached as necessary

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**M E M O R A N D U M**

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**DATE:** November 18, 2019

**TO:** David Altmaier, Commissioner, Office of Insurance Regulation

**THROUGH:** Anoush Brangaccio, General Counsel

**FROM:** Michael Lawrence, Jr., Assistant General Counsel


**SUBJECT:** Cabinet Agenda for December 3 2019  
Request for Approval to Publish Amendments to  
Rules 69O-215.050, .060, .070

The Office of Insurance Regulation requests that these proposed rule repeals be presented to the Cabinet aides on or before November 27, 2019, and to the Financial Services Commission on December 3, 2019, with a request for Final Approval to Adopt the proposed rules and for final adoption if no member of the public timely requests a rule hearing or if a hearing is requested and no notice of change is needed.

69O-215.050, 69O-215.060, and 69O-215.070 are repealed.

Michael Lawrence, Jr. is the attorney handling these rules. Attached are the proposed rules.

Approved for signature:

  
Anoush Brangaccio, General Counsel

Approved for submission to Financial Services  
Commission:

  
David Altmaier, Commissioner  
Office of Insurance Regulation

**CHAPTER 690-215**  
**AGENTS**

- 690-215.050     Receipt of 24 Risks
- 690-215.060     Required Disclosure on Forms
- 690-215.070     Exchange of Business: Property and Casualty Insurance

**690-215.050 Receipt of 24 Risks.**

*Rulemaking Authority 624.308 FS. Law Implemented 624.307(1), 626.752, 626.793, 626.837 FS. History—New 10-12-93, Formerly 4-215.050, Repealed \_\_\_\_\_.*

**690-215.060 Required Disclosure on Forms.**

*Rulemaking Authority 624.308 FS. Law Implemented 624.307(1), 626.342, 626.752, 627.4085 FS. History—New 10-12-93, Formerly 4-215.060, Repealed \_\_\_\_\_.*

**690-215.070 Exchange of Business: Property and Casualty Insurance.**

*Rulemaking Authority 624.308 FS. Law Implemented 624.307(1), 626.561(1), 626.611, 626.621, 626.752, 626.9541, 627.4085, 627.420 FS. History—New 10-12-93, Formerly 4-215.070, Repealed \_\_\_\_\_.*

## CHAPTER 690-215 AGENTS

- 690-215.050 Receipt of 24 Risks
- 690-215.060 Required Disclosure on Forms
- 690-215.070 Exchange of Business: Property and Casualty Insurance

### **690-215.050 Receipt of 24 Risks.**

~~For purposes of an insurer reporting to the Department agents from whom the insurer received more than 24 risks per calendar year as set forth under sections 626.752, 626.793, and 626.837, F.S., the term "received" shall mean the binding of coverage and receipt of payment for such coverage by the insurer to whom the business is submitted by the brokering agent of more than 24 personal lines risks during a calendar year.~~

~~Rulemaking Authority 624.308 FS. Law Implemented 624.307(1), 626.752, 626.793, 626.837 FS. History--New 10-12-93, Formerly 4-215.050.~~

### **690-215.060 Required Disclosure on Forms.**

~~No licensed agent may submit an application to an insurer with which the agent is appointed, or furnish a copy of an application to a prospective insured, unless the name of the insurer is legibly typed or printed on the first page of the application form at the time the coverage is bound or premium is quoted. The application also shall disclose the name and license identification number of the agent as shown on the agent's license issued by the Department, which information shall be legibly typed, printed, stamped, or handwritten. Upon completion of the application, a copy must be provided to the prospective insured.~~

~~Rulemaking Authority 624.308 FS. Law Implemented 624.307(1), 626.342, 626.752, 627.4085 FS. History--New 10-12-93, Formerly 4-215.060.~~

### **690-215.070 Exchange of Business: Property and Casualty Insurance.**

~~(1) Purpose. This rule regulates the acts and practices of insurers and agents specifically with respect to exchange of business under section 626.752, Florida Statutes.~~

~~(2) Required Disclosure on Forms. All business submitted under section 626.752, F.S., must be submitted on forms which prominently display the name of the insurer. All forms must prominently display the insurer's name at the time the forms are furnished to the agent by the insurer or on the insurer's behalf by the managing general agent (MGA). No business may be submitted on forms which did not prominently display the name of the insurer at the time the forms were furnished to the agent. The term "forms," for purposes of this subsection, includes coverage documents, binders, and applications. This restriction shall not apply to the placing of surplus lines business.~~

~~(3) Brokering Agent. If an insurer intends to do business with a resident general lines agent not appointed by the insurer, the insurer must furnish the agent with its forms, coverage documents, binders, applications and other incidental supplies subject to these rules necessary to facilitate the writing of exchange of business as defined in section 626.752, F.S.~~

~~(4) Writing Business Outside of Office. Under section 626.752, F.S., an agent is permitted to transact insurance outside of his office. However, the Department will discipline an agent under section 626.752(3)(g)3., F.S., among other provisions, if the agent fails to furnish the applicant or insured with completed legible copies of all documents signed by the applicant or the agent prior to the applicant paying any part of the premium.~~

~~(5) Entries In Brokering Agent's Register. The Department interprets section 626.752(3)(e), F.S., regarding entries into the Brokering Agent's Register, to require the brokering agent to make sequential entries as each application is taken.~~

~~(6) Bank Accounts for Non-Appointing Insurers.~~

~~(a) Regarding section 626.561, F.S., and the exchange of business, the following conditions shall be met:~~

~~1. At least one bank account shall be established by the agent which shall hold all the funds received on behalf of insurers with whom the agent is not appointed. Said account or accounts shall not hold any other funds. Examples of "any other funds" include:~~

~~a. Funds received on behalf of an insurer with whom the agent is appointed;~~

~~b. Business operating expenses; or~~

~~c. Any other funds that are not trust funds of the insurer or the insured.~~

~~2. The agent shall keep separate account ledgers as to each insurer and a master account ledger as to these insurers collectively.~~

~~3. The agent shall maintain these ledgers at the same time as the agent effects transactions in the bank account or accounts.~~

~~These accounts must be reconcilable.~~

~~4. The ledger(s) must be sufficient to allow the Department to trace the flow of funds among all the parties (including the insurers, premium finance companies, agents, agency, and/or insured(s) and among the agent's accounts (including the appropriate ledger(s) and bank account(s)). All such transactions shall be traceable back to the brokering agent's register (or "binder book") which register must contain the entries as required by section 626.752(3)(e), F.S.~~

~~5. The agent shall retain copies of the documents necessary to account for trust funds, including checks, bank statements, binders, refund receipts, and ledgers, for a period of at least three years. Preservation of records by computer or photographic reproduction or records in photographic form shall constitute compliance with this requirement.~~

~~(b) Nothing in this rule shall preclude an agent from maintaining separate bank accounts as required by an insurer or MGA, providing that the requirements do not conflict with paragraph (6)(a) of this rule.~~

~~(c) This subsection does not apply to funds collected through the placement of surplus lines business.~~

~~(7) Effective Date of Coverage. At the time that coverage is bound, the brokering agent shall promptly notify the insured and the insurer of effective time and date of coverage and the brokering agent shall promptly forward the application and any due premium funds to the insurer. If coverage is not bound at the time of the application, the insurer or brokering agent shall promptly notify the insured when the coverage is bound as to the time and effective date of coverage. If coverage is not accepted by the insurer, then the brokering agent shall promptly inform the prospective insured that coverage was not bound.~~

~~(8) It shall be the responsibility of the insurer and MGA to verify that any business submitted to them for consideration is submitted in compliance with the provisions of this rule and section 626.752, F.S. The insurer and MGA shall immediately report and supply a copy of any document submitted in violation of this rule to the Bureau of Agent and Agency Investigations, in Tallahassee, Florida. No insurer or MGA shall accept business from an agent not appointed with the insurer on a form, coverage document, binder, or application not furnished to the agent by the insurer and/or MGA. If any insurer or MGA fails to comply with this rule, the insurer or MGA shall be subject to penalty as provided under the Florida Insurance Code and rule chapter 690-231, F.A.C. If an insurer accepts or an MGA handles business under section 626.752, Florida Statutes, the insurer and the MGA shall be liable for coverage arising thereunder. This subsection is not intended to relieve the brokering agent of his or her obligation to comply with this rule or to preclude any right of an insurer or MGA to seek recovery from the brokering agent for damages incurred due to the wrongful acts of the brokering agent.~~

*Rulemaking Authority 624.308 FS. Law Implemented 624.307(1), 626.561(1), 626.611, 626.621, 626.752, 626.9541, 627.4085, 627.420 FS. History—New 10-12-93, Formerly 4-215.070.*



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**M E M O R A N D U M**

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**DATE:** November 18, 2019

**TO:** David Altmaier, Commissioner, Office of Insurance Regulation

**THROUGH:** Anoush Brangaccio, General Counsel

**FROM:** Michael Lawrence, Jr., Assistant General Counsel


**SUBJECT:** Cabinet Agenda for December 3, 2019  
Request for Approval to Publish Amendments to  
Rules 69O-222.010, .020, .030, .040, .050, .060  
Assignment # 246077-19

The Office of Insurance Regulation requests that these proposed rule repeals be presented to the Cabinet aides on or before November 27, 2019, and to the Financial Services Commission on December 3, 2019, with a request for Final Approval to Adopt the proposed rules and for final adoption if no member of the public timely requests a rule hearing or if a hearing is requested and no notice of change is needed.

69O-222.010, 69O-222.020, 69O-222.030, 69O-222.040, 69O-222.050, and 69O-222.060 are repealed.

Michael Lawrence, Jr. is the attorney handling these rules. Attached are the proposed rules.

Approved for signature:

  
Anoush Brangaccio, General Counsel

Approved for submission to Financial Services  
Commission:

  
David Altmaier, Commissioner  
Office of Insurance Regulation

**CHAPTER 690-222**  
**UNLICENSED INSURANCE PERSONNEL**

- 690-222.010 Purpose and Scope
- 690-222.020 Definitions
- 690-222.030 Remuneration for Unlicensed Insurance Agency Personnel
- 690-222.040 Lawful Activity by Unlicensed Insurance Agency Personnel
- 690-222.050 Lawful Activities by Unlicensed Insurance Agency Personnel Done on an Incidental Basis Under Rule 690-222.020(1)
- 690-222.060 Unlawful Activities by Unlicensed Insurance Agency Personnel

**690-222.010 Purpose and Scope.**

*Rulemaking Authority 624.308 FS. Law Implemented 624.10, 624.11(1), 624.307(1), 626.0428, 626.112 FS. History–New 10-12-93, Formerly 4-222.010, Repealed.*

**690-222.020 Definitions.**

*Rulemaking Authority 624.308 FS. Law Implemented 624.307(1), 626.0428, 626.112 FS. History–New 10-12-93, Formerly 4-222.020, Repealed.*

**690-222.030 Remuneration for Unlicensed Insurance Agency Personnel.**

*Rulemaking Authority 624.308 FS. Law Implemented 624.307(1), 626.0428, 626.112 FS. History–New 10-12-93, Formerly 4-222.030, Repealed.*

**690-222.040 Lawful Activity by Unlicensed Insurance Agency Personnel.**

*Rulemaking Authority 624.308 FS. Law Implemented 624.307(1), 626.0428, 626.112 FS. History–New 10-12-93, Formerly 4-222.040, Repealed.*

**690-222.050 Lawful Activities by Unlicensed Insurance Agency Personnel Done on an Incidental Basis Under Rule 690-222.020(1).**

*Rulemaking Authority 624.308 FS. Law Implemented 624.307(1), 626.0428, 626.112 FS. History–New 10-12-93, Formerly 4-222.050, Repealed.*

**690-222.060 Unlawful Activities by Unlicensed Insurance Agency Personnel.**

*Rulemaking Authority 624.308 FS. Law Implemented 624.307(1), 626.0428, 626.112 FS. History–New 10-12-93, Formerly 4-222.060, Repealed.*

**CHAPTER 690-222**  
**UNLICENSED INSURANCE PERSONNEL**

690-222.010	Purpose and Scope
690-222.020	Definitions
690-222.030	Remuneration for Unlicensed Insurance Agency Personnel
690-222.040	Lawful Activity by Unlicensed Insurance Agency Personnel
690-222.050	Lawful Activities by Unlicensed Insurance Agency Personnel Done on an Incidental Basis Under Rule 690-222.020(1)
690-222.060	Unlawful Activities by Unlicensed Insurance Agency Personnel

**690-222.010 Purpose and Scope.**

~~(1) The purpose of this rule chapter is to set out Department policy as to insurance related activities which may and may not be engaged in by persons who hold no licensure under chapter 626, F.S.~~

~~(2) These rules shall apply to all persons who conduct any of the activities described in this rule chapter; and to agents and other licensees under chapter 626, Florida Statutes, who employ, contract with, or otherwise use the services of such persons.~~

~~(3) Nothing in this rule chapter shall prevent or relieve any licensee from their obligations under sections 626.735 and 626.747, F.S., or any other provision of the Florida Insurance Code, or rules or orders of the Department.~~

*Rulemaking Authority 624.308 FS. Law Implemented 624.10, 624.11(1), 624.307(1), 626.0428, 626.112 FS. History—New 10-12-93, Formerly 4-222.010.*

**690-222.020 Definitions.**

For purposes of this rule chapter the following definitions shall apply.

~~(1) “Giving a quote” refers to the basic tasks of obtaining certain basic underwriting answers from the inquirer, and then consulting written underwriting materials that state the rate. Giving a quote does not involve application of judgment, processing, binding, policy interpretation, signing an application, procedure explanation, or insurance advice and counsel, or similar activity.~~

~~(2) “Incidental” means;~~

~~(a) Conduct by insurance agency personnel qualifies as “incidental” only if it meets the following three criteria:~~

~~1. All the work done under the “incidental” exception, in terms of the amount of time the unlicensed employee spends doing it, is 10% or less of the employee's time compared to time spent on other tasks;~~

~~2. The exact amount and timing of the work is unpredictable; and,~~

~~3. On an agency wide aggregate level, all the work done by unlicensed employees under the “incidental” exception is 10% or less of such work as compared to the amount of such work done by agents, solicitors, and customer representatives in that office.~~

~~(b) Absent evidence of abuse of the “incidental” exception, the Department will evaluate “incidental” by looking at the operation of the agency over a 6 to 12 month period. For example, if it were shown that over the course of a year an agent’s receptionist spent just 20 minutes a day doing work under the incidental exception, except that for four weeks during the year while the agent was hospitalized or on vacation the receptionist spent almost full time taking applications and giving quotes, then this activity would still qualify as “incidental.” Note that an agent's illness or vacation does not expand the types of activities unlicensed staff may conduct.~~

~~(3) “Taking an application” means filling in the blanks on an application form in response to information provided by the applicant, and then passing the application to an agent or customer representative for further application of judgment, processing, binding, policy interpretation, procedure explanation, or insurance advice and counsel, or similar activity. Taking an application does not include application of judgment, processing, binding, policy interpretation, signing an application, procedure explanation, or insurance advice and counsel, or similar activity.~~

*Rulemaking Authority 624.308 FS. Law Implemented 624.307(1), 626.0428, 626.112 FS. History–New 10-12-93, Formerly 4-222.020.*

**69O-222.030 Remuneration for Unlicensed Insurance Agency Personnel.**

~~It is unlawful for unlicensed insurance agency personnel to receive any type of pay which is formally tied to the production of insurance or insurance applications. Such payment for services rendered constitutes illegal sharing of commissions. However, a small “bonus” paid once a year to all unlicensed staff, which is purely gratuitous and which they had no legal right to demand payment of, and is given because the agency had a good year, would not be improper, such as a “Christmas Bonus.”~~

*Rulemaking Authority 624.308 FS. Law Implemented 624.307(1), 626.0428, 626.112 FS. History–New 10-12-93, Formerly 4-222.030.*

**69O-222.040 Lawful Activity by Unlicensed Insurance Agency Personnel.**

~~The following actions are allowable by unlicensed personnel at any time:~~

~~(1) Serving in the capacity of switchboard operator, receptionist, or secretary, when merely taking incoming calls and visitors and routing them to licensed staff or taking messages.~~

~~(2) Explaining claims procedures or advising claimants as to the procedural status of claims, so long as same merely requires the unlicensed staffer to read from agency records and files and does not require application of judgment or interpretation.~~

~~(3) Answering incoming calls from existing clients as to purely administrative matters, so long as same merely requires the unlicensed staffer to read from agency records and files and does not require application of judgment or interpretation, such as “Do your files show receipt of my June premium?” or “What do your files show as the current expiration date on my homeowners policy?”~~

~~(4) At the direction of the agent, solicitor or customer representative:~~

~~(a) Calling back a specific person who had called the agent or customer representative or solicitor and setting up a solicitation meeting between the person and the agent or customer representative or solicitor.~~

~~(b) Conveying information to existing clients or claimants, such as “Agent Smith wanted me to call you and tell you he received your paperwork on your new car and it is covered under your existing policy effective immediately” or “Agent Smith asked me to let you know your claim has been allowed in full and you should get your check within 30 days.”~~

*Rulemaking Authority 624.308 FS. Law Implemented 624.307(1), 626.0428, 626.112 FS. History–New 10-12-93, Formerly 4-222.040.*

**69O-222.050 Lawful Activities by Unlicensed Insurance Agency Personnel Done on an Incidental Basis Under Rule 69O-222.020(1).**

~~The following types of conduct by unlicensed staff are allowable as long as they are done only on a basis “incidental” to the employee's main duties:~~

~~(1) Taking an application for insurance in the agent's office, as set forth in rule 69O 222.020, F.A.C., for a person who has called or come into the office.~~

~~(2) Giving quotes in the agent's office, as set out in rule 69O 222.020, F.A.C., to persons calling or coming into the office and asking for a quote.~~

~~(3) Receiving premium at the agent's office. Receiving premium does not include the handling of premium by mail room personnel or other unlicensed personnel who handle mail.~~

*Rulemaking Authority 624.308 FS. Law Implemented 624.307(1), 626.0428, 626.112 FS. History–New 10-12-93, Formerly 4-222.050.*

**690-222.060 Unlawful Activities by Unlicensed Insurance Agency Personnel.**

The following actions are never allowable by unlicensed personnel.

~~(1) Comparing insurance products; advising as to insurance needs or insurance matters; or interpreting policies or coverages.~~

~~(2) Binding new, additional, or replacement coverage for new or existing customers; or binding coverage on or recording additional property under existing policies.~~

~~(3) Soliciting the sale of insurance by telephone, in person, or by other communication. However, the unlicensed person may telephone persons to set appointments for licensed and appointed agents, customer representatives, or solicitors, or to obtain basic policy information as to existing insurance coverage. The unlicensed person may not engage in a substantive discussion of insurance products.~~

*Rulemaking Authority 624.308 FS. Law Implemented 624.307(1), 626.0428, 626.112 FS. History—New 10-12-93, Formerly 4-222.060.*

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**M E M O R A N D U M**

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**DATE:** November 18, 2019

**TO:** David Altmaier, Commissioner, Office of Insurance Regulation

**THROUGH:** Anoush Brangaccio, General Counsel

**FROM:** Michael Lawrence, Jr., Assistant General Counsel

**SUBJECT:** Cabinet Agenda for December 3, 2019  
Request for Approval to Publish Amendments to  
Rule 69O-230.033  
Assignment # 248676-19

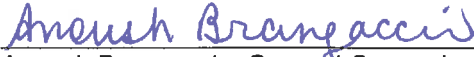
The Office of Insurance Regulation requests that these proposed rule amendments be presented to the Cabinet aides on or before November 27, 2019, and to the Financial Services Commission on December 3, 2019, with a request for Final Approval to Adopt the proposed rules and for final adoption if no member of the public timely requests a rule hearing or if a hearing is requested and no notice of change is needed.

A notice of development of rulemaking was published on October 8, 2019 in Volume 45, No. 196, of the *Register*.

The Office of Insurance Regulation is amending 69O-230.033 to remove references to repealed statute, as well as update contact information and definitions in the rule.

Michael Lawrence, Jr. is the attorney handling these rules. Attached are the proposed rules. The forms were previously reviewed in a prior rule review meeting.

Approved for signature:

  
Anoush Brangaccio, General Counsel

Approved for submission to Financial Services  
Commission:

  
David Altmaier, Commissioner  
Office of Insurance Regulation

**CHAPTER 690-230**

**GENERAL ETHICS AND DISCLOSURE REQUIREMENTS FOR INSURANCE REPRESENTATIVES**

690-230.033 Reporting Requirements for Licensees Concerning Unlicensed Insurance Activity by Multiple Employer Welfare Arrangements, Labor Leasing Organizations, and Purportedly Collectively Bargained Plans

**690-230.033 Reporting Requirements for Licensees Concerning Unlicensed Insurance Activity by Multiple Employer Welfare Arrangements, Labor Leasing Organizations, and Purportedly Collectively Bargained Plans.**

(1) No change.

(2) Definitions. For purposes of this rule, the following definitions shall apply.

(a) "Agent" means and includes any person holding any type and class of licensure, whether limited or unlimited, issued by the ~~Department Office~~ under chapter 626, Florida Statutes. The term also includes any person licensed or registered by the Office as an agent, sales representative, sales agent, salesperson, runner, or bail bondsman, under any of the following statutes: section 632.634, F.S., (fraternal benefit agents); section 634.031, F.S., (warranty association sales person); section 635.051, F.S., (mortgage guaranty insurance agent); ~~section 637.141, F.S., (optometric service plan sales representative); section 637.301, F.S., (pharmaceutical service plan sales representative); section 638.181, F.S., (ambulance service association or insurer sales representative); section 639.185, F.S., (pre-need funeral merchandise or services contract sales agent); section 641.386, F.S., (health maintenance organization sales agent); section 642.036, F.S., (legal expense insurance sales representative); or section 648.30, F.S., (bail bondsman or bail runner).~~ The term includes such persons whether residents of Florida or not.

(b) through (i) No change.

(j) "Reportable multiple-employer welfare arrangement (MEWA)," for purposes of this rule, means a person that provides or offers insurance benefits or coverage to the employees of two or more employers, whether alone or with other benefits. "Reportable MEWA" does not include:

1. through 4. No change.

(k) "Third party administrator" or "TPA" means "administrator" under section 626.88, F.S., and includes, but is not limited to, all persons licensed by the ~~Office department~~ as administrators.

(l) No change.

(m) "Department" means the Florida Department of Financial Services.

(3) Information Required to Be Reported.

(a) Any agent, third party administrator or insurer with knowledge of an unlicensed insurer doing business in the State of Florida, shall report the activities of the unlicensed insurer to the Office and, if known, shall provide the following information:

1. through 2. No change.

3. The names, addresses, and phone numbers of any officers or agents of the reportable MEWA, employee leasing arrangement, welfare benefit plan, employee organization, collectively bargained arrangement, or other unlicensed insurer; and

4. The names, addresses, and phone numbers of any employers, employees, or individuals who may be enrolled by, or who will be receiving services from the reportable MEWA, employee leasing arrangement, welfare benefit plan, employee organization, collectively bargained arrangement, or other unlicensed insurer. ;

~~(b)(4)~~ The report shall be made with the Office at the following address: Attn: Unlicensed Entity Coordinator, Florida Office of Insurance Regulation, Market Regulation Division of Insurance Fraud. The report can be made by phone, (850)413-~~3155~~ 4000, or by mail to 200 East Gaines Street, Larson Building, 2020 Capital Circle, S. E., Alexander Building, Tallahassee, FL 32399 32304.

*Rulemaking Authority 624.308(1), 624.33(2), 624.401(1), 624.4431, 629.989(6) FS. Law Implemented 624.09, 624.44, 624.307, 624.317, 624.437, 624.442, 624.446, 626.901, 626.910, 626.9571, 626.9581, 626.9591, 626.9601 FS. History—New 6-15-92, Amended 9-7-93, 7-23-01 Formerly 4-230.033, Amended \_\_\_\_\_.*

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M E M O R A N D U M

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**DATE:** November 18, 2019

**TO:** David Altmaier, Commissioner, Office of Insurance Regulation

**THROUGH:** Anoush Brangaccio, General Counsel

**FROM:** Michael Lawrence, Jr., Assistant General Counsel


**SUBJECT:** Cabinet Agenda for December 3, 2019  
Request for Approval to Publish Amendments to  
Rules 69O-231.010, .020, .030, .040, .070, .080, .090, .100, .110, .120, .130,  
.140, .150, .160  
Assignment # 248677-19

The Office of Insurance Regulation requests that these proposed rule repeals be presented to the Cabinet aides on or before November 27, 2019, and to the Financial Services Commission on December 3, 2019, with a request for Final Approval to Adopt the proposed rules and for final adoption if no member of the public timely requests a rule hearing or if a hearing is requested and no notice of change is needed.

69O-231.010, 69O-231.020, 69O-223.030, 69O-231.040, 69O-231.070, 69O-231.080, 69O-231.090, 69O-231.100, 69O-231.110, 69O-231.110, 69O-231.120, 69O-231.130, 69O-231.140, 69O-231.150, and 69O-231.160 are repealed.

Michael Lawrence, Jr. is the attorney handling these rules. Attached are the proposed rules.

Approved for signature:

  
Anoush Brangaccio, General Counsel

Approved for submission to Financial Services  
Commission:

  
David Altmaier, Commissioner  
Office of Insurance Regulation



**CHAPTER 690-231**  
**PENALTY GUIDELINES FOR INSURANCE REPRESENTATIVES**

690-231.010	Purpose
690-231.020	Scope
690-231.030	Definitions
690-231.040	Calculating Penalty
690-231.070	Prosecutorial Discretion
690-231.080	Penalties for Violation of Section 626.611
690-231.090	Penalties for Violation of Section 626.621
690-231.100	Penalties for Violation of Subsection 626.9541(1)
690-231.110	Penalties for Violation of Other Specific Provisions of the Florida Insurance Code
690-231.120	Penalties for Violation of Other Insurance Code Provisions
690-231.130	Penalties for Violation of Department Rules
690-231.140	Penalties for Violation of Department Orders
690-231.150	Criminal Proceedings
690-231.160	Aggravating/Mitigating Factors

**690-231.010 Purpose.**

*Rulemaking Authority 624.308 FS. Law Implemented 624.307(1), 626.611, 626.621, 626.631, 626.641, 626.681, 626.691 FS. History—New 7-13-93, Amended 9-23-02, Formerly 4-231.010, Repealed.*

**690-231.020 Scope.**

*Rulemaking Authority 624.308 FS. Law Implemented 624.307(1), 626.611, 626.621, 626.681, 626.691 FS. History—New 7-13-93, Amended 8-15-00, 9-23-02, Formerly 4-231.020, Repealed.*

**690-231.030 Definitions.**

*Rulemaking Authority 624.308 FS. Law Implemented 624.307(1), 626.611, 626.621, 626.681, 626.691 FS. History—New 7-13-93, Amended 9-23-02, Formerly 4-231.030, Repealed.*

**690-231.040 Calculating Penalty.**

*Rulemaking Authority 624.308 FS. Law Implemented 624.307(1), 626.611, 626.621, 626.681, 626.691 FS. History—New 7-13-93, Formerly 4-231.040, Repealed.*

**690-231.070 Prosecutorial Discretion.**

*Rulemaking Authority 624.308 FS. Law Implemented 624.307(1), 626.611, 626.621, 626.681, 626.691, 626.9521, 626.9561, 626.9571, 626.9581 FS. History—New 7-13-93, Formerly 4-231.070, Repealed.*

**690-231.080 Penalties for Violation of Section 626.611.**

*Rulemaking Authority 624.308 FS. Law Implemented 624.307(1), 626.611, 626.621, 626.681, 626.691 FS. History—New 7-13-93, Amended 9-23-02, Formerly 4-231.080, Repealed.*

**690-231.090 Penalties for Violation of Section 626.621.**

*Rulemaking Authority 624.308 FS. Law Implemented 624.307(1), 626.611, 626.621, 626.681, 626.691 FS. History—New 7-13-93, Formerly 4-231.090, Repealed.*

**690-231.100 Penalties for Violation of Subsection 626.9541(1).**

Rulemaking Authority 624.308 FS. Law Implemented 624.307(1), 626.611, 626.621, 626.681, 626.691, 626.9541(1) FS. History–New 7-13-93, Formerly 4-231.100, Repealed.

**690-231.110 Penalties for Violation of Other Specific Provisions of the Florida Insurance Code.**

Rulemaking Authority 624.308 FS. Law Implemented 624.307(1), 626.611, 626.621, 626.681, 626.691 FS. History–New 7-13-93, Formerly 4-231.110, Repealed.

**690-231.120 Penalties for Violation of Other Insurance Code Provisions.**

Rulemaking Authority 624.308 FS. Law Implemented 624.307(1), 626.611, 626.621, 626.681, 626.691 FS. History–New 7-13-93, Formerly 4-231.120, Repealed.

**690-231.130 Penalties for Violation of Department Rules.**

Rulemaking Authority 624.308 FS. Law Implemented 624.307(1), 626.611, 626.621, 626.681, 626.691 FS. History–New 7-13-93, Formerly 4-231.130, Repealed.

**690-231.140 Penalties for Violation of Department Orders.**

Rulemaking Authority 624.308 FS. Law Implemented 624.307(1), 626.611, 626.621, 626.681, 626.691 FS. History–New 7-13-93, Formerly 4-231.140, Repealed.

**690-231.150 Criminal Proceedings.**

Rulemaking Authority 624.308 FS. Law Implemented 624.307(1), 626.601, 626.611, 626.621, 626.631, 626.631(1), 626.681, 626.691 FS. History–New 7-13-93, Amended 9-23-02, Formerly 4-231.150, Repealed.

**690-231.160 Aggravating/Mitigating Factors.**

Rulemaking Authority 626.308 FS. Law Implemented 624.307(1), 626.611, 626.621, 626.631, 626.681, 626.9541 FS. History–New 7-13-93, Formerly 4-231.160, Repealed.

**CHAPTER 690-231**  
**PENALTY GUIDELINES FOR INSURANCE REPRESENTATIVES**

690-231.010	Purpose
690-231.020	Scope
690-231.030	Definitions
690-231.040	Calculating Penalty
690-231.070	Prosecutorial Discretion
690-231.080	Penalties for Violation of Section 626.611
690-231.090	Penalties for Violation of Section 626.621
690-231.100	Penalties for Violation of Subsection 626.9541(1)
690-231.110	Penalties for Violation of Other Specific Provisions of the Florida Insurance Code
690-231.120	Penalties for Violation of Other Insurance Code Provisions
690-231.130	Penalties for Violation of Department Rules
690-231.140	Penalties for Violation of Department Orders
690-231.150	Criminal Proceedings
690-231.160	Aggravating/Mitigating Factors

**690-231.010 Purpose.**

~~The purpose of this rule chapter is to implement the Office's or duty under section 624.307(1), F.S., to enforce sections 626.611, 626.621, 626.631, 626.641, 626.681, and 626.691, F.S., by establishing standards for penalties described in those statutory sections, and interpreting provisions in those sections as they relate to penalties imposed upon licensees specified in rule 690-231.020, F.A.C.~~

*Rulemaking Authority 624.308 FS. Law Implemented 624.307(1), 626.611, 626.621, 626.631, 626.641, 626.681, 626.691 FS. History—New 7-13-93, Amended 9-23-02, Formerly 4-231.010.*

**690-231.020 Scope.**

~~(1) This rule chapter shall apply to all resident and nonresident insurance agents, customer representatives, solicitors, adjusters and claims investigators licensed under chapter 626, F.S., who are subject to discipline under sections 626.611 and 626.621, F.S.~~

~~(2) This rule chapter does not apply to title insurance agents, insurance administrators, surplus lines agents, or managing general agents.~~

*Rulemaking Authority 624.308 FS. Law Implemented 624.307(1), 626.611, 626.621, 626.681, 626.691 FS. History—New 7-13-93, Amended 8-15-00, 9-23-02, Formerly 4-231.020.*

**690-231.030 Definitions.**

The following definitions shall apply for purposes of this rule chapter.

~~(1) "Administrative complaint" refers to formal administrative charges filed by the Office against a licensee. The charges consist of factual allegations with citations to violations of the Insurance Code, Office rules or orders grouped together in one or more counts.~~

~~(2) "Count" refers to a series of one or more numbered paragraphs of factual allegations in an administrative complaint that are grouped together under the word "Count" followed by a Roman numeral and which are set apart from other counts in an administrative complaint, which relate to a single transaction or occurrence, and which if true would constitute a violation of one or more provisions of the Insurance Code.~~

~~(3) "Convicted" means adjudicated guilty by a court.~~

~~(4) "Crimes involving moral turpitude" means each felony crime identified in subsection 4-211.042(23), F.A.C.~~

~~(5) "Office" means the Florida Office of Insurance Regulation.~~

~~(6) "Final penalty" means the penalty actually imposed on a licensee.~~

~~(7) "Penalty per count" refers to the penalty to be assessed for a single count which shall be equal to the highest~~

~~stated penalty in the count for all violations proven.~~

~~(8) "Stated penalty" means the penalty set forth in rules 69O-231.080 through 69O-231.150, F.A.C.~~

~~(9) "Total penalty" refers to the sum of the highest stated penalty for each count.~~

*Rulemaking Authority 624.308 FS. Law Implemented 624.307(1), 626.611, 626.621, 626.681, 626.691 FS. History—New 7-13-93, Amended 9-23-02, Formerly 4-231.030.*

#### **69O-231.040 Calculating Penalty.**

##### **(1) Penalty Per Count.**

~~(a) The Office is authorized to find that multiple grounds exist under sections 626.611 and 626.621, F.S., for disciplinary action against the licensee based upon a single count in an administrative complaint based upon a single act of misconduct by a licensee. However, for the purpose of this rule chapter, only the violation specifying the highest stated penalty will be considered for that count. The highest stated penalty thus established for each count is referred to as the "penalty per count."~~

~~(b) The requirement for a single highest stated penalty for each count in an administrative complaint shall be applicable regardless of the number or nature of the violations established in a single count of an administrative complaint.~~

~~(2) Total Penalty. Each penalty per count shall be added together and the sum shall be referred to as the "total penalty."~~

~~(3) Final Penalty. The final penalty which will be imposed against a licensee under these rules shall be the total penalty, as adjusted to take into consideration any aggravating or mitigating factors, provided however the Office shall convert the total penalty to an administrative fine and probation in the absence of a violation of section 626.611, F.S., if warranted upon the Office's consideration of the factors set forth in rule subsection 69O-231.160(1), F.A.C.~~

*Rulemaking Authority 624.308 FS. Law Implemented 624.307(1), 626.611, 626.621, 626.681, 626.691 FS. History—New 7-13-93, Formerly 4-231.040.*

#### **69O-231.070 Prosecutorial Discretion.**

~~(1) Letter of Guidance. Every violation of the Insurance Code, rule or order of the Office will not necessarily result in a disciplinary action against the licensee. The Office shall close all or part of an investigation by issuing a letter of guidance or caution to the licensee, if warranted upon the Office's consideration of the factors set forth in rule subsection 69O-231.160(1), F.A.C.~~

~~(2) Stipulated Disposition. The provisions of this rule are intended and shall not be construed to limit the ability of the Office to informally dispose of disciplinary actions by stipulation, agreed settlement or consent order whether or not the Office has initiated administrative charges.~~

~~(3) Cease and Desist Actions. This rule chapter shall not preclude the Office from initiating an administrative action against licensed or unlicensed individuals for the purpose of imposing cease and desist and penalty orders authorized by section 626.9581, F.S.~~

~~(4) Collateral Actions. The provisions of this rule chapter are not intended and shall not be construed to limit the ability of the Office to pursue or recommend collateral, civil or criminal actions where appropriate.~~

*Rulemaking Authority 624.308 FS. Law Implemented 624.307(1), 626.611, 626.621, 626.681, 626.691, 626.9521, 626.9561, 626.9571, 626.9581 FS. History—New 7-13-93, Formerly 4-231.070.*

#### **69O-231.080 Penalties for Violation of Section 626.611.**

~~If it is found that the licensee has violated any of the following subsections of section 626.611, F.S., for which compulsory suspension or revocation is required, the following stated penalty shall apply:~~

~~(1) Section 626.611(1), F.S.—surrender of license~~

~~(2) Section 626.611(2), F.S.—~~

~~(a) Suspension 12 months if, had the license application been accurate, the application would have been~~

granted, based on the Office licensing rule applicable to the application at the time the Office issued the license, and the documentation in the applicant's file at the time the Office issued the license.

(b) Revocation if, had the license application been accurate, the application would have been denied, based on the Department licensing rule applicable to the application at the time the Office issued the license.

- (3) Section 626.611(3), F.S.—surrender of license
- (4) Section 626.611(4), F.S.—suspension 3 months
- (5) Section 626.611(5), F.S.—suspension 6 months
- (6) Section 626.611(6), F.S.—suspension 6 months
- (7) Section 626.611(7), F.S.—suspension 6 months
- (8) Section 626.611(8), F.S.—suspension 6 months
- (9) Section 626.611(9), F.S.—suspension 9 months
- (10) Section 626.611(10), F.S.—suspension 9 months
- (11) Section 626.611(11), F.S.—suspension 6 months
- (12) Section 626.611(12), F.S.—suspension 3 months
- (13) Section 626.611(13), F.S.—suspension 6 months
- (14) Section 626.611(14), F.S.—see Rule 69O 231.150, F.A.C.
- (15) Section 626.611(15), F.S.—suspension 6 months
- (16) Section 626.611(16), F.S.—suspension 12 months

*Rulemaking Authority 624.308 FS. Law Implemented 624.307(1), 626.611, 626.621, 626.681, 626.691 FS. History—New 7-13-93, Amended 9-23-02, Formerly 4-231.080.*

#### **69O-231.090 Penalties for Violation of Section 626.621.**

If it is found that the licensee has violated any of the following subsections of section 626.621, F.S., for which suspension or revocation is discretionary, the following stated penalty shall apply:

- (1) Section 626.621(1), F.S.—suspension 3 months
- (2) Section 626.621(2), F.S.—suspension 3 months
- (3) Section 626.621(3), F.S.—suspension 3 months
- (4) Section 626.621(4), F.S.—suspension 9 months
- (5) Section 626.621(5), F.S.—suspension 6 months
- (6) Section 626.621(6), F.S.—suspension 6 months or rule 69O 231.100, F.A.C.
- (7) Section 626.621(7), F.S.—suspension 6 months
- (8) Section 626.621(8), F.S.—see rule 69O 231.150, F.A.C.
- (9) Section 626.621(9), F.S.—suspension 3 months
- (10) Section 626.621(10), F.S.—suspension 6 months and re exam
- (11) Section 626.621(11), F.S.—suspension 3 months
- (12) Section 626.621(12), F.S.—suspension 3 months

*Rulemaking Authority 624.308 FS. Law Implemented 624.307(1), 626.611, 626.621, 626.681, 626.691 FS. History—New 7-13-93, Formerly 4-231.090.*

#### **69O-231.100 Penalties for Violation of Subsection 626.9541(1).**

If a licensee is found to have violated any of the following paragraphs of section of 626.9541(1), F.S., the following stated penalty shall apply:

- (1) Section 626.9541(1)(a), F.S.—suspension 6 months
- (2) Section 626.9541(1)(b), F.S.—suspension 6 months
- (3) Section 626.9541(1)(c), F.S.—suspension 3 months
- (4) Section 626.9541(1)(d), F.S.—suspension 3 months
- (5) Section 626.9541(1)(e), F.S.—suspension 6 months
- (6) Section 626.9541(1)(f), F.S.—suspension 3 months
- (7) Section 626.9541(1)(g), F.S.—suspension 6 months

- (8) Section 626.9541(1)(h), F.S.—suspension 6 months
- (9) Section 626.9541(1)(i), F.S.—suspension 6 months
- (10) Section 626.9541(1)(j), F.S.—suspension 3 months
- (11) Section 626.9541(1)(k), F.S.—suspension 6 months
- (12) Section 626.9541(1)(l), F.S.—suspension 6 months
- (13) Section 626.9541(1)(m), F.S.—suspension 2 months
- (14) Section 626.9541(1)(n), F.S.—suspension 6 months
- (15) Section 626.9541(1)(o), F.S.—suspension 6 months
- (16) Section 626.9541(1)(p), F.S.—suspension 3 months
- (17) Section 626.9541(1)(q), F.S.—suspension 3 months
- (18) Section 626.9541(1)(r), F.S.—suspension 3 months
- (19) Section 626.9541(1)(s), F.S.—suspension 3 months
- (20) Section 626.9541(1)(t), F.S.—suspension 3 months
- (21) Section 626.9541(1)(u), F.S.—suspension 9 months
- (22) Section 626.9541(1)(v), F.S.—suspension 3 months
- (23) Section 626.9541(1)(w), F.S.—suspension 6 months
- (24) Section 626.9541(1)(X), F.S.—suspension 6 months
- (25) Section 626.9541(1)(y), F.S.—suspension 6 months
- (26) Section 626.9541(1)(z), F.S.—suspension 6 months

*Rulemaking Authority 624.308 FS. Law Implemented 624.307(1), 626.611, 626.621, 626.681, 626.691, 626.9541(1) FS. History—New 7-13-93, Formerly 4-231.100.*

**690-231.110 Penalties for Violation of Other Specific Provisions of the Florida Insurance Code.**

If the licensee is found to have violated any of the following provisions of the Insurance Code, the following stated penalty shall apply:

- (1) Section 626.041(2), F.S.—suspension 3 months
- (2) Section 626.051(2), F.S.—suspension 3 months
- (3) Section 626.062(2), F.S.—suspension 3 months
- (4) Section 626.112(2), F.S.—suspension 3 months
- (5) Section 626.342(1), F.S.—suspension 3 months
- (6) Section 626.441, F.S.—suspension 6 months
- (7) Section 626.541, F.S.—suspension 2 months
- (8) Section 626.551, F.S.—suspension 2 months
- (9) Section 626.561(1), F.S.—suspension 9 months
- (10) Section 626.561(2), F.S.—suspension 2 months
- (11) Section 626.572, F.S.—suspension 3 months
- (12) Section 626.592(1), F.S.—suspension 3 months
- (13) Section 626.592(4), F.S.—suspension 6 months
- (14) Section 626.592(5), F.S.—suspension 9 months
- (15) Section 626.592(6), F.S.—suspension 6 months
- (16) Section 626.592(7), F.S.—suspension 3 months
- (17) Section 626.601(2), F.S.—suspension 2 months
- (18) Section 626.631(1), F.S.—revocation
- (19) Section 626.641(4), F.S.—revocation
- (20) Section 626.741(3), F.S.—suspension 3 months
- (21) Section 626.741(4), F.S.—suspension 6 months
- (22) Section 626.747, F.S.—suspension 3 months
- (23) Section 626.748, F.S.—suspension 2 months
- (24) Section 626.752, F.S.—suspension 3 months

- (25) Section 626.753, F.S. — revocation
- (26) Section 626.792(3), F.S. — suspension 3 months
- (27) Section 626.792(6), F.S. — revocation
- (28) Section 626.793, F.S. — suspension 2 months
- (29) Section 626.794, F.S. — suspension 6 months
- (30) Section 626.798, F.S. — suspension 6 months
- (31) Section 626.835(3), F.S. — suspension 3 months
- (32) Section 626.835(6), F.S. — revocation
- (33) Section 626.837, F.S. — suspension 6 months
- (34) Section 626.8373, F.S. — suspension 6 months
- (35) Section 626.838, F.S. — suspension 6 months
- (36) Section 626.901(1), F.S. — suspension 6 months
- (37) Section 626.901(2), F.S. — suspension 12 months

*Rulemaking Authority 624.308 FS. Law Implemented 624.307(1), 626.611, 626.621, 626.681, 626.691 FS. History—New 7-13-93, Formerly 4-231.110.*

**690-231.120 Penalties for Violation of Other Insurance Code Provisions.**

~~If the licensee is found to have violated a provision of the Insurance Code, the stated penalty, unless otherwise prescribed in these rules or in the code provision violated, shall be a six (6) month suspension if the violation was willful, or shall be a three (3) month suspension if the violation was nonwillful.~~

*Rulemaking Authority 624.308 FS. Law Implemented 624.307(1), 626.611, 626.621, 626.681, 626.691 FS. History—New 7-13-93, Formerly 4-231.120.*

**690-231.130 Penalties for Violation of Department Rules.**

~~If the licensee is found to have violated a Office rule, the stated penalty, unless otherwise prescribed in these rules or in the specific rule violated, shall be a six (6) month suspension if the violation was willful, or shall be a three (3) month suspension if the violation was nonwillful.~~

*Rulemaking Authority 624.308 FS. Law Implemented 624.307(1), 626.611, 626.621, 626.681, 626.691 FS. History—New 7-13-93, Formerly 4-231.130.*

**690-231.140 Penalties for Violation of Department Orders.**

~~If a licensee is found to have violated a Office order, the stated penalty shall be a six (6) month suspension if the violation was willful, or shall be a three (3) month suspension if the violation was nonwillful, unless the penalty is prescribed in the order itself.~~

*Rulemaking Authority 624.308 FS. Law Implemented 624.307(1), 626.611, 626.621, 626.681, 626.691 FS. History—New 7-13-93, Formerly 4-231.140.*

**690-231.150 Criminal Proceedings.**

~~(1) If it is found that a licensee has violated either section 626.611(14) or 626.621(8), F.S., the following stated penalty shall apply:~~

~~(a) If the licensee is convicted by a court of a violation of the Insurance Code or a felony (regardless of whether or not such felony is related to an insurance license), the penalty shall be revocation.~~

~~(b) If the licensee is not convicted of, but has been found guilty of or has pleaded guilty or nolo contendere to, a felony or a crime punishable by imprisonment of 1 year or more under the law of the United States of America or of any state thereof or under the law of any other country, which involves moral turpitude and is a crime involving breach of trust or dishonesty, the penalty shall be revocation.~~

~~(c) If the licensee is not convicted of, but has been found guilty of or has pleaded guilty or nolo contendere to, a felony or a crime punishable by imprisonment of 1 year or more under the law of the United States of America or of~~

~~any state thereof or under the law of any other country, which involves moral turpitude or is a crime involving breach of trust or dishonesty, the penalties are as follows:~~

~~1. If the conduct directly relates to activities involving an insurance license, the penalty shall be a 24 month suspension.~~

~~2. If the conduct indirectly involves dishonesty or breach of trust such as mishandling or misappropriation of money, the penalty shall be a 12 month suspension.~~

~~3. If the conduct is not related to insurance license, the penalty shall be a 6 month suspension.~~

~~(d) If the licensee is not convicted of, but has been found guilty of or has pleaded guilty or nolo contendere to, a felony or a crime punishable by imprisonment of 1 year or more under the laws of the United States of America or of any state thereof or under the law of any other country, which does not involve moral turpitude and is not a crime involving breach of trust or dishonesty, the penalties are as follows:~~

~~1. If the conduct directly relates to activities involving an insurance license, the penalty shall be a 24 month suspension.~~

~~2. If the conduct indirectly involves dishonesty or breach of trust such as mishandling or misappropriation of money, the penalty shall be a 12 month suspension.~~

~~3. If the conduct is not related to insurance license, the penalty shall be a 3 month suspension.~~

~~(2) Foreign Law Enforcement Records. In the event that a law enforcement record includes convictions, charges, or arrests outside the United States, the Office shall consider the following factors to reduce, eliminate, or apply a waiting period:~~

~~(a) Whether the crime in the criminal record would be a crime under the laws of the United States or any state within the United States;~~

~~(b) The degree of penalty associated with the same or similar crimes in the United States; and,~~

~~(c) The extent to which the foreign justice system provided safeguards similar to those provided criminal defendants under the Constitution of the United States.~~

*Rulemaking Authority 624.308 FS. Law Implemented 624.307(1), 626.601, 626.611, 626.621, 626.631, 626.631(1), 626.681, 626.691 FS. History— New 7-13-93, Amended 9-23-02, Formerly 4-231.150.*

#### **690-231.160 Aggravating/Mitigating Factors.**

~~The Office shall consider the following aggravating and mitigating factors and apply them to the total penalty in reaching the final penalty assessed against a licensee under this rule chapter. After consideration and application of these factors, the Office shall, if warranted by the Office's consideration of the factors, either decrease or increase the penalty to any penalty authorized by law.~~

~~(1) For penalties other than those assessed under rule 690-231.150, F.A.C.:~~

~~(a) Willfulness of licensee's conduct;~~

~~(b) Degree of actual injury to victim;~~

~~(c) Degree of potential injury to victim;~~

~~(d) Age or capacity of victim;~~

~~(e) Timely restitution;~~

~~(f) Motivation of agent;~~

~~(g) Financial gain or loss to agent;~~

~~(h) Cooperation with the Office;~~

~~(i) Vicarious or personal responsibility;~~

~~(j) Related criminal charge; disposition;~~

~~(k) Existence of secondary violations in counts;~~

~~(l) Previous disciplinary orders or prior warning by the Office; and,~~

~~(m) Other relevant factors.~~

~~(2) For penalties assessed under rule 690-231.150, F.A.C., for violations of sections 626.611(14) and 626.621(8), F.S.:~~

~~(a) Number of years that have passed since criminal proceeding;~~



- ~~(b) Age of licensee at time the crime was committed;~~
- ~~(c) Whether licensee served time in jail;~~
- ~~(d) Whether or not licensee violated criminal probation;~~
- ~~(e) Whether or not licensee is still on criminal probation;~~
- ~~(f) Whether or not licensee's actions or behavior resulted in substantial injury to victim;~~
- ~~(g) Whether or not restitution was, or is being timely, paid;~~
- ~~(h) Whether or not licensee's civil rights have been restored; and,~~
- ~~(i) Other relevant factors.~~

*Rulemaking Authority 626.308 FS. Law Implemented 624.307(1), 626.611, 626.621, 626.631, 626.681, 626.9541 FS. History—  
New 7-13-93, Formerly 4-231.160.*

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**M E M O R A N D U M**

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**DATE:** November 18, 2019

**TO:** David Altmaier, Commissioner, Office of Insurance Regulation

**THROUGH:** Anoush Brangaccio, General Counsel

**FROM:** Michael Lawrence, Jr., Assistant General Counsel


**SUBJECT:** Cabinet Agenda for December 3, 2019  
Request for Approval to Publish Amendments to  
Rule 69O-235.003  
Assignment # 248678-19

The Office of Insurance Regulation requests that this proposed rule repeals be presented to the Cabinet aides on or before November 27, 2019, and to the Financial Services Commission on December 3, 2019, with a request for Final Approval to Adopt the proposed rules and for final adoption if no member of the public timely requests a rule hearing or if a hearing is requested and no notice of change is needed.

69O-235.003 is repealed.

Michael Lawrence, Jr. is the attorney handling these rules. Attached are the proposed rules.

Approved for signature:

  
Anoush Brangaccio, General Counsel

Approved for submission to Financial Services  
Commission:

  
David Altmaier, Commissioner  
Office of Insurance Regulation

**CHAPTER 690-235**  
**SALE OF NON-INSURANCE PRODUCTS BY INSURANCE REPRESENTATIVES**

690-235.003 Sale of Certificates of Deposit

**690-235.003 Sale of Certificates of Deposit.**

*Rulemaking Authority 624.308(1) FS. Law Implemented 517.12, 624.307(1), 626.611, 626.621 FS. History—New 1-16-03 Formerly 4-235.003, Repealed.*

**CHAPTER 690-235**  
**SALE OF NON-INSURANCE PRODUCTS BY INSURANCE REPRESENTATIVES**

690-235.003 Sale of Certificates of Deposit

**690-235.003 Sale of Certificates of Deposit.**

~~(1) Activities of licensed general lines and life insurance agents authorized by section 517.12(20), F.S., are considered activities under the agents' licenses for purposes of sections 626.611 and 626.621, F.S.~~

~~(2) In determining whether an agent has been a source of injury or loss to the public or detrimental to public interest within the meaning of section 626.621(6), F.S., the Department will consider the facts applicable to each transaction.~~

~~(a) Conduct determined by the Office of Financial Regulation to violate sections 517.301 and 517.311, F.S., constitutes conduct that is a source of injury or loss to the public or detrimental to public interest within the meaning of section 626.621(6), F.S.~~

~~(b) The Department will apply the standards established in part IX of chapter 626, F.S., against engaging in unfair methods of competition or in unfair or deceptive acts or practices in the conduct of business under an agent's license, to agent transactions authorized under section 517.12(20), F.S.~~

*Rulemaking Authority 624.308(1) FS. Law Implemented 517.12, 624.307(1), 626.611, 626.621 FS. History—New 1-16-03 Formerly 4-235.003.*

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M E M O R A N D U M

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**DATE:** November 18, 2019

**TO:** David Altmaier, Commissioner, Office of Insurance Regulation

**THROUGH:** Anoush Brangaccio, General Counsel

**FROM:** Michael Lawrence, Jr., Assistant General Counsel

**SUBJECT:** Cabinet Agenda for December 3, 2019  
Request for Approval to Publish Amendments to  
Rule 69O-239.001  
Assignment # 248679-19

The Office of Insurance Regulation requests that these proposed rule amendments be presented to the Cabinet aides on or before November 27, 2019, and to the Financial Services Commission on December 3, 2019, with a request for Final Approval to Adopt the proposed rules and for final adoption if no member of the public timely requests a rule hearing or if a hearing is requested and no notice of change is needed.

A notice of development of rulemaking was published on October 8, 2019 in Volume 45, No. 196, of the *Register*.

The Office of Insurance Regulation is amending Rule 69O-239.001 to remove the penal sum of bond portion of the rule and to make references to the "Office" consistent in the rule.

Michael Lawrence, Jr. is the attorney handling these rules. Attached are the proposed rules. The forms were previously reviewed in a prior rule review meeting.

Approved for signature:

  
Anoush Brangaccio, General Counsel

Approved for submission to Financial Services  
Commission:

  
David Altmaier, Commissioner  
Office of Insurance Regulation

**CHAPTER 690-239  
BAIL AND BONDS**

690-239.001 Power of Attorney; Penal Sum of Bond; Not Applicable to Automobile Clubs

**690-239.001 Power of Attorney; Penal Sum of Bond; Not Applicable to Automobile Clubs.**

~~(1) Section 903.09, F.S., is interpreted to mean that every licensed limited surety agent must attach to each bond a duly executed power of attorney in an amount of at least the penal sum of the bond. This section shall not apply to any card or certificate of membership of an automobile club or association qualified under section 627.758, F.S., relating to Guaranteed Arrest Bond Certificates, Bail Bond Certificates, or Powers of Attorney for Bail Bonds sold by licensed surety companies to recognized automobile clubs or associations.~~

~~(1)(2)~~ The Office ~~office~~ shall approve the power of attorney form of an insurer to accompany an appearance bond posted at the jail that includes the following:

(a) through (j) No change.

~~(2)(3)~~ The Office ~~office~~ shall approve the qualifying power of attorney form of an insurer used to register a bail bond agent with the clerk of the court in Florida that includes the following:

(a) The full name and address of the surety company issuing the qualifying power of attorney, as shown on the records of the Office. ~~Office of Insurance Regulation.~~

(b) through (f) No change.

(g) The form must be executed by an authorized company official who appears on the records of the Office. ~~Office of Insurance Regulation.~~

(h) through (i) No change.

~~(3)(4)~~ The Office ~~office~~ shall advise the insurer of approval of the power of attorney via email.

*Rulemaking Authority 624.308(1), ~~648.26~~ FS. Law Implemented 648.43, ~~903.09~~ FS. History—Repromulgated 12-24-74, Formerly 4-1.08, Amended 9-10-91, Formerly 4-1.008, Formerly 4-221.075, Amended 12-29-13, Formerly 69B-221.075, Amended.*

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**M E M O R A N D U M**

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**DATE:** November 18, 2019

**TO:** David Altmaier, Commissioner, Office of Insurance Regulation

**THROUGH:** Anoush Brangaccio, General Counsel

**FROM:** Michael Lawrence, Jr., Assistant General Counsel


**SUBJECT:** Cabinet Agenda for December 3, 2019  
Request for Approval to Publish Amendments to  
Rules 69O-240.001, .002  
Assignment # 250334-19

The Office of Insurance Regulation requests that these proposed rule amendments be presented to the Cabinet aides on or before November 27, 2019, and to the Financial Services Commission on December 3, 2019, with a request for Final Approval to Adopt the proposed rules and for final adoption if no member of the public timely requests a rule hearing or if a hearing is requested and no notice of change is needed.

Chapter 2019-100, Laws of Florida, creates sections 627.6387, 627.6648, and 641.31076, F.S., which require the Financial Service Commission to file a description of the program on a form and requires insurers to submit certain information to the Office, so it may to determine the baseline for the savings calculation. Chapter 69O-240, F.A.C., will govern the regulation of shared savings programs. 69O-240.001 addresses the requirements for approval of a shared savings program by the Office. 69O-240.002 implements an annual report a health insurer or health maintenance organization must file with the Office.

Michael Lawrence, Jr. is the attorney handling these rules. Attached are: 1) the proposed rules and; 2) incorporated forms.

Approved for signature:

  
Anoush Brangaccio, General Counsel

Approved for submission to Financial Services  
Commission:

  
David Altmaier, Commissioner  
Office of Insurance Regulation

**CHAPTER 690-240**  
**SHARED SAVINGS PROGRAM**

69O-240.001 Shared Savings Program Requirements  
69O-240.002 Annual Report

69O-240.001 Shared Savings Program Requirements

(1)(a) A health insurer or health maintenance organization that wants to implement a shared savings program shall submit the following:

1. Form OIR-B2-2214, "Shared Savings Program Description," effective 8/19, hereby incorporated by reference and available at [www.flrules.org/XXXXX](http://www.flrules.org/XXXXX);

2. Form OIR-B2-2215, "Shared Savings Program Policy Template," effective 9/19, hereby incorporated by reference and available at [www.flrules.org/XXXXX](http://www.flrules.org/XXXXX); and

3. Form OIR-B2-2216, "Shared Savings Program Rates Template," effective 9/19, hereby incorporated by reference and available at [www.flrules.org/XXXXX](http://www.flrules.org/XXXXX).

(b) A health insurer or health maintenance organization shall submit the forms listed in paragraph (1)(a) electronically through <https://www.floir.com/portal>.

(2) The Office will accept the following baseline methodologies:

(a) A baseline equal to the average in-network amount paid for that service in the most recent 12-month period. The average in-network amount may be calculated by using the statewide average or the average paid for the service within the insured's or subscriber's service area; or

(b) Another baseline methodology that yields a similar or greater savings as the methodology in paragraph (2)(a).

(3) The calculation for the shared savings amount is equal to baseline amount less the cost of the service which is then multiplied by the shared savings percentage [(baseline – cost) \* shared savings percentage]. The shared savings amount may not be equal to less than 25 percent of the savings generated by the insured's or subscriber's participation in the program. The shared savings percentage may vary by service or service area.

Rulemaking Authority 624.308(1), 627.6387(3)(b), 627.6387(5), 627.6648(3)(b), 627.6648(5), 641.31076(3)(b), 641.31076(5) FS. Law Implemented 627.6387, 627.6648, 641.31076 FS. History-New \_\_\_\_\_.

69O-240.002 Annual Report.

A health insurer or health maintenance organization offering a shared savings program shall file Form OIR-B2-2217 with the Office electronically through <http://www.floir.com/portal> within 90 business days after the close of each plan year. Form OIR-B2-2217, "Shared Savings Program Annual Report," effective 9/19, is hereby incorporated by reference and available at [www.flrules.org/XXXXX](http://www.flrules.org/XXXXX).

Rulemaking Authority 624.308(1), 627.6387(5), 627.6648(5), 641.31076(5) FS. Law Implemented 627.6387, 627.6648, 641.31076 FS. History-New \_\_\_\_\_.



This form is to be used to file for Office approval a description of a shared savings program offered by a health insurer or health maintenance organization (“HMO”) in accordance with Sections 627.6387, 627.6648, or 641.31076, Florida Statutes.

This information should be filed electronically at <https://www.floir.com/iportal> through the Office’s Insurance Electronic Filing System (IRFS).

Please provide the following information:

- 1) Name of Health Insurer or HMO:
- 2) Contact Name:  
Phone Number:  
Email Address:
- 3) Is this shared savings program for a (check all that are applicable):
  - a. Individual health plan
  - b. Group health plan
  - c. HMO contract
- 4) A description of the shared savings program which includes the methodology used to establish a baseline for the savings calculation and how shared savings incentive amounts will be credited or deposited to the insured’s or subscriber’s account.
- 5) The address or URL of the web site that contains the list of shoppable health care services and health care providers and also lists the shared savings incentive amounts available.
- 6) The shared savings percentage(s) that will be paid to insureds or subscribers.

In addition to submitting this form, upload a copy of the policy, certificate, contract or addendum that establishes the shared savings program as a component part of the policy, certificate or contract and the proposed notice to insureds or subscribers concerning the availability of the shared savings program and the procedure to participate in the program.

## Shared Savings Disclosure Form

This (policy)(certificate) is eligible for the Shared Savings Incentive Program per Section (627.6387)(627.6648)(641.31076), F.S. This voluntary program allows the insured to participate in the savings generated from Shoppable Health Care Services located at providers on the (Insurer/HMO)'s shared savings list.

(Insurer/HMO)'s shared savings list is available at (Website). This list includes all available Shoppable Health Care Services and their Shared Savings Incentive amount. Be aware, this list may change. Please check frequently to ensure you have accurate information.

Your Shared Saving Incentive will be credited (quarterly/monthly) as a (reduction/return in premium)(credit to the insured's (flexible spending account)(health savings account)(health reimbursement account)).

(Insurer/HMO) must notify the insured and the Office of Insurance Regulation at least 30 days before termination of this program.

### Definitions

Shared Savings Incentive- means a voluntary and optional financial incentive that a health insurer may provide to an insured for choosing certain shoppable health care services under a shared savings incentive program.

Shoppable health care service- means a lower-cost, high-quality nonemergency health care service for which a shared savings incentive is available for insureds under a health insurer's shared savings incentive program.

### Scope & Instructions

The purpose of this template is for review to determine compliance of the Shared Savings Program in Sections 627.6387, 627.6648, or 641.31076, Florida Statutes.

A health insurer or HMO that wants to implement a shared savings program must submit the template to the Office electronically through <http://www.flair.com/iportal>.

**Steps:**

- 1) On this tab to the right, please fill out the top section of the requested information in the orange cells
- 2) On the "Baseline" tab, please provide the requested information in the orange cells
  - Please use the drop-down menu to choose the appropriate answers in the top table
  - Please provide a description on the baseline chosen if it is not the Average In-Network Amount Paid
  - Please provide the average baseline amount by county in the second table
- 3) On the "Cost of Service" tab, please provide the requested information in the orange cells
  - Please provide comments to describe how cost of service is determined
  - Please provide the average cost of service amount by county in the second table
- 4) On the "Shared Savings Percentage" tab, please provide the requested information in the orange cells
  - Please provide comments to describe how the shared savings percentage is determined
  - Please provide the average shared savings percentage by county in the second table
- 5) On the "Savings Generated" tab, please provide the requested information in the orange cells
  - Please provide comments to describe how the savings generated is determined
  - Please provide the average savings generated by county in the second table

### Complete Before the Baseline Tab

Company	
Form #	
Product Type	
Market	

Complete Before Entering the Baseline Values	
Baseline	
Average In Network Amount	
Other Baseline Comments	

Health Care Services					
County	Clinical Laboratory Services	Infusion Therapy	Inpatient and Outpatient Surgical Procedures	Obstetrical and Gynecological Services	Inpatient and Outpatient Nonsurgical Diagnostic Tests and Procedures
Alachua					
Baker					
Bay					
Bradford					
Brevard					
Broward					
Calhoun					
Charlotte					
Citrus					
Clay					
Collier					
Columbia					
Desoto					
Dixie					
Duval					
Escambia					
Flagler					
Franklin					
Gadsden					
Gilchrist					
Glades					
Gulf					
Hamilton					
Hardee					
Hendry					
Hernando					
Highlands					
Hillsborough					
Holmes					
Indian River					
Jackson					

<b>Jefferson</b>					
<b>Lafayette</b>					
<b>Lake</b>					
<b>Lee</b>					
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<b>Santa Rosa</b>					
<b>Sarasota</b>					
<b>Seminole</b>					
<b>St. Johns</b>					
<b>St. Lucie</b>					
<b>Sumter</b>					
<b>Suwannee</b>					
<b>Taylor</b>					
<b>Union</b>					
<b>Volusia</b>					
<b>Wakulla</b>					
<b>Walton</b>					
<b>Washington</b>					





**Complete Before Entering the Average Cost of Service Values**

<b>Cost of Service Description</b>	
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**Health Care Serv**

<b>County</b>	<b>Clinical Laboratory Services</b>	<b>Infusion Therapy</b>	<b>Inpatient and Outpatient Surgical Procedures</b>	<b>Obstetrical and Gynecological Services</b>	<b>Inpatient and Outpatient Nonsurgical Diagnostic Tests and Procedures</b>
Alachua					
Baker					
Bay					
Bradford					
Brevard					
Broward					
Calhoun					
Charlotte					
Citrus					
Clay					
Collier					
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Hardee					
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Highlands					
Hillsborough					
Holmes					
Indian River					
Jackson					



<b>Jefferson</b>					
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<b>Union</b>					
<b>Volusia</b>					
<b>Wakulla</b>					
<b>Walton</b>					
<b>Washington</b>					





**Complete Before Entering the Average Shared Savings Percentage**

<b>Shared Savings Percentage Description</b>	
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**Health Care Serv**

County	Clinical Laboratory Services	Infusion Therapy	Inpatient and Outpatient Surgical Procedures	Obstetrical and Gynecological Services	Inpatient and Outpatient Nonsurgical Diagnostic Tests and Procedures
Alachua					
Baker					
Bay					
Bradford					
Brevard					
Broward					
Calhoun					
Charlotte					
Citrus					
Clay					
Collier					
Columbia					
Desoto					
Dixie					
Duval					
Escambia					
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Franklin					
Gadsden					
Gilchrist					
Glades					
Gulf					
Hamilton					
Hardee					
Hendry					
Hernando					
Highlands					
Hillsborough					
Holmes					
Indian River					
Jackson					

<b>Jefferson</b>					
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<b>Lake</b>					
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<b>Union</b>					
<b>Volusia</b>					
<b>Wakulla</b>					
<b>Walton</b>					
<b>Washington</b>					





**Complete Before Entering the Average Savings Generated**

<b>Savings Generated Description</b>	
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**Health Care Serv**

County	Clinical Laboratory Services	Infusion Therapy	Inpatient and Outpatient Surgical Procedures	Obstetrical and Gynecological Services	Inpatient and Outpatient Nonsurgical Diagnostic Tests and Procedures
Alachua					
Baker					
Bay					
Bradford					
Brevard					
Broward					
Calhoun					
Charlotte					
Citrus					
Clay					
Collier					
Columbia					
Desoto					
Dixie					
Duval					
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Indian River					
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<b>Taylor</b>					
<b>Union</b>					
<b>Volusia</b>					
<b>Wakulla</b>					
<b>Walton</b>					
<b>Washington</b>					









Average In-Network Amount Paid  
Other

Statewide Average  
Service Area Average

HMO  
PPO  
EPO  
NPOS

Individual  
Small Group  
Large Group

**SHARED SAVINGS PROGRAM ANNUAL REPORT**

**OF**

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**(HEALTH INSURER or HEALTH MAINTENANCE ORGANIZATION)**

**To THE**

**THE FLORIDA DEPARTMENT OF FINANCIAL SERVICES,  
OFFICE OF INSURANCE REGULATION (THE OFFICE)**

**FOR FISCAL YEAR ENDED**

\_\_\_\_\_, \_\_\_\_\_

**NOTICE!**

Sections 627.6387, 627.6648, or 641.31076, Florida Statutes, require each health insurer of health maintenance organization that has implemented a shared savings program require to file an annual report within 90 business days after the close of each plan year.

**ATTESTATIONS**

**DIRECTIONS FOR ATTESTING TO THIS REPORT:**

- I. Please have two officers provide attestations for this report.
  
- II. As an insurer or health maintenance organization licensed to transact business in the state of Florida, I do hereby certify under penalty of filing false or misleading documents pursuant to Sections 817.2341 or 837.06, Florida Statutes, that the information reported herein is a full and true reporting of the requested information.

\_\_\_\_\_  
(Typed Name)

\_\_\_\_\_  
(Typed Name)

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Title)

\_\_\_\_\_  
(Title)

Sworn To and Subscribed Before Me

Sworn To and Subscribed Before Me

This \_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_.

This \_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_.

\_\_\_\_\_  
(Signature of Notary Public -  
State of Florida)

\_\_\_\_\_  
(Signature of Notary Public -  
State of Florida)

Personally Known \_\_\_ or Produced  
Identification \_\_\_

Personally Known \_\_\_ or Produced  
Identification \_\_\_\_\_

Type of Identification Produced

Type of Identification Produced

\_\_\_\_\_  
(Seal)

\_\_\_\_\_  
(Seal)



1. Contact person completing this form: \_\_\_\_\_  
Telephone No: (\_\_\_\_) \_\_\_\_\_ Email: \_\_\_\_\_
  
2. Has any information contained in the latest shared saving program description that was filed with the Office changed? \_\_\_\_\_ If, yes, please file an updated description of the shared savings program.
  
3. How many insureds or subscribers participated in the program during the year? \_\_\_\_\_
  
4. How many instances of participation occurred during the year? \_\_\_\_\_
  
5. What was the value of the shared savings incentive payments distributed as:
  - a. Premium Reductions \_\_\_\_\_
  - b. Credits to flexible spending accounts \_\_\_\_\_
  - c. Credits to health savings accounts \_\_\_\_\_
  - d. Credits to health reimbursement accounts \_\_\_\_\_
  - e. Total \_\_\_\_\_
  
6. List the shoppable health care services offered (may be provided as a separate document).

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**M E M O R A N D U M**

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**DATE:** November 18, 2019

**TO:** David Altmaier, Commissioner, Office of Insurance Regulation

**THROUGH:** Anoush Brangaccio, General Counsel

**FROM:** Michael Lawrence, Jr., Assistant General Counsel

**SUBJECT:** Cabinet Agenda for December 3, 2019  
Request for Final Approval to Adopt Amendments to  
Rule 69N-121.003  
Assignment # 242192-19

The Office of Insurance Regulation requests that these proposed rule amendments be presented to the Cabinet aides on or before November 27, 2019, and to the Financial Services Commission on December 3, 2019, with a request for Final Approval to Adopt the proposed rules.


The notice of proposed rules was published on August 6, 2019 in Volume 45, No. 152, of the *Register*. Hearings were held on October 7, 2019, and November 13, 2019. The Office did not receive any comments.

The deputy commissioner for business development and market research is deleted from the rule. The title for the deputy commissioner of life and health is amended to delete the reference to "and for specialty."

Sections 20.121(3)(b), F.S., is the rulemaking authority and laws implemented for this rule.

Michael Lawrence, Jr. is the attorney handling this rule. Attached are: 1) the proposed rule; and 2) summary of proposed rule.

Approved for signature:

  
Anoush Brangaccio, General Counsel

Approved for submission to Financial Services  
Commission:

  
David Altmaier, Commissioner  
Office of Insurance Regulation

69N-121.003 Organizational Structure of the Office.

(1) Under the Commissioner of the Office are hereby established a chief of staff, a general counsel, and two ~~three~~ deputy commissioners as follows:

~~(a) Deputy commissioner for business development and market research;~~

~~(a)(b)~~ Deputy commissioner for property and casualty; and,

~~(b)(c)~~ Deputy commissioner for life and health ~~and for specialty~~.

(2) No change.

*Rulemaking Authority 20.121(3)(b) FS. Law Implemented 20.121(3)(b) FS. History—New 12-22-05, Amended*

\_\_\_\_\_.

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**M E M O R A N D U M**

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**DATE:** November 18, 2019

**TO:** David Altmaier, Commissioner, Office of Insurance Regulation

**THROUGH:** Anoush Brangaccio, General Counsel

**FROM:** Michael Lawrence, Jr., Assistant General Counsel

**SUBJECT:** Cabinet Agenda for December 3, 2019  
Request for Final Approval to Adopt Amendments to  
Rule 69O-137.002  
Assignment # 238076-18

The Office of Insurance Regulation requests that these proposed rule amendments be presented to the Cabinet aides on or before November 27, 2019, and to the Financial Services Commission on December 3, 2019, with a request for Final Approval to Adopt the proposed rules.

The notice of proposed rules was published on August 6, 2019 in Volume 45, No. 152, of the *Register*. Hearings were held on October 7, 2019, and November 13, 2019. The Office did not receive any comments.

The rule is amended to add a section for internal audits and defines "internal audit function."

Sections 624.308(1); 624.4085; 624.424(8)(e), 624.307(1); 624.324; 624.424(8), F.S., are the rulemaking authority and laws implemented for this rule.

Michael Lawrence, Jr. is the attorney handling this rule. Attached are: 1) the proposed rule; and 2) summary of the proposed rule.

Approved for signature:

  
Anoush Brangaccio, General Counsel

Approved for submission to Financial Services  
Commission:

  
David Altmaier, Commissioner  
Office of Insurance Regulation

**690-137.002 Annual Audited Financial Reports.**

(1) through (2) No change.

(3) Definitions.

(a) through (b) No change.

(c) “Audit committee” means a committee (or equivalent body) established by the board of directors of an entity for the purpose of overseeing the accounting and financial reporting processes of an insurer or Group of insurers, the Internal audit function of an insurer or Group of insurers (if applicable), and external audits of financial statements of the insurer or Group of insurers. The Audit committee of any entity that controls a Group of insurers may be deemed to be the Audit committee for one or more of these controlled insurers solely for the purposes of this regulation at the election of the controlling person. Refer to paragraph (14)(e), for exercising this election. If an Audit committee is not designated by the insurer, the insurer’s entire board of directors shall constitute the Audit committee.

(d) through (h) No change.

(i) “Internal audit function” means a person or persons that provide independent, objective, and reasonable assurance designed to add value and improve an organization’s operations and accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

~~(j)(+)~~ “Internal control over financial reporting” means a process effected by an entity’s board of directors, management and other personnel designed to provide reasonable assurance regarding the reliability of the financial statements, i.e., those items specified in subparagraphs (5)(b)2. through 7. of this regulation, and includes those policies and procedures that:

1. through 3. No change.

~~(k)(+)~~ “Office” means the Office of Insurance Regulation.

~~(l)(+)~~ “SEC” means the United States Securities and Exchange Commission.

~~(m)(+)~~ “Section 404” means Section 404 of the Sarbanes-Oxley Act of 2002 and the SEC’s rules and regulations promulgated thereunder.

~~(n)(+)~~ “Section 404 Report” means management’s report on “internal control over financial reporting” as defined by the SEC and the related attestation report of the independent certified public accountant as described in paragraph (3)(a).

~~(o)(a)~~ “SOX Compliant Entity” means an entity that either is required to be compliant with, or voluntarily is compliant with, all of the following provisions of the Sarbanes-Oxley Act of 2002: (i) the preapproval requirements of Section 201 (Section 10A(i) of the Securities Exchange Act of 1934); (ii) the Audit committee independence requirements of Section 301 (Section 10A(m)(3) of the Securities Exchange Act of 1934); and (iii) the Internal control over financial reporting requirements of Section 404 (Item 308 of SEC Regulation S-K).

~~(p)(a)~~ “Section 16 Report” means a Management’s Report of Internal Control over Financial Reporting provided in subsection (16) of this rule.

(4) through (8) No change.

(9) Scope of Audit and Report of Independent Certified Public Accountant. Financial statements furnished pursuant to subsection (5), above, shall be examined by the independent certified public accountant. The audit of the insurer’s financial statements shall be conducted in accordance with generally accepted auditing standards. In accordance with AU Section 319 of the Professional Standards of the AICPA, *Consideration of Internal Control in a Financial Statement Audit*, the independent certified public accountant should obtain an understanding of internal control sufficient to plan the audit. To the extent required by AU 319, for those insurers required to file a Management’s Report of Internal Control over Financial Reporting pursuant to subsection (17) ~~(16)~~, the independent certified public accountant should consider (as that term is defined in AU Section 120 of the Professional Standards of the AICPA, *Defining Professional Requirements in Statements on Auditing Standards*) the most recently available report in planning and performing the audit of the statutory financial statements. Consideration should also be given to the other procedures illustrated in the Financial Condition Examiner’s Handbook promulgated by the National Association of Insurance Commissioners (incorporated by reference in rule 69O-138.001, F.A.C.) as the independent Certified Public Accountant deems necessary.

(10) through (13) No change.

(14) Requirements for Audit Committee.

This section shall not apply to foreign or alien insurers licensed in this state or an insurer that is a SOX Compliant Entity or a direct or indirect wholly-owned subsidiary of a SOX Compliant Entity.

(a) No change.

(b) The Audit committee of an insurer or Group of insurers shall be responsible for overseeing the insurer's Internal audit function and granting the person or persons performing the function suitable authority and resources to fulfill their responsibilities if required by subsection 15 of this Regulation.

~~(c)(b)~~ Each member of the Audit committee shall be a member of the board of directors of the insurer or a member of the board of directors of an entity elected pursuant to paragraphs ~~(f)~~ ~~(e)~~ and (3)(c).

~~(d)(e)~~ In order to be considered independent for purposes of this section, a member of the Audit committee may not, other than in his or her capacity as a member of the Audit committee, the board of directors, or any other board committee, accept any consulting, advisory or other compensatory fee from the entity or be an affiliated person of the entity or any subsidiary thereof.

~~(e)(d)~~ If a member of the Audit committee ceases to be independent for reasons outside the member's reasonable control, that person, with notice by the responsible entity to the state, may remain an Audit committee member of the responsible entity until the earlier of the next annual meeting of the responsible entity or one year from the occurrence of the event that caused the member to be no longer independent.

~~(f)(e)~~ To exercise the election of the controlling person to designate the Audit committee for purposes of this regulation, the ultimate controlling person shall provide written notice to the Office of the affected insurers. Notification shall be made timely prior to the issuance of the statutory audit report and include a description of the basis for the election. The election can be changed through notice to the Office by the insurer, which shall include a description of the basis for the change. The election shall remain in effect for perpetuity, until rescinded.

~~(g)(f)~~1. The Audit committee shall require the accountant that performs for an insurer any audit required by this regulation to timely report to the Audit committee in accordance with the requirements of AU Section 380 of the Professional Standards of the AICPA, *Communication with Audit Committees*, including:

a. through c. No change.

2. If an insurer is a member of an insurance holding company system, the reports required by subparagraph ~~(g)~~1., ~~(f)~~1., may be provided to the Audit committee on an aggregate basis for insurers in the holding company system, provided that any substantial differences among insurers in the system are identified to the Audit committee.

~~(h)(g)~~ The proportion of independent Audit committee members shall meet or exceed the following criteria:

Prior Calendar Year Direct Written and Assumed Premiums		
\$0 – 300,000,000	Over \$300,000,000 – 500,000,000	Over 500,000,000

<p>No minimum requirements.</p> <p>See also Notes A and B.</p>	<p>Majority (50% or more) of members shall be independent. See also Notes A and B.</p>	<p>Supermajority of members (75% or more) shall be independent. See also Note A.</p>
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Note A: The Office has authority afforded by Section 624.4085, F.S., to require the entity’s board to enact improvements to the independence of the Audit committee membership if the insurer is in a Risk Based Capital action level event, meets one or more of the standards of an insurer deemed to be in hazardous financial condition, or otherwise exhibits qualities of a troubled insurer.

Note B: All insurers with less than \$500,000,000 in prior year direct written and assumed premiums are encouraged to structure their Audit committees with at least a supermajority of independent Audit committee members.

Note C: Prior calendar year direct written and assumed premiums shall be the combined total of direct premiums and assumed premiums from non-affiliates for the reporting entities.

~~(i)(4)~~ An insurer with direct written and assumed premium, excluding premiums reinsured with the Federal Crop Insurance Corporation and Federal Flood Program, less than \$500,000,000 may make application to the Office for a waiver from the subsection (14), requirements based upon hardship. The insurer shall file, with its annual statement filing, the approval for relief from subsection (14), with the states that it is licensed in or doing business in and the NAIC. If the non-domestic state accepts electronic filing with the NAIC, the insurer shall file the approval in an electronic format acceptable to the NAIC.

(15) Internal Audit Function Requirements

(a) Exemption – An insurer is exempt from the requirements of this section if:

1. The insurer has annual direct written and unaffiliated assumed premium, including international direct and assumed premium but excluding premiums reinsured with the Federal Crop Insurance Corporation and Federal Flood Program, less than \$500,000,000; and,

2. If the insurer is a member of a Group of insurers, the group has annual direct written and unaffiliated assumed premium, including international direct and assumed premium but excluding premiums reinsured with the Federal Crop Insurance Corporation and Federal Flood Program, less than \$1,000,000,000.



(b) Note: An insurer or Group of insurers exempt from the requirements of subsection (15) is encouraged, but not required, to conduct a review of the insurer business type, sources of capital, and other risk factors to determine whether an Internal audit function is warranted. The potential benefits of an Internal audit function should be assessed and compared against the estimated costs.

(c) Function – The insurer or Group of insurers shall establish an Internal audit function providing independent, objective, and reasonable assurance to the Audit committee and insurer management regarding the insurer’s governance, risk management, and internal controls. This assurance shall be provided by performing general and specific audits, reviews, and tests and by employing other techniques deemed necessary to protect assets, evaluate control effectiveness and efficiency, and evaluate compliance with policies and regulations.

(d) Independence – In order to ensure that internal auditors remain objective, the Internal audit function must be organizationally independent. Specifically, the Internal audit function will not defer ultimate judgment on audit matters to others, and shall appoint an individual to head the Internal audit function who will have direct and unrestricted access to the board of directors. Organizational independence does not preclude dual-reporting relationships.

(e) Reporting – The head of the Internal audit function shall report to the Audit committee regularly, but no less than annually, on the periodic audit plan, factors that may adversely impact the Internal audit function’s independence or effectiveness, material findings from completed audits, and the appropriateness of corrective actions implemented by management as a result of audit findings.

(f) Additional Requirements – If an insurer is a member of an insurance holding company system or included in a Group of insurers, the insurer may satisfy the Internal audit function requirements set forth in this section at the ultimate controlling parent level, an intermediate holding company level, or the individual legal entity level.

~~(16)~~(15) Conduct of Insurer in Connection with the Preparation of Required Reports and Documents.

(a) through (c) No change.

~~(17)~~(16) Management’s Report of Internal Control over Financial Reporting.

(a) through (e) No change.

~~(18)~~(17) Exemptions and Effective Dates.

(a) through (e) No change.

(f) The requirements of subsection ~~(17)~~, ~~(16)~~, and other modified sections, except for subsection (14), covered above, are effective beginning with the reporting period ending December 31, 2010, and each year thereafter. An insurer or Group of insurers that is not required to file a report because the total written premium is below the threshold and subsequently becomes subject to the reporting requirements shall have two (2) years following the year the threshold is exceeded (but not earlier than December 31, 2010) to file a report. Likewise, an insurer acquired in a business combination shall have two (2) calendar years following the date of acquisition or combination to comply with the reporting requirements.

(g) If an insurer or Group of insurers that has been exempt from the subsection 15 requirements no longer qualifies for that exemption, it shall have one year after the year the threshold is exceeded to comply with the requirements of this rule.

~~(19)(18)~~ Canadian and British Companies.

(a) through (b) No change.

~~(20)(19)~~ Severability Provision.

If any section or portion of this rule or its applicability to any person or circumstance is held invalid by a court, the remainder of the rule or the applicability of the provision to other persons or circumstances shall not be affected.

~~(21)(20)~~ Standards Incorporated by Reference.

(a) through (b) No change.

*Rulemaking Authority 624.308(1), 624.4085, 624.424(8)(e) FS. Law Implemented 624.307(1), 624.324, 624.424(8) FS. History—New 3-31-92, Amended 3-14-94, 8-17-98, 4-4-01, 8-14-02, Formerly 4-137.002, Amended 11-3-05, 9-21-10,\_\_\_\_\_.*

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**M E M O R A N D U M**

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**DATE:** November 18, 2019

**TO:** David Altmaier, Commissioner, Office of Insurance Regulation

**THROUGH:** Anoush Brangaccio, General Counsel

**FROM:** Michael Lawrence, Jr., Assistant General Counsel

**SUBJECT:** Cabinet Agenda for December 3, 2019  
Request for Final Approval to Adopt Amendments to  
Rule 69O-143.046  
Assignment # 219351-17

The Office of Insurance Regulation requests that these proposed rule amendments be presented to the Cabinet aides on or before November 27, 2019, and to the Financial Services Commission on December 3, 2019, with a request for Final Approval to Adopt the proposed rules.

The notice of proposed rules was published on August 6, 2019 in Volume 45, No. 152, of the *Register*. A Notice of Change was published on August 21, 2019, in Volume 45, No. 163, in response to correspondence from JAPC to correct the existing rule language to match the name of one of the forms. Hearings were held on October 7, 2019, and November 13, 2019. The Office did not receive any comments.

The amendments update three forms previously adopted.

Sections 624.308, 628.801, 624.307(1), 624.317, 624.424, 628.251, 628.461, F.S., are the rulemaking authority and laws implemented for this rule.

Michael Lawrence, Jr. is the attorney handling this rule. Attached are: 1) the proposed rule; 2) any incorporated materials, such as forms; and 3) a summary of the proposed rule.

Approved for signature:

  
Anoush Brangaccio, General Counsel

Approved for submission to Financial Services Commission:

  
David Altmaier, Commissioner  
Office of Insurance Regulation

**69O-143.046 Registration of Insurers.**

(1) through (2) No change.

(3) Every insurer subject to registration shall file a registration statement on a Form OIR-D0-516, incorporated by reference in paragraph 69O-143.046(15)(a), F.A.C. ~~http://www.flrules.org/Gateway/reference.asp?No=Ref-08291, “Form B—Insurance Company Holding System Registration Statement,” rev. 5/16.~~ The form shall provide current information about:

(a) through (g) No change.

(4) All registration statements shall contain a summary outlining all items in the current registration statement representing changes from the prior registration statement filed on a Form OIR-A1-2116, incorporated by reference in paragraph 69O-143.046(15)(b), F.A.C. “Form C—Summary of Changes to Registration Statement,” new 5/16, ~~http://www.flrules.org/Gateway/reference.asp?No=Ref-06550.~~

(6) Each registered insurer shall keep current the information required to be disclosed in its registration statement by reporting all material changes or additions on an amended Form OIR-D0-516, incorporated by reference in paragraph 69O-143.046(15)(a), F.A.C., within fifteen calendar days after the end of the month in which it learns of each such change or addition. The amended Form OIR-D0-516 should only address those items which are being amended, and should include at the top of the cover page “Amendment No. [insert number] to Form B for [insert year].” Notwithstanding the provisions of this paragraph, dividends and other distributions to shareholders are to be reported to the Office pursuant to section 628.371, F.S.

(7) In addition to the registration statement required in subsection (3), each registered insurer, except foreign insurers subject to disclosure requirements and standards adopted by statute or regulation in the jurisdiction of its domicile which are substantially similar to those contained in this rule and rule 69O-143.047, F.A.C., shall also provide on Form OIR-A1-2118, incorporated by reference in paragraph 69O-143.046(15)(c), F.A.C. “Form F—Enterprise Risk Report,” new 5/16, ~~http://www.flrules.org/Gateway/reference.asp?No=Ref-06552,~~ the information required under section 628.801(2), F.S.

(8) through (14) No change.

(15) The following forms are hereby ~~adopted and~~ incorporated by reference; ~~and are available at~~ [www.floir.com](http://www.floir.com):

(a) Form OIR-D0-516, “Form B – Insurance Company Holding System Annual Registration Statement,” effective 09/18, available at [www.flrules.org/XXXXX](http://www.flrules.org/XXXXX); rev. 5/16; <http://www.flrules.org/Gateway/reference.asp?No=Ref-06549>;

(b) Form OIR-A1-2116, “Form C – Summary of Changes to Registration Statement,” effective 09/18, available at [www.flrules.org/XXXXX](http://www.flrules.org/XXXXX); new 5/16; <http://www.flrules.org/Gateway/reference.asp?No=Ref-06550>; and,

(c) Form OIR-A1-2118, “Form F – Enterprise Risk Report,” effective 09/18, available at [www.flrules.org/XXXXX](http://www.flrules.org/XXXXX). new 5/16; <http://www.flrules.org/Gateway/reference.asp?No=Ref-06552>.

*Rulemaking Authority 624.308, 628.801 FS. Law Implemented 624.307(1), 624.317, 624.424, 628.251, 628.461, 628.801 FS. History–New 12-16-70, Formerly 4-26.02, Amended 6-7-90, 1-30-91, Formerly 4-26.002, 4-143.046, Amended 5-31-16, 7-30-17,\_\_\_\_\_.*

**FORM B**

**INSURANCE HOLDING COMPANY SYSTEM ANNUAL REGISTRATION STATEMENT**

Filed with the Insurance Department of the State of \_\_\_\_\_

By

\_\_\_\_\_  
Name of Registrant

On Behalf of Following Insurance Companies

Name                      Address

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Date: \_\_\_\_\_, 20\_\_\_\_

Name, Title, Address and telephone number of Individual to Whom Notices and Correspondence Concerning This Statement Should Be Addressed:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**ITEM 1.                      IDENTITY AND CONTROL OF REGISTRANT**

Furnish the exact name of each insurer registering or being registered (hereinafter called "the Registrant"), the home office address and principal executive offices of each; the date on which each registrant became part of the insurance holding company system; and the method(s) by which control of each registrant was acquired and is maintained.

**ITEM 2.                      ORGANIZATIONAL CHART**

Furnish a chart or listing clearly presenting the identities of and interrelationships among all affiliated persons within the insurance holding company system. The chart or listing should show the percentage of each class of voting securities of each affiliate which is owned, directly or indirectly, by another affiliate. If control of any person within the system is maintained other than by the ownership or control of voting securities, indicate the basis of control. As to each person specified in the chart or listing indicate the type of organization (e.g., corporation, trust, partnership) and the state or other jurisdiction of domicile.

**ITEM 3. THE ULTIMATE CONTROLLING PERSON**

As to the ultimate controlling person in the insurance holding company system furnish the following information:

- (a) Name;
- (b) Home office address;
- (c) Principal executive office address;
- (d) The organizational structure of the person, i.e., corporation, partnership, individual, trust, etc.;
- (e) The principal business of the person;
- (f) The name and address of any person who holds or owns 10% or more of any class of voting security, the class of such security, the number of shares held of record or known to be beneficially owned, and the percentage of class so held or owned; and
- (g) If court proceedings involving a reorganization or liquidation are pending, indicate the title and location of the court, the nature of proceedings and the date when commenced.

**ITEM 4. BIOGRAPHICAL INFORMATION**

If the ultimate controlling person is a corporation, an organization, a limited liability company, or other legal entity, furnish the following information for the directors and executive officers of the ultimate controlling person: the individual's name and address, his or her principal occupation and all offices and positions held during the past 5 years, and any conviction of crimes other than minor traffic violations. If the ultimate controlling person is an individual, furnish the individual's name and address, his or her principal occupation and all offices and positions held during the past 5 years, and any conviction of crimes other than minor traffic violations.

**ITEM 5. TRANSACTIONS AND AGREEMENTS**

Briefly describe the following agreements in force, and transactions currently outstanding or which have occurred during the last calendar year between the registrant and its affiliates:

- (a) Loans, other investments, or purchases, sales or exchanges of securities of the affiliates by the Registrant or of the Registrant by its affiliates;
- (b) Purchases, sales or exchanges of assets;
- (c) Transactions not in the ordinary course of business;
- (d) Guarantees or undertakings for the benefit of an affiliate which result in an actual contingent exposure of the Registrant's assets to liability, other than insurance contracts entered into in the ordinary course of the registrant's business;

- (e) All management agreements, service contracts and all cost-sharing arrangements;
- (f) Reinsurance agreements;
- (g) Dividends and other distributions to shareholders;
- (h) Consolidated tax allocation agreements; and
- (i) Any pledge of the registrant's stock and/or of the stock of any subsidiary or controlling affiliate, for a loan made to any member of the insurance holding company system.

No information need be disclosed if such information is not material for purposes of Section 4 of the Act.

Sales, purchases, exchanges, loans or extensions of credit, investments or guarantees involving one-half of 1% or less of the registrant's admitted assets as of the 31st day of December next preceding shall not be deemed material.

The description shall be in a manner as to permit the proper evaluation thereof by the Commissioner, and shall include at least the following: the nature and purpose of the transaction, the nature and amounts of any payments or transfers of assets between the parties, the identity of all parties to the transaction, and relationship of the affiliated parties to the registrant.

#### **ITEM 6. EMPLOYMENT CONTRACTS**

Furnish the following information with regard to each employment contract entered into by the insurer and each of its affiliates with any of the other officers and/or directors of the insurer: name of employees, position held, annual remuneration, and other perquisites, and term of contact.

#### **ITEM 7. LITIGATION OR ADMINISTRATIVE PROCEEDINGS**

A brief description of any litigation or administrative proceedings of the following types, either then pending or concluded within the preceding fiscal year, to which the ultimate controlling person or any of its directors or executive officers was a party or of which the property of any such person is or was the subject; give the names of the parties and the court or agency in which the litigation or proceeding is or was pending:

- (a) Criminal prosecutions or administrative proceedings by any government agency or authority which may be relevant to the trustworthiness of any party thereto; and
- (b) Proceedings which may have a material effect upon the solvency or capital structure of the ultimate holding company including, but not necessarily limited to, bankruptcy, receivership or other corporate reorganizations.

#### **ITEM 8. STATEMENT REGARDING PLAN OR SERIES OF TRANSACTIONS**

The insurer shall furnish a statement that transactions entered into since the filing of the prior year's annual registration statement are not part of a plan or series of like transactions, the purpose of which is to avoid statutory threshold amounts and the review that might otherwise occur.

#### **ITEM 9. FINANCIAL STATEMENTS AND EXHIBITS**

- (a) Financial statements and exhibits should be attached to this statement as an appendix, but list under this item the financial statements and exhibits so attached.



- (b) If the ultimate controlling person is a corporation, an organization, a limited liability company, or other legal entity, the financial statements shall include the annual financial statements of the ultimate controlling person in the insurance holding company system as of the end of the person's latest fiscal year.

If at the time of the initial registration, the annual financial statements for the latest fiscal year are not available, annual statements for the previous fiscal year may be filed and similar financial information shall be filed for any subsequent period to the extent such information is available. Such financial statements may be prepared on either an individual basis; or, unless the Commissioner otherwise requires, on a consolidated basis if consolidated statements are prepared in the usual course of business.

Other than with respect to the foregoing, such financial statement shall be filed in a standard form and format adopted by the National Association of Insurance Commissioners, unless an alternative form is accepted by the Commissioner. Documentation and financial statements filed with the Securities and Exchange Commission or audited GAAP financial statements shall be deemed to be an appropriate form and format.

Unless the Commissioner otherwise permits, the annual financial statements shall be accompanied by the certificate of an independent public accountant to the effect that the statements present fairly the financial position of the ultimate controlling person and the results of its operations for the year then ended, in conformity with generally accepted accounting principles or with requirements of insurance or other accounting principles prescribed or permitted under law. If the ultimate controlling person is an insurer which is actively engaged in the business of insurance, the annual financial statements need not be certified, provided they are based on the Annual Statement of the insurer's domiciliary state and are in accordance with requirements of insurance or other accounting principles prescribed or permitted under the law and regulations of that state.

Any ultimate controlling person who is an individual may file personal financial statements that are reviewed rather than audited by an independent public accountant. The review shall be conducted in accordance with standards for review of personal financial statements published in the *Personal Financial Statements Guide* by the American Institute of Certified Public Accountants. Personal financial statements shall be accompanied by the independent public accountant's Standard Review Report stating that the accountant is not aware of any material modifications that should be made to the financial statements in order for the statements to be in conformity with generally accepted accounting principles.

- (c) Exhibits shall include copies of the latest annual reports to shareholders of the ultimate controlling person and proxy material used by the ultimate controlling person; and any additional documents or papers required by Form B or regulation Sections 4 and 6.



**FORM C**

**SUMMARY OF CHANGES TO REGISTRATION STATEMENT**

Filed with the Insurance Department of the State of \_\_\_\_\_

By

\_\_\_\_\_  
Name of Registrant

On Behalf of Following Insurance Companies

Name            Address

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Date: \_\_\_\_\_, 20\_\_\_\_

Name, Title, Address and telephone number of Individual to Whom Notices and Correspondence Concerning This Statement Should Be Addressed:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Furnish a brief description of all items in the current annual registration statement which represent changes from the prior year's annual registration statement. The description should identify the nature of the change and shall be in a manner as to permit the proper evaluation thereof by the Commissioner, and shall include specific references to Item numbers in the annual registration statement and to the terms contained therein.

If a transaction disclosed on the prior year's annual registration statement has been effectuated, furnish the mode of completion and any flow of funds between affiliates resulting from the transaction.

The insurer shall furnish a statement that transactions entered into since the filing of the prior year's annual registration statement are not part of a plan or series of like transactions whose purpose it is to avoid statutory threshold amounts and the review that might otherwise occur.

SIGNATURE AND CERTIFICATION

I have reviewed the above, and to the best of my knowledge, information and belief, it is true and correct.

\_\_\_\_\_ Date \_\_\_\_\_ Name \_\_\_\_\_ Position or Title \_\_\_\_\_

Sworn to and Subscribed before me this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_\_

\_\_\_\_\_ Notary Public (SEAL)

**FORM F**  
**ENTERPRISE RISK REPORT**

Filed with the Insurance Department of the State of \_\_\_\_\_

By

\_\_\_\_\_  
Name of Registrant/Applicant

On Behalf of/Related to Following Insurance Companies

Name	Address
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<hr/>	<hr/>
<hr/>	<hr/>

Date: \_\_\_\_\_, 20\_\_\_\_

Name, Title, Address and telephone number of Individual to Whom Notices and Correspondence Concerning This Statement Should Be Addressed:

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**ITEM 1. ENTERPRISE RISK**

The Registrant/Applicant, to the best of its knowledge and belief, shall provide information regarding the following areas that could produce enterprise risk as defined in Section 628.801(2)(b), Florida Statutes, provided such information is not disclosed in the Insurance Holding Company System Annual Registration Statement filed on behalf of itself or another insurer for which it is the ultimate controlling person:

- Any material developments regarding strategy, internal audit findings, compliance or risk management affecting the insurance holding company system;
- Acquisition or disposal of insurance entities and reallocating of existing financial or insurance entities within the insurance holding company system;
- Any changes of shareholders of the insurance holding company system exceeding ten percent (10%) or more of voting securities;
- Developments in various investigations, regulatory activities or litigation that may have a significant bearing or impact on the insurance holding company system;

- Business plan of the insurance holding company system and summarized strategies for next 12 months;
- Identification of material concerns of the insurance holding company system raised by supervisory college, if any, in last year;
- Identification of insurance holding company system capital resources and material distribution patterns;
- Identification of any negative movement, or discussions with rating agencies which may have caused, or may cause, potential negative movement in the credit ratings and individual insurer financial strength ratings assessment of the insurance holding company system (including both the rating score and outlook);
- Information on corporate or parental guarantees throughout the holding company and the expected source of liquidity should such guarantees be called upon; and
- Identification of any material activity or development of the insurance holding company system that, in the opinion of senior management, could adversely affect the insurance holding company system.

The Registrant/Applicant may attach the appropriate form most recently filed with the U.S. Securities and Exchange Commission, provided the Registrant/Applicant includes specific references to those areas listed in Item 1 for which the form provides responsive information. If the Registrant/Applicant is not domiciled in the U.S., it may attach its most recent public audited financial statement filed in its country of domicile, provided the Registrant/Applicant includes specific references to those areas listed in Item 1 for which the financial statement provides responsive information.

## **ITEM 2: OBLIGATION TO REPORT.**

If the Registrant/Applicant has not disclosed any information pursuant to Item 1, the Registrant/Applicant shall include a statement affirming that, to the best of its knowledge and belief, it has not identified enterprise risk subject to disclosure pursuant to Item 1.

**ITEM 3: SIGNATURE AND CERTIFICATION**

**SIGNATURE**

Pursuant to the requirements of Section 4 of the Act, Registrant has caused this Enterprise Risk Report to be duly signed on its behalf of the City of \_\_\_\_\_ and State of \_\_\_\_\_ on the day of \_\_\_\_\_, 20\_\_\_\_.

(SEAL) \_\_\_\_\_  
Name of Applicant

BY \_\_\_\_\_  
(Name) (Title)

Attest:

\_\_\_\_\_  
(Signature of Officer)

\_\_\_\_\_  
(Title)

**CERTIFICATION**

The undersigned deposes and says that (s)he has duly executed the attached Enterprise Risk Report dated \_\_\_\_\_, 20\_\_\_\_, for and on behalf of \_\_\_\_\_ (Name of Registrant); that (s)he is the \_\_\_\_\_ (Title of Officer) of such company and that (s)he is authorized to execute and file such instrument. Deponent further says that (s)he is familiar with such instrument and the contents thereof, and that the facts therein set forth are true to the best of his/her knowledge, information and belief.

(Signature) \_\_\_\_\_

(Type or print name beneath) \_\_\_\_\_

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**M E M O R A N D U M**

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**DATE:** November 18, 2019

**TO:** David Altmaier, Commissioner, Office of Insurance Regulation

**THROUGH:** Anoush Brangaccio, General Counsel

**FROM:** Michael Lawrence, Jr., Assistant General Counsel

**SUBJECT:** Cabinet Agenda for December 3, 2019  
Request for Final Approval to Adopt Amendments to  
Rules 69O-156.003, .0075, .0086  
Assignment # 227901-18

The Office of Insurance Regulation requests that these proposed rule amendments be presented to the Cabinet aides on or before November 27, 2019, and to the Financial Services Commission on December 3, 2019, with a request for Final Approval to Adopt the proposed rules.


The notice of proposed rules was published on August 6, 2019 in Volume 45, No. 152, of the *Register*. Hearings were held on October 10, 2019, and November 13, 2019. The Office did not receive any comments.

The amendments and new rule update Chapter 69O-156 to allow for a revision of prior products and new product generation by adopting revisions to the NAIC Model Regulation.

Sections 624.308(1), 627.6274(2), 627.6741(5) 624.307(1), 627.410, 627.674, 627.6741, F.S., are the rulemaking authority and laws implemented for these rules.

Michael Lawrence, Jr. is the attorney handling these rules. Attached are: 1) the proposed rules; 2) any incorporated materials, such as forms; and 3) a summary of proposed rules.

Approved for signature:

  
Anoush Brangaccio, General Counsel

Approved for submission to Financial Services  
Commission:

  
David Altmaier, Commissioner  
Office of Insurance Regulation



**690-156.003 Definitions.**

For purposes of this rule:

(1) through (13) No change.

(14) “Newly Eligible Medicare Beneficiary” means anyone who attains age 65 on or after January 1, 2020, or who first becomes eligible for Medicare benefits due to age, disability, or end-stage renal disease on or after January 1, 2020.

(15)(44) “Policy” as used herein is as defined in Section 627.672, F.S.

(16)(45) “Policy Form” means the form on which the policy is delivered or issued for delivery by the issuer.

(17)(46) “Pre-existing condition” shall not be defined to limit or preclude liability under a policy for a period longer than six (6) months because of a condition for which medical advice was given or treatment was recommended by or received from a physician within six months before the effective date of the coverage.

(18)(47) “Pre-Standardized Medicare supplement benefit plan,” “Pre-Standardized benefit plan” or “Pre-Standardized plan” means a group or individual policy of Medicare supplement insurance issued prior to January 1, 1992.

(19)(48) “1990 Standardized Medicare supplement benefit plan,” “1990 Standardized benefit plan” or “1990 plan” means a group or individual policy of Medicare supplement insurance issued on or after January 1, 1992, and with an effective date for coverage prior to June 1, 2010.

(20)(49) “2010 Standardized Medicare supplement benefit plan,” “2010 Standardized benefit plan” or “2010 plan” means a group or individual policy of Medicare supplement insurance with an effective date for coverage on or after June 1, 2010.

(21) “2020 Standardized Medicare supplement benefit plan,” “2020 Standardized benefit plan,” or “2020 plan” means

(a) For any eligible person, a group or individual policy of Medicare supplement insurance Plan A, B, D, G, High Deductible G, K, L, M, or N with an effective date for coverage on or after January 1, 2020; or

(b) For individuals eligible for Medicare prior to January 1, 2020, a group or individual policy of Medicare supplement insurance Plan A, B, C, D, F, High Deductible F, G, High Deductible G, K, L, M, or N with an effective date for coverage on or after January 1, 2020.

(22)(20) “Replacement” is any transaction wherein new Medicare supplement insurance is to be purchased and it is known to the agent, broker or insurer at the time of application that, as a part of the transaction, existing accident and health insurance has been or is to be lapsed or the benefits thereof substantially reduced.

(23)(24) “Secretary” means the Secretary of the United States Department of Health and Human Services.

*Rulemaking Authority 624.308(1), 627.674(2), 627.6741(5) FS. Law Implemented 624.307(1), 627.674, 627.6741 FS. History—New 1-1-81, Formerly 4-51.03, Amended 11-7-88, 9-4-89, 12-9-90, Formerly 4-51.003, Amended 1-1-92, 7-14-96, 7-26-99, 3-4-01, Formerly 4-156.003, Amended 9-15-05, 1-4-10, \_\_\_\_\_.*

**69O-156.0075 Benefit Standards for 2010 Standardized Medicare Supplement Benefit Plan Policies or Certificates Issued for Delivery with an Effective Date for Coverage on or After June 1, 2010.**

The following standards are applicable to all 2010 Standardized Medicare supplement policies or certificates delivered or issued for delivery in this state with an effective date for coverage on or after June 1, 2010. No policy or certificate may be advertised, solicited, delivered, or issued for delivery in this state as a Medicare supplement policy or certificate unless it complies with these benefit standards. No issuer may offer any 1990 Standardized Medicare supplement benefit plan for sale on or after June 1, 2010. Benefit standards applicable to Medicare supplement policies and certificates issued with an effective date for coverage prior to June 1, 2010, remain subject to the requirements of Rules 69O-156.006, 69O-156.007, and 69O-156.008, F.A.C.

(1) No change.

(2) Standards for Basic (Core) Benefits Common to Medicare Supplement Insurance Benefit Plans A, B, C, D, F, F with High Deductible, G, M, and N. Every issuer of Medicare supplement insurance benefit plans shall make available a policy or certificate including only the following basic “core” package of benefits to each prospective insured. An issuer may make available to prospective insureds any of the other Medicare Supplement Insurance Benefit Plans in addition to the basic core package, but not in lieu of it.

(a) through (f) No change.

(g) Home Health Care (Parts A & B) Medicare Approved Services: Medically necessary skilled care services and medical supplies.

(3) No change.

*Rulemaking Authority 624.308(1), 627.674(2)(a) FS. Law Implemented 624.307(1), 627.410, 627.674, 627.6741 FS. History—  
New 1-4-10, Amended \_\_\_\_\_.*

**69O-156.0086 Standard Medicare Supplement Benefit Plans for 2020 Standardized Medicare Supplement Benefit Plan Policies or Certificates Issued for Delivery to Newly Eligible Medicare Beneficiaries with an Effective Date for Coverage on or After January 1, 2020.**

No policy or certificate that provides coverage of the Medicare Part B deductible may be advertised, solicited, delivered or issued for delivery in this state as a Medicare supplement policy or certificate to Newly Eligible Medicare Beneficiary. In accordance with the Medicare Access and CHIP Reauthorization Act of 2015 (Pub. L. No. 114-10, 129 Stat. 87 (2015)), all policies must comply with the following benefit standards:

(1) Benefit Requirements. The standards and requirements of this rule apply to all Medicare supplement policies or certificates delivered or issued for delivery to Newly Eligible Medicare Beneficiary. Standardized Medicare supplement benefit Plans C, F, and F with High Deductible, as defined in paragraphs 69O-156.0085(5)(c), (e), and (f), F.A.C., may not be offered to Newly Eligible Medicare Beneficiaries.

(2) An issuer shall make available to each prospective policyholder and certificateholder a policy form or certificate form containing the basic (core) benefits, as defined in paragraph (6)(a).

(3) If an issuer makes available any of the additional benefits described in paragraphs (6)(b)-(i), then the issuer shall make available to each prospective policyholder and certificateholder, in addition to a policy form or certificate form with only the basic (core) benefits as described in subsection (2) above, a policy form or certificate form containing either standardized Medicare supplement benefit Plan D as described in paragraph (6)(c) or standardized Medicare supplement benefit Plan G as described in paragraph (6)(d).

(4) Applicability to Certain Individuals. This rule applies only to Newly Eligible Medicare Beneficiaries who are enrolled in Medicare Part B:

(a) By reason of attaining age 65 on or after January 1, 2020; or

(b) By reason of entitlement to benefits under Part A pursuant to sections 226(b) or 226A of the Social Security Act (42 U.S.C. §§ 426(b), 426-1) or who are deemed to be eligible for benefits under section 226(a) of the Social Security Act on or after January 1, 2020.

(5)(a) Benefit plans shall conform in structure, language, designation, and format to the standard benefit plans listed in this subsection (6) and the definitions in Rule 69O-156.003, F.A.C., and must include a copy of Form OIR-B2-MS2, Outline of Coverage, Benefit Plans, Benefit Chart of Medicare Supplement Plans Sold on or after January 1, 2020, effective 01/20.

(b) Form OIR-B2-MS2, Outline of Coverage, Benefit Plans, Benefit Chart of Medicare Supplement Plans Sold on or after January 1, 2020, effective 01/20, is hereby incorporated by reference and available at [www.flrules.org/XXXXX](http://www.flrules.org/XXXXX) and may be printed from the Office's website: <http://www.floir.com/Sections/LandH/Medicare/MedicareForms.aspx>.

(6) Make-up of 2020 Standardized Benefit Plans:

(a) Standardized Medicare supplement benefit Plan A shall include only the following:

1. Coverage of Part A Medicare eligible expenses for hospitalization to the extent not covered by Medicare from the 61st day through the 90th day in any Medicare benefit period.

2. Coverage of Part A Medicare eligible expenses incurred for hospitalization to the extent not covered by Medicare for each Medicare lifetime inpatient reserve day used.

3. Upon exhaustion of the Medicare hospital inpatient coverage, including the lifetime reserve days, coverage of one hundred percent (100%) of the Medicare Part A eligible expenses for hospitalization paid at the applicable prospective payment system (PPS) rate, or other appropriate Medicare standard of payment, subject to a lifetime maximum benefit of an additional 365 days. The provider shall accept the issuer's payment as payment in full and may not bill the insured for any balance.

4. Coverage under Medicare Parts A and B for the reasonable cost of the first 3 pints of blood (or equivalent quantities of packed red blood cells, as defined under federal regulations).

5. Coverage for the coinsurance amount, or in the case of hospital outpatient department services paid under a prospective payment system, the co-payment amount, of Medicare eligible expenses under Part B regardless of hospital confinement, subject to the Medicare Part B deductible.

6. Hospice Care: Coverage of cost sharing for all Part A Medicare eligible hospice care and respite care expenses.

7. Home Health Care (Parts A & B) Medicare Approved Services: Medically necessary skilled care services and medical supplies.

(b) Standardized Medicare supplement benefit Plan B shall include only the following: The basic (core) benefit as defined in paragraph (6)(a), plus one hundred percent (100%) of the Medicare Part A deductible amount per benefit period.

(c) Standardized Medicare supplement benefit Plan D shall include only the following: The basic (core) benefit, as defined in paragraph (6)(a), plus one hundred percent (100%) of the Medicare Part A deductible amount per benefit period; Skilled Nursing Facility Care Coverage for the actual billed charges up to the coinsurance amount from the 21st day through the 100th day in a Medicare benefit period for post-hospital skilled nursing facility care eligible under Medicare Part A; and Medically Necessary Emergency Care in a Foreign Country, which is Coverage to the extent not covered by Medicare for eighty percent (80%) of the billed charges for Medicare-eligible expenses for medically necessary emergency hospital, physician, and medical care received in a foreign country, if such care would have been covered by Medicare if provided in the United States and if such care began during the first sixty (60) consecutive days of each trip outside the United States, subject to a calendar year deductible of \$250, and a lifetime maximum benefit of \$50,000.

(d) Standardized Medicare supplement [regular] Plan G shall include only the following: The basic (core) benefit as defined in paragraph (6)(a), plus one hundred percent (100%) of the Medicare Part A deductible amount per benefit period; Skilled Nursing Facility Care Coverage for the actual billed charges up to the coinsurance amount from the 21st day through the 100th day in a Medicare benefit period for post-hospital skilled nursing facility care eligible under Medicare Part A; one hundred percent (100%) of the Medicare Part B excess charges and Medically Necessary Emergency Care in a Foreign Country, which is Coverage to the extent not covered by Medicare for eighty percent (80%) of the billed charges for Medicare-eligible expenses for medically necessary emergency hospital, physician and medical care received in a foreign country, if such care would have been covered by Medicare if provided in the United States and if such care began during the first sixty (60) consecutive days of each trip outside the United States, subject to a calendar year deductible of \$250, and a lifetime maximum benefit of \$50,000.

(e) Standardized Medicare supplement Plan G With High Deductible shall include only the following: one hundred percent (100%) of covered expenses following the payment of the annual deductible set forth in subparagraph 2. below.

1. The basic (core) benefit and additional benefits as defined in paragraph (6)(d).

2. The annual deductible in standardized Medicare supplement Plan G With High Deductible shall consist of out-of-pocket expenses, other than premiums, for services covered by standardized Medicare supplement [regular] Plan G. The basis for the deductible shall be \$2,240 and shall be adjusted annually from 2018 by the Secretary of the U.S. Department of Health and Human Services to reflect the change in the Consumer Price Index for all urban consumers for the twelve-month period ending with August of the preceding year, rounded to the nearest multiple of ten dollars (\$10).

(f) Standardized Medicare supplement Plan K shall include only the following:

1. Part A Hospital Coinsurance 61st through 90th days: Coverage of one hundred percent (100%) of the Part A hospital coinsurance amount for each day used from the 61st through the 90th day in any Medicare benefit period.

2. Part A Hospital Coinsurance, 91st through 150th days: Coverage of one hundred percent (100%) of the Part A hospital coinsurance amount for each Medicare lifetime inpatient reserve day used from the 91st through the 150th day in any Medicare benefit period.

3. Part A Hospitalization After 150 Days: Upon exhaustion of the Medicare hospital inpatient coverage, including the lifetime reserve days, coverage of one hundred percent (100%) of the Medicare Part A eligible expenses for hospitalization paid at the applicable prospective payment system (PPS) rate, or other appropriate Medicare standard of payment, subject to a lifetime maximum benefit of an additional 365 days. The provider shall accept the issuer's payment as payment in full and may not bill the insured for any balance.

4. Medicare Part A Deductible: Coverage for fifty percent (50%) of the Medicare Part A inpatient hospital deductible amount per benefit period until the out-of-pocket limitation is met as described in subparagraph 11.

5. Skilled Nursing Facility Care: Coverage for fifty percent (50%) of the coinsurance amount for each day used from the 21st day through the 100th day in a Medicare benefit period for post-hospital skilled nursing facility care eligible under Medicare Part A until the out-of-pocket limitation is met as described in subparagraph 11.

6. Hospice Care: Coverage for fifty percent (50%) of cost sharing for all Part A Medicare eligible expenses and respite care until the out-of-pocket limitation is met as described in subparagraph 11.

7. Blood: Coverage for fifty percent (50%), under Medicare Part A or B, of the reasonable cost of the first three (3) pints of blood (or equivalent quantities of packed red blood cells, as defined under federal regulations) until the out-of-pocket limitation is met as described in subparagraph 11.

8. Home Health Care (Parts A & B) Medicare Approved Services: Coverage for fifty percent (50%) of medically necessary skilled care services and medical supplies.

9. Part B Cost Sharing: Coverage for fifty percent (50%) of the cost sharing otherwise applicable under Medicare Part B after the policyholder pays the Part B deductible until the out-of-pocket limitation is met as described in subparagraph 11.

10. Part B Preventive Services: Coverage of one hundred percent (100%) of the cost sharing for Medicare Part B preventive services after the policyholder pays the Part B deductible.

11. Cost Sharing After Out-of-Pocket Limits: Coverage of one hundred percent (100%) of all cost sharing under Medicare Parts A and B for the balance of the calendar year after the individual has reached the out-of-pocket limitation on annual expenditures under Medicare Parts A and B. The basis for the out-of-pocket limitation shall be \$5,240 and shall be adjusted annually from 2018 by the Secretary of the U.S. Department of Health and Human Services to reflect the appropriate inflation adjustment.

(g) Standardized Medicare supplement Plan L shall include only the following:

1. Part A Hospital Coinsurance 61st through 90th days: Coverage of one hundred percent (100%) of the Part A hospital coinsurance amount for each day used from the 61st through the 90th day in any Medicare benefit period;

2. Part A Hospital Coinsurance, 91st through 150th days: Coverage of one hundred percent (100%) of the Part A hospital coinsurance amount for each Medicare lifetime inpatient reserve day used from the 91st through the 150th day in any Medicare benefit period.

3. Part A Hospitalization After 150 Days: Upon exhaustion of the Medicare hospital inpatient coverage, including the lifetime reserve days, coverage of one hundred percent (100%) of the Medicare Part A eligible expenses for hospitalization paid at the applicable prospective payment system (PPS) rate, or other appropriate Medicare standard of payment, subject to a lifetime maximum benefit of an additional 365 days. The provider shall accept the issuer's payment as payment in full and may not bill the insured for any balance.

4. Medicare Part A Deductible: Coverage for seventy-five percent (75%) of the Medicare Part A inpatient hospital deductible amount per benefit period until the out-of-pocket limitation is met as described in subparagraph 11.

5. Skilled Nursing Facility Care: Coverage for seventy-five percent (75%) of the coinsurance amount for each day used from the 21st day through the 100th day in a Medicare benefit period for post-hospital skilled nursing facility care eligible under Medicare Part A until the out-of-pocket limitation is met as described in subparagraph 11;

6. Hospice Care: Coverage for seventy-five percent (75%) of cost sharing for all Part A Medicare eligible expenses and respite care until the out-of-pocket limitation is met as described in subparagraph 11.

7. Blood: Coverage for seventy-five percent (75%), under Medicare Part A or B, of the reasonable cost of the first three (3) pints of blood (or equivalent quantities of packed red blood cells, as defined under federal regulations) until the out-of-pocket limitation is met as described in subparagraph 11.

8. Home Health Care (Parts A & B) Medicare Approved Services: Coverage for seventy-five percent (75%) of medically necessary skilled care services and medical supplies.

9. Part B Cost Sharing: Coverage for seventy-five percent (75%) of the cost sharing otherwise applicable under Medicare Part B after the policyholder pays the Part B deductible until the out-of-pocket limitation is met as described in subparagraph 11.

10. Part B Preventive Services: Coverage of one hundred percent (100%) of the cost sharing for Medicare Part B preventive services after the policyholder pays the Part B deductible.

11. Cost Sharing After Out-of-Pocket Limits: Coverage of one hundred percent (100%) of all cost sharing under Medicare Parts A and B for the balance of the calendar year after the individual has reached the out-of-pocket limitation on annual expenditures under Medicare Parts A and B. The basis for the out-of-pocket limitation shall be \$5,240 and shall be adjusted annually from 2018 by the Secretary of the U.S. Department of Health and Human Services to reflect the appropriate inflation adjustment.

(h) Standardized Medicare supplement Plan M shall include only the following: The basic (core) benefit as defined in paragraph (6)(a), plus fifty percent (50%) of the Medicare Part A deductible amount per benefit period; Skilled Nursing Facility Care Coverage for the actual billed charges up to the coinsurance amount from the 21st day through the 100th day in a Medicare benefit period for post-hospital skilled nursing facility care eligible under Medicare Part A; and Medically Necessary Emergency Care in a Foreign Country, which is Coverage to the extent not covered by Medicare for eighty percent (80%) of the billed charges for Medicare-eligible expenses for medically necessary emergency hospital, physician and medical care received in a foreign country, if such care would have been covered by Medicare if provided in the United States and if such care began during the first sixty (60) consecutive days of each trip outside the United States, subject to a calendar year deductible of \$250, and a lifetime maximum benefit of \$50,000.

(i) Standardized Medicare supplement Plan N shall include only the following: The basic (core) benefit as defined in paragraph (6)(a), plus one hundred percent (100%) of the Medicare Part A deductible amount per benefit

period; Skilled Nursing Facility Care Coverage for the actual billed charges up to the coinsurance amount from the 21st day through the 100th day in a Medicare benefit period for post-hospital skilled nursing facility care eligible under Medicare Part A; and Medically Necessary Emergency Care in a Foreign Country, which is Coverage to the extent not covered by Medicare for eighty percent (80%) of the billed charges for Medicare-eligible expenses for medically necessary emergency hospital, physician and medical care received in a foreign country, if such care would have been covered by Medicare if provided in the United States and if such care began during the first sixty (60) consecutive days of each trip outside the United States, subject to a calendar year deductible of \$250, and a lifetime maximum benefit of \$50,000; and Part B coverage with co-payments in the following amounts:

1. The lesser of twenty dollars (\$20) or the Medicare Part B coinsurance or co-payment for each covered health care provider office visit (including visits to medical specialists).

2. The lesser of fifty dollars (\$50) or the Medicare Part B coinsurance or co-payment for each covered emergency room visit, however, this co-payment shall be waived if the insured is admitted to any hospital and the emergency visit is subsequently covered as a Medicare Part A expense.

For purposes of this subsection, “emergency care” shall mean care needed immediately because of an injury or an illness of sudden and unexpected onset.

(7) New or Innovative Benefits: An issuer may, with the prior written approval of the Office, offer policies or certificates with new or innovative benefits, in addition to the standardized benefits provided in a policy or certificate that otherwise complies with the applicable standards. The new or innovative benefits shall include only benefits that are appropriate to Medicare supplement insurance, are new or innovative, are not otherwise available, and are cost-effective. Approval of new or innovative benefits must not adversely impact the goal of Medicare supplement simplification. New or innovative benefits shall not include an outpatient prescription drug benefit. New or innovative benefits shall not be used to change or reduce benefits, including a change of any cost-sharing provision, in any standardized plan.

Benefit plan standards applicable to Medicare supplement policies and certificates issued to individuals who are not a Newly Eligible Medicare Beneficiary remain subject to the requirements of Rules 69O-156.0075 and 69O-156.0085, F.A.C.

Rulemaking Authority 624.308(1), 627.674(2) FS. Law Implemented 624.307(1),627.410, 627.674, 627.6741 FS. History-New \_\_\_\_\_.

**FLORIDA OFFICE OF INSURANCE REGULATION - LIFE & HEALTH PRODUCT REVIEW**

**[Company name]  
OUTLINE OF COVERAGE**

Benefit Plans \_\_\_\_\_ [insert letters of plans being offered]

**Benefit Chart of Medicare Supplement Plans Sold on or after January 1, 2020**

**NOTICE TO BUYER:** This policy may not cover all of the costs associated with medical care incurred by the buyer during the period of coverage. The buyer is advised to review carefully all policy limitations.

Benefits	Plans Available to All Applicants								Medicare first eligible before 2020 only+	
	A	B	D	G1	K	L	M	N	C	F1
Medicare Part A coinsurance and hospital coverage (up to an additional 365 days after Medicare benefits are used up)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Medicare Part B coinsurance or Copayment	✓	✓	✓	✓	50%	75%	✓	✓ copays apply <sup>3</sup>	✓	✓
Blood (first 3 pints)	✓	✓	✓	✓	50%	75%	✓	✓	✓	✓
Part A hospice care coinsurance or copayment	✓	✓	✓	✓	50%	75%	✓	✓	✓	✓
Skilled nursing facility coinsurance			✓	✓	50%	75%	✓	✓	✓	✓
Medicare Part A deductible		✓	✓	✓	50%	75%	50%	✓	✓	✓
Medicare Part B deductible									✓	✓
Medicare Part B excess charges				✓						✓
Foreign travel emergency (up to plan limits)			✓	✓			✓	✓	✓	✓
Out-of-pocket limit in [2018] <sup>2</sup>					[\$5,240] <sup>2</sup>	[\$2,620] <sup>2</sup>				

**Note:** A ✓ means 100% of the benefit is paid. +Only applicants first eligible for Medicare before January 1, 2020 may purchase Plans C, F, and high deductible F. This chart shows the benefits included in each of the standard Medicare supplement plans. Some plans may not be available. Every company must make Plan A available.

1 - Plans F and G also have a high deductible option which require first paying a plan deductible of [\$2240] before the plan begins to pay. Once the plan deductible is met, the plan pays 100% of covered services for the rest of the calendar year. High deductible Plans F and G do not cover the separate Foreign travel emergency deductible. High deductible Plan G does not cover the Medicare Part B deductible. However, high deductible Plans F and G count your payment of the Medicare Part B deductible toward meeting the plan deductible.

2 - Plans K and L pay 100% of covered services for the rest of the calendar year once you meet the out-of-pocket yearly limit.

3 - Plan N pays 100% of the Part B coinsurance, except for a co-payment of up to \$20 for some office visits and up to a \$50 co-payment for emergency room visits that do not result in an inpatient admission.

### **BASIC BENEFITS**

**Hospitalization** –Part A coinsurance plus coverage for 365 additional days after Medicare benefits end.

**Medical Expenses** –Part B coinsurance (generally 20% of Medicare-approved expenses) or copayments for hospital outpatient services. Plans K, L and N require insureds to pay a portion of Part B coinsurance or co-payments.

**Blood** –First three pints of blood each year.

**Hospice**— Part A coinsurance.

### **PREMIUM INFORMATION**

We [insert issuer's name] can only raise your premium if we raise the premium for all policies like yours in the state of Florida.

### **READ YOUR POLICY VERY CAREFULLY**

This is only an outline describing your policy's most important features. The policy is your insurance contract. You must read the policy itself to understand all of the rights and duties of both you and your insurance company.

### **RIGHT TO RETURN POLICY**

If you find that you are not satisfied with your policy, you may return it to [insert issuer's address]. If you send the policy back to us within 30 days after you receive it, we will treat the policy as if it had never been issued and return all of your payments.

### **NOTICE**

[[for agents:] Neither [insert company's name] nor its agents are connected with Medicare.]

[[for direct response:] [insert company's name] is not connected with Medicare.]

This outline of coverage does not give all the details of Medicare coverage. Contact your local Social Security Office or consult *Medicare and You* for more details. Use this outline to compare benefits and premiums among policies.

### **POLICY REPLACEMENT**

If you are replacing another health insurance policy, do NOT cancel it until you have actually received your new policy and are sure you want to keep it.

### **COMPLETE ANSWERS ARE VERY IMPORTANT**

When you fill out the application for the new policy, and it is **NOT** an "Open Enrollment or Guaranteed Issue status application," be sure to answer truthfully and completely all questions about your medical and health history. The policy is issued on the basis that the answers to all questions and all information shown in the application are correct and complete. The company may cancel your policy and refuse to pay any claims if you make misstatements, leave out or falsify important information. Review the application carefully before you sign it. Be certain that all information has been properly recorded. To review "Open Enrollment" timeframes please go to the following link on the Medicare.gov website:

**<https://www.medicare.gov/supplement-other-insurance/when-can-i-buy-medigap/when-can-i-buy-medigap.html>**

### **NOTICE**

Form OIR-B2-MS2

Effective 01/20

Incorporated by Reference in Rule 69O-156.0086, F.A.C.



[Include for each plan prominently identified in the cover page, a chart showing the services, Medicare payments, plan payments and insured payments for each plan, using the same language, in the same order, using uniform layout and format as shown in the charts below. No more than four plans may be shown on one chart. For purposes of illustration, charts for each plan are included here. An issuer may use additional benefit plan designations on these charts pursuant to Rule 690-156.0085(4), F.A.C.]

[Include an explanation of any innovative benefits on the cover page and in the chart, in a manner approved by the commissioner.]]

## PLAN A

### MEDICARE (PART A)—HOSPITAL SERVICES—PER BENEFIT PERIOD

\* A benefit period begins on the first day you receive service as an inpatient in a hospital and ends after you have been out of the hospital and have not received skilled care in any other facility for 60 days in a row.

SERVICES	MEDICARE PAYS	PLAN PAYS	YOU PAY
<b>HOSPITALIZATION*</b>			
Semiprivate room and board, general nursing and miscellaneous services and supplies First 60 days	All but \$[1340]	\$0	\$[1340] (Part A deductible)
61st thru 90th day	All but \$[335]	\$[335] a day	\$0
91st day and after: —While using 60 lifetime reserve days —Once lifetime reserve days are used: —Additional 365 days	All but \$[670]  \$0	\$[670] a day  100% of Medicare Eligible Expenses	\$0  \$0**
—Beyond the additional 365 days	\$0	\$0	All costs
<b>SKILLED NURSING FACILITY CARE*</b>			
You must meet Medicare's requirements, including having been in a hospital for at least 3 days and entered a Medicare-approved facility Within 30 days after leaving the hospital:			
First 20 days	All approved Amounts	\$0	\$0
21 <sup>st</sup> thru 100th day	All but \$[167.50] /day	\$0	Up to \$[167.50] / day
101 <sup>st</sup> day and after	\$0	\$0	All costs

**PLAN A**

<b>SERVICES</b>	<b>MEDICARE PAYS</b>	<b>PLAN PAYS</b>	<b>YOU PAY</b>
<b>BLOOD</b>			
First 3 pints	\$0	3 pints	\$0
Additional amounts	100%	\$0	\$0
<b>HOSPICE CARE</b>			
You must meet Medicare's requirements, including a doctor's certification of terminal illness.	All but very limited co-payment/coinsurance for outpatient drugs and inpatient respite care	Medicare co-payment/coinsurance	\$0

**\*\* NOTICE:** When your Medicare Part A hospital benefits are exhausted, the insurer stands in the place of Medicare and will pay whatever amount Medicare would have paid for up to an additional 365 days as provided in the policy's "Core Benefits." During this time the hospital is prohibited from billing you for the balance based on any difference between its billed charges and the amount Medicare would have paid.

## PLAN A

### MEDICARE (PART B)—MEDICAL SERVICES—PER CALENDAR YEAR

\* Once you have been billed \$[183] of Medicare-approved amounts for covered services (which are noted with an asterisk), your Part B deductible will have been met for the calendar year.

SERVICES	MEDICARE PAYS	PLAN PAYS	YOU PAY
<b>MEDICAL EXPENSES—</b> IN OR OUT OF THE HOSPITAL AND OUTPATIENT HOSPITAL TREATMENT, such as Physician's services, inpatient and outpatient medical and surgical services and supplies, physical and speech therapy, diagnostic tests, durable medical equipment:  First \$[183] of Medicare Approved Amounts*	\$0	\$0	\$[183] (Part B deductible)
Remainder of Medicare Approved Amounts	Generally, 80%	Generally, 20%	\$0
<b>Part B Excess Charges</b> (Above Medicare Approved Amounts)	\$0	\$0	All costs
<b>BLOOD</b> First 3 pints	\$0	All costs	\$0
Next \$[183] of Medicare Approved Amounts*	\$0	\$0	\$[183] (Part B deductible)
Remainder of Medicare Approved Amounts	80%	20%	\$0
<b>CLINICAL LABORATORY SERVICES—TESTS FOR DIAGNOSTIC SERVICES</b>	100%	\$0	\$0

**PLAN A**

**PARTS A & B**

<b>SERVICES</b>	<b>MEDICARE PAYS</b>	<b>PLAN PAYS</b>	<b>YOU PAY</b>
<b>HOME HEALTH CARE MEDICARE APPROVED SERVICES</b>			
Medically necessary skilled care services and medical supplies			
—Durable medical equipment	100%	\$0	\$0
First \$[183] of Medicare Approved Amounts*	\$0	\$0	[\$183] (Part B deductible)
Remainder of Medicare Approved Amounts	80%	20%	\$0

## PLAN B

### MEDICARE (PART A)—HOSPITAL SERVICES—PER BENEFIT PERIOD

\* A benefit period begins on the first day you receive service as an inpatient in a hospital and ends after you have been out of the hospital and have not received skilled care in any other facility for 60 days in a row.

SERVICES	MEDICARE PAYS	PLAN PAYS	YOU PAY
<b>HOSPITALIZATION*</b> Semiprivate room and board, general nursing and miscellaneous services and supplies First 60 days	All but \$[1340]	\$[1340] (Part A deductible)	\$0
61st thru 90th day	All but \$[335]	\$[335] a day	\$0
91st day and after: —While using 60 lifetime reserve days —Once lifetime reserve days are used: —Additional 365 days —Beyond the additional 365 days	All but \$[670]  \$0  \$0	\$[670] a day  100% of Medicare Eligible Expenses  \$0	\$0  \$0**  All costs
<b>SKILLED NURSING FACILITY CARE*</b> You must meet Medicare's requirements, including having been in a hospital for at least 3 days and entered a Medicare approved facility Within 30 days after leaving the hospital:			
First 20 days	All approved Amounts	\$0	\$0
21st thru 100th day	All but \$[167.50] /day	\$0	Up to \$[167.50] / day
101st day and after	\$0	\$0	All costs

**PLAN B**

<b>SERVICES</b>	<b>MEDICARE PAYS</b>	<b>PLAN PAYS</b>	<b>YOU PAY</b>
<p><b>BLOOD</b></p> <p>First 3 pints</p> <p>Additional amounts</p>	<p>\$0</p> <p>100%</p>	<p>3 pints</p> <p>\$0</p>	<p>\$0</p> <p>\$0</p>
<p><b>HOSPICE CARE</b></p> <p>You must meet Medicare's requirements, including a doctor's certification of terminal illness.</p>	<p>All but very limited co-payment/coinsurance for outpatient drugs and inpatient respite care</p>	<p>Medicare co-payment/coinsurance</p>	<p>\$0</p>

**\*\* NOTICE:** When your Medicare Part A hospital benefits are exhausted, the insurer stands in the place of Medicare and will pay whatever amount Medicare would have paid for up to an additional 365 days as provided in the policy's "Core Benefits." During this time the hospital is prohibited from billing you for the balance based on any difference between its billed charges and the amount Medicare would have paid.

## PLAN B

### MEDICARE (PART B)—MEDICAL SERVICES—PER CALENDAR YEAR

\* Once you have been billed \$[183] of Medicare-approved amounts for covered services (which are noted with an asterisk), your Part B deductible will have been met for the calendar year.

SERVICES	MEDICARE PAYS	PLAN PAYS	YOU PAY
<b>MEDICAL EXPENSES— IN OR OUT OF THE HOSPITAL AND OUTPATIENT HOSPITAL TREATMENT, such as Physician's services, inpatient and outpatient medical and surgical services and supplies, physical and speech therapy, diagnostic tests, durable medical equipment:</b>  First \$[183] of Medicare Approved Amounts*  Remainder of Medicare Approved Amounts	\$0    Generally 80%	\$0    Generally 20%	\$[183] (Part B deductible)    \$0
<b>Part B Excess Charges</b> (Above Medicare Approved Amounts)	\$0	\$0	All costs
<b>BLOOD</b> First 3 pints  Next \$[183] of Medicare Approved Amounts*  Remainder of Medicare Approved Amounts	\$0  \$0  80%	All costs  \$0  20%	\$0  \$[183] (Part B deductible)  \$0
<b>CLINICAL LABORATORY SERVICES—TESTS FOR DIAGNOSTIC SERVICES</b>	100%	\$0	\$0



**PLAN B**  
**PARTS A & B**

SERVICES	MEDICARE PAYS	PLAN PAYS	YOU PAY
<b>HOME HEALTH CARE</b> <b>MEDICARE APPROVED</b> <b>SERVICES</b>			
Medically necessary skilled care services and medical supplies			
—Durable medical equipment	100%	\$0	\$0
First \$[183] of Medicare Approved Amounts*	\$0	\$0	\$[183] (Part B deductible)
Remainder of Medicare Approved Amounts	80%	20%	\$0

## PLAN C+

### MEDICARE (PART A)—HOSPITAL SERVICES—PER BENEFIT PERIOD

\* A benefit period begins on the first day you receive service as an inpatient in a hospital and ends after you have been out of the hospital and have not received skilled care in any other facility for 60 days in a row.

SERVICES	MEDICARE PAYS	PLAN PAYS	YOU PAY
<b>HOSPITALIZATION*</b>			
Semiprivate room and board, general nursing and miscellaneous services and supplies First 60 days	All but \$[1340]	\$[1340] (Part A deductible)	\$0
61st thru 90th day	All but \$[335]	\$[335] a day	\$0
91st day and after: —While using 60 lifetime reserve days —Once lifetime reserve days are used: —Additional 365 days	All but \$[670]	\$[670] a day	\$0
—Beyond the additional 365 days	\$0	100% of Medicare Eligible Expenses	\$0**
	\$0	\$0	All costs
<b>SKILLED NURSING FACILITY CARE*</b>			
You must meet Medicare's requirements, including having been in a hospital for at least 3 days and entered a Medicare approved facility Within 30 days after leaving the hospital:			
First 20 days	All approved Amounts	\$0	\$0
21 <sup>st</sup> thru 100th day	All but \$[167.50] /day	Up to \$[167.50] / day	\$0
101 <sup>st</sup> day and after	\$0	\$0	All costs

**+Only applicants first eligible for Medicare before January 1, 2020 may purchase Plans C, F, and high deductible F.**

**PLAN C+**

<b>SERVICES</b>	<b>MEDICARE PAYS</b>	<b>PLAN PAYS</b>	<b>YOU PAY</b>
<b>BLOOD</b>			
First 3 pints	\$0	3 pints	\$0
Additional amounts	100%	\$0	\$0
<b>HOSPICE CARE</b>			
You must meet Medicare's requirements, including a doctor's certification of terminal illness.	All but very limited co-payment/ coinsurance for outpatient drugs and inpatient respite care	Medicare co-payment/ coinsurance	\$0

**\*\* NOTICE:** When your Medicare Part A hospital benefits are exhausted, the insurer stands in the place of Medicare and will pay whatever amount Medicare would have paid for up to an additional 365 days as provided in the policy's "Core Benefits." During this time the hospital is prohibited from billing you for the balance based on any difference between its billed charges and the amount Medicare would have paid.

**+Only applicants first eligible for Medicare before January 1, 2020 may purchase Plans C, F, and high deductible F.**

## PLAN C+

### MEDICARE (PART B)—MEDICAL SERVICES—PER CALENDAR YEAR

\* Once you have been billed \$[183] of Medicare-approved amounts for covered services (which are noted with an asterisk), your Part B deductible will have been met for the calendar year.

SERVICES	MEDICARE PAYS	PLAN PAYS	YOU PAY
<b>MEDICAL EXPENSES—</b> IN OR OUT OF THE HOSPITAL AND OUTPATIENT HOSPITAL TREATMENT, such as Physician's services, inpatient and outpatient medical and surgical services and supplies, physical and speech therapy, diagnostic tests, durable medical equipment:  First \$[183] of Medicare Approved Amounts*  Remainder of Medicare Approved Amounts	\$0  Generally 80%	\$[183] (Part B deductible)  Generally 20%	\$0  \$0
<b>Part B Excess Charges</b> (Above Medicare Approved Amounts)	\$0	\$0	All costs
<b>BLOOD</b> First 3 pints  Next \$[183] of Medicare Approved Amounts*  Remainder of Medicare Approved Amounts	\$0  \$0  80%	All costs  \$[183] (Part B deductible)  20%	\$0  \$0  \$0
<b>CLINICAL LABORATORY SERVICES—TESTS FOR DIAGNOSTIC SERVICES</b>	100%	\$0	\$0

**+Only applicants first eligible for Medicare before January 1, 2020 may purchase Plans C, F, and high deductible F.**

**PLAN C+**

**PARTS A & B**

<b>SERVICES</b>	<b>MEDICARE PAYS</b>	<b>PLAN PAYS</b>	<b>YOU PAY</b>
<b>HOME HEALTH CARE MEDICARE APPROVED SERVICES</b>			
Medically necessary skilled care services and medical supplies	100%	\$0	\$0
—Durable medical equipment	\$0	[\$183] (Part B deductible)	\$0
First \$[183] of Medicare Approved Amounts*	80%	20%	\$0
Remainder of Medicare Approved Amounts			

**OTHER BENEFITS—NOT COVERED BY MEDICARE**

<b>SERVICES</b>	<b>MEDICARE PAYS</b>	<b>PLAN PAYS</b>	<b>YOU PAY</b>
<b>FOREIGN TRAVEL— NOT COVERED BY MEDICARE</b>			
Medically necessary emergency care services beginning during the first 60 days of each trip outside the USA.			
First \$250 each calendar year	\$0	\$0	\$250
Remainder of charges	\$0	80% to a lifetime maximum benefit of \$50,000	20% and amounts over the \$50,000 lifetime maximum

**+Only applicants first eligible for Medicare before January 1, 2020 may purchase Plans C, F, and high deductible F.**

## PLAN D

### MEDICARE (PART A)—HOSPITAL SERVICES—PER BENEFIT PERIOD

\* A benefit period begins on the first day you receive service as an inpatient in a hospital and ends after you have been out of the hospital and have not received skilled care in any other facility for 60 days in a row.

SERVICES	MEDICARE PAYS	PLAN PAYS	YOU PAY
<b>HOSPITALIZATION*</b> Semiprivate room and board, general nursing and miscellaneous services and supplies First 60 days	All but \$[1340]	\$[1340] (Part A deductible)	\$0
61st thru 90th day	All but \$[335]	\$[335] a day	\$0
91st day and after: —While using 60 lifetime reserve days —Once lifetime reserve days are used: —Additional 365 days	All but \$[670]	\$[670] a day	\$0
—Beyond the additional 365 days	\$0	100% of Medicare Eligible Expenses	\$0**
	\$0	\$0	All costs
<b>SKILLED NURSING FACILITY CARE*</b> You must meet Medicare's requirements, including having been in a hospital for at least 3 days and entered a Medicare-approved facility Within 30 days after leaving the hospital:			
First 20 days	All approved Amounts	\$0	\$0
21st thru 100th day	All but \$[167.50] /day	Up to \$[167.50] / day	\$0
101st day and after	\$0	\$0	All costs

**PLAN D**

<b>SERVICES</b>	<b>MEDICARE PAYS</b>	<b>PLAN PAYS</b>	<b>YOU PAY</b>
<b>BLOOD</b>			
First 3 pints	\$0	3 pints	\$0
Additional amounts	100%	\$0	\$0
<b>HOSPICE CARE</b>			
You must meet Medicare's requirements, including a doctor's certification of terminal illness.	All but very limited co-payment/ coinsurance for outpatient drugs and inpatient respite care	Medicare co-payment/ coinsurance	\$0

**\*\*\* NOTICE:** When your Medicare Part A hospital benefits are exhausted, the insurer stands in the place of Medicare and will pay whatever amount Medicare would have paid for up to an additional 365 days as provided in the policy's "Core Benefits." During this time the hospital is prohibited from billing you for the balance based on any difference between its billed charges and the amount Medicare would have paid.

## PLAN D

### MEDICARE (PART B)—MEDICAL SERVICES—PER CALENDAR YEAR

\* Once you have been billed \$[183] of Medicare-approved amounts for covered services (which are noted with an asterisk), your Part B deductible will have been met for the calendar year.

SERVICES	MEDICARE PAYS	PLAN PAYS	YOU PAY
<b>MEDICAL EXPENSES—</b> IN OR OUT OF THE HOSPITAL AND OUTPATIENT HOSPITAL TREATMENT, such as Physician's services, inpatient and outpatient medical and surgical services and supplies, physical and speech therapy, diagnostic tests, durable medical equipment:  First \$[183] of Medicare Approved Amounts*  Remainder of Medicare Approved Amounts	\$0  Generally 80%	\$0  Generally 20%	\$[183] (Part B deductible)  \$0
<b>Part B Excess Charges</b> (Above Medicare Approved Amounts)	\$0	\$0	All costs
<b>BLOOD</b> First 3 pints  Next \$[183] of Medicare Approved Amounts*  Remainder of Medicare Approved Amounts	\$0 \$0 80%	All costs \$0 20%	\$0 \$[183] (Part B deductible) \$0
<b>CLINICAL LABORATORY            SERVICES—TESTS FOR            DIAGNOSTIC SERVICES</b>	100%	\$ 0	\$0



**PLAN D**

**PARTS A & B**

<b>SERVICES</b>	<b>MEDICARE PAYS</b>	<b>PLAN PAYS</b>	<b>YOU PAY</b>
<b>HOME HEALTH CARE</b> MEDICARE APPROVED SERVICES  Medically necessary skilled care services and medical supplies  —Durable medical equipment	100%	\$0	\$0
First \$[183] of Medicare Approved Amounts*	\$0	\$0	[\$183] (Part B deduct.)
Remainder of Medicare Approved Amounts	80%	20%	\$0

**OTHER BENEFITS—NOT COVERED BY MEDICARE**

<b>SERVICES</b>	<b>MEDICARE PAYS</b>	<b>PLAN PAYS</b>	<b>YOU PAY</b>
<b>FOREIGN TRAVEL—NOT COVERED BY MEDICARE</b> Medically necessary emergency care services beginning during the first 60 days of each trip outside the USA.			
First \$250 each calendar year	\$0	\$0	\$250
Remainder of charges	\$0	80% to a lifetime maximum benefit of \$50,000	20% and amounts over the \$50,000 lifetime maximum

**PLAN F or HIGH DEDUCTIBLE PLAN F+**  
**MEDICARE (PART A)—HOSPITAL SERVICES—PER BENEFIT PERIOD**

\* A benefit period begins on the first day you receive service as an inpatient in a hospital and ends after you have been out of the hospital and have not received skilled care in any other facility for 60 days in a row.

[\*\*This high deductible plan pays the same benefits as Plan F after you have paid a calendar year [\$2240] deductible. Benefits from the high deductible Plan F will not begin until out-of-pocket expenses are [\$2240]. Out-of-pocket expenses for this deductible are expenses that would ordinarily be paid by the policy. This includes the Medicare deductibles for Part A and Part B, but does not include the plan's separate foreign travel emergency deductible.]

SERVICES	MEDICARE PAYS	[AFTER YOU PAY \$[2240] DEDUCTIBLE,**] PLAN PAYS	[ IN ADDITION TO \$[2240] DEDUCTIBLE,**] YOU PAY
<b>HOSPITALIZATION*</b> Semiprivate room and board, general nursing and miscellaneous services and supplies First 60 days	All but \$[1340]	\$[1340] (Part A deductible)	\$0
61st thru 90th day	All but \$[335]	\$[335] a day	\$0
91st day and after: —While using 60 lifetime reserve days —Once lifetime reserve days are used: —Additional 365 days	All but \$[670]  \$0	\$[670] a day  100% of Medicare Eligible Expenses	\$0  \$0***
—Beyond the additional 365 days	\$0	\$0	All costs
<b>SKILLED NURSING FACILITY CARE*</b> You must meet Medicare's requirements, including having been in a hospital for at least 3 days and entered a Medicare-approved facility within 30 days after leaving the hospital:			
First 20 days	All approved Amounts	\$0	\$0
21st thru 100th day	All but \$[167.50] /day	Up to \$[167.50] / day	\$0
101st day and after	\$0	\$0	All costs

**+Only applicants first eligible for Medicare before January 1, 2020 may purchase Plans C, F, and high deductible F.**

**PLAN F or HIGH DEDUCTIBLE PLAN F+**

<b>SERVICES</b>	<b>MEDICARE PAYS</b>	<b>[AFTER YOU PAY \$[2240] DEDUCTIBLE,**] PLAN PAYS</b>	<b>[ IN ADDITION TO \$[2240] DEDUCTIBLE,**] YOU PAY</b>
<p><b>BLOOD</b></p> <p>First 3 pints</p> <p>Additional amounts</p>	<p>\$0</p> <p>100%</p>	<p>3 pints</p> <p>\$0</p>	<p>\$0</p> <p>\$0</p>
<p><b>HOSPICE CARE</b></p> <p>You must meet Medicare's requirements, including a doctor's certification of terminal illness.</p>	<p>All but very limited co-payment/ coinsurance for outpatient drugs and inpatient respite care</p>	<p>Medicare co-payment/ coinsurance</p>	<p>\$0</p>

**\*\*\* NOTICE:** When your Medicare Part A hospital benefits are exhausted, the insurer stands in the place of Medicare and will pay whatever amount Medicare would have paid for up to an additional 365 days as provided in the policy's "Core Benefits." During this time the hospital is prohibited from billing you for the balance based on any difference between its billed charges and the amount Medicare would have paid.

**+Only applicants first eligible for Medicare before January 1, 2020 may purchase Plans C, F, and high deductible F.**

**PLAN F or HIGH DEDUCTIBLE PLAN F+**  
**MEDICARE (PART B)—MEDICAL SERVICES—PER CALENDAR YEAR**

\* Once you have been billed \$[183] of Medicare-approved amounts for covered services (which are noted with an asterisk), your Part B deductible will have been met for the calendar year.

[\*\*This high deductible plan pays the same benefits as Plan F after you have paid a calendar year [\$2240] deductible. Benefits from the high deductible Plan F will not begin until out-of-pocket expenses are [\$2240]. Out-of-pocket expenses for this deductible are expenses that would ordinarily be paid by the policy. This includes the Medicare deductibles for Part A and Part B, but does not include the plan's separate foreign travel emergency deductible.]

SERVICES	MEDICARE PAYS	[AFTER YOU PAY \$[2240] DEDUCTIBLE,**] PLAN PAYS	[IN ADDITION TO \$[2240] DEDUCTIBLE,**] YOU PAY
<b>MEDICAL EXPENSES—</b> IN OR OUT OF THE HOSPITAL AND OUTPATIENT HOSPITAL TREATMENT, such as Physician's services, inpatient and outpatient medical and surgical services and supplies, physical and speech therapy, diagnostic tests, durable medical equipment:  First \$[183] of Medicare Approved Amounts*  Remainder of Medicare Approved Amounts	\$0  Generally 80%	\$[183] (Part B Deductible)  Generally 20%	\$0
<b>Part B Excess Charges</b> (Above Medicare Approved Amounts)	\$0	100%	\$0
<b>BLOOD</b> First 3 pints  Next \$[183] of Medicare Approved Amounts*  Remainder of Medicare Approved Amounts	\$0  \$0  80%	All costs  \$[183] (Part B Deductible)  20%	\$0  \$0  \$0

+Only applicants first eligible for Medicare before January 1, 2020 may purchase Plans C, F, and high deductible F.

**PLAN F or HIGH DEDUCTIBLE PLAN F+**

<b>SERVICES</b>	<b>MEDICARE PAYS</b>	<b>[AFTER YOU PAY \$[2240] DEDUCTIBLE,**] PLAN PAYS</b>	<b>[ IN ADDITION TO \$[2240] DEDUCTIBLE,**] YOU PAY</b>
<b>CLINICAL LABORATORY SERVICES</b> —TESTS FOR DIAGNOSTIC SERVICES	100%	\$0	\$0

**PARTS A & B**

<b>SERVICES</b>	<b>MEDICARE PAYS</b>	<b>[AFTER YOU PAY \$[2240] DEDUCTIBLE,**] PLAN PAYS</b>	<b>[ IN ADDITION TO \$[2240] DEDUCTIBLE,**] YOU PAY</b>
<b>HOME HEALTH CARE MEDICARE APPROVED SERVICES</b>			
Medically necessary skilled care services and medical supplies	100%	\$0	\$0
Durable medical equipment	100%	\$0	\$0
First \$[183] of Medicare Approved Amounts*	\$0	\$[183] (Unless Part B deductible has been met)	\$0
Remainder of Medicare Approved Amounts	80%	20%	\$0

**+Only applicants first eligible for Medicare before January 1, 2020 may purchase Plans C, F, and high deductible F.**

**PLAN F or HIGH DEDUCTIBLE PLAN F+  
OTHER BENEFITS—NOT COVERED BY MEDICARE**

<b>SERVICES</b>	<b>MEDICARE PAYS</b>	<b>[AFTER YOU PAY [2240] DEDUCTIBLE,**] PLAN PAYS</b>	<b>[IN ADDITION TO \$[2240] DEDUCTIBLE,]** YOU PAY</b>
<p><b>FOREIGN TRAVEL—NOT COVERED BY MEDICARE</b> Medically necessary emergency care services beginning during the first 60 days of each trip outside the USA.</p> <p>First \$250 each calendar year</p> <p>Remainder of charges</p>	<p>\$0</p> <p>\$0</p>	<p>\$0</p> <p>80% to a lifetime maximum benefit of \$50,000</p>	<p>\$250</p> <p>20% and amounts over the \$50,000 lifetime maximum</p>

**+Only applicants first eligible for Medicare before January 1, 2020 may purchase Plans C, F, and high deductible F.**

## PLAN G or HIGH DEDUCTIBLE PLAN G

### MEDICARE (PART A)—HOSPITAL SERVICES—PER BENEFIT PERIOD

\* A benefit period begins on the first day you receive service as an inpatient in a hospital and ends after you have been out of the hospital and have not received skilled care in any other facility for 60 days in a row.

[\*\*This high deductible plan pays the same benefits as Plan G after you have paid a calendar year [\$2240] deductible. Benefits from the high deductible Plan G will not begin until out-of-pocket expenses are [\$2240]. Out-of-pocket expenses for this deductible include expenses for the Medicare Part B deductible, and expenses that would ordinarily be paid by the policy. This does not include the plan's separate foreign travel emergency deductible.]

SERVICES	MEDICARE PAYS	[AFTER YOU PAY \$[2240] DEDUCTIBLE,**] PLAN PAYS	[ IN ADDITION TO \$[2240] DEDUCTIBLE,**] YOU PAY
<b>HOSPITALIZATION*</b> Semiprivate room and board, general nursing and miscellaneous services and supplies First 60 days  61st thru 90th day  91st day and after: —While using 60 lifetime reserve days —Once lifetime reserve days are used: —Additional 365 days  —Beyond the additional 365 days	All but \$[1340]  All but \$[335]  All but \$[670]  \$0  \$0	\$[1340] (Part A deductible)  \$[335] a day  \$[670] a day  100% of Medicare Eligible Expenses  \$0	\$0  \$0  \$0  \$0***  All costs
<b>SKILLED NURSING                      FACILITY CARE*</b> You must meet Medicare's requirements, including having been in a hospital for at least 3 days and entered a Medicare-approved facility Within 30 days after leaving the hospital:	All approved Amounts  All but \$[167.50] /day  \$0	\$0  Up to \$[167.50] / day  \$0	\$0  \$0  All costs

**PLAN G or HIGH DEDUCTIBLE PLAN G**

<b>SERVICES</b>	<b>MEDICARE PAYS</b>	<b>[AFTER YOU PAY \$[2240] DEDUCTIBLE,**] PLAN PAYS</b>	<b>[ IN ADDITION TO \$[2240] DEDUCTIBLE,**] YOU PAY</b>
<b>BLOOD</b>  First 3 pints  Additional amounts	\$0  100%	3 pints  \$0	\$0  \$0
<b>HOSPICE CARE</b>  You must meet Medicare's requirements, including a doctor's certification of terminal illness.	All but very limited co-payment/ coinsurance for outpatient drugs and inpatient respite care	Medicare co-payment/ coinsurance	\$0

**\*\*\* NOTICE:** When your Medicare Part A hospital benefits are exhausted, the insurer stands in the place of Medicare and will pay whatever amount Medicare would have paid for up to an additional 365 days as provided in the policy's "Core Benefits." During this time the hospital is prohibited from billing you for the balance based on any difference between its billed charges and the amount Medicare would have paid.



**PLAN G or HIGH DEDUCTIBLE PLAN G**  
**MEDICARE (PART B)—MEDICAL SERVICES—PER CALENDAR YEAR**

\* Once you have been billed \$[183] of Medicare-approved amounts for covered services (which are noted with an asterisk), your Part B deductible will have been met for the calendar year.

[\*\*This high deductible plan pays the same benefits as Plan G after you have paid a calendar year [\$2240] deductible. Benefits from the high deductible Plan G will not begin until out-of-pocket expenses are [\$2240]. Out-of-pocket expenses for this deductible include expenses for the Medicare Part B deductible, and expenses that would ordinarily be paid by the policy. This does not include the plan's separate foreign travel emergency deductible.]

SERVICES	MEDICARE PAYS	[AFTER YOU PAY \$[2240] DEDUCTIBLE,**] PLAN PAYS	[IN ADDITION TO \$[2240] DEDUCTIBLE,**] YOU PAY
<b>MEDICAL EXPENSES—</b> IN OR OUT OF THE HOSPITAL AND OUTPATIENT HOSPITAL TREATMENT, such as Physician's services, inpatient and outpatient medical and surgical services and supplies, physical and speech therapy, diagnostic tests, durable medical equipment  First \$[183] of Medicare Approved Amounts*  Remainder of Medicare Approved Amounts	\$0  Generally 80%	\$0  Generally 20%	\$[183] (Unless Part B Deductible has been met)  \$0
<b>Part B Excess Charges</b> (Above Medicare Approved Amounts)	\$0	100%	\$0
<b>BLOOD</b> First 3 pints  Next \$[183] of Medicare Approved Amounts*  Remainder of Medicare Approved Amounts	\$0  \$0  80%	All costs  \$0  20%	\$0  \$[183] (Unless Part B Deductible has been met)  \$0

**PLAN G or HIGH DEDUCTIBLE PLAN G**

<b>SERVICES</b>	<b>MEDICARE PAYS</b>	<b>[AFTER YOU PAY \$[2240] DEDUCTIBLE,**] PLAN PAYS</b>	<b>[ IN ADDITION TO \$[2240] DEDUCTIBLE,**] YOU PAY</b>
<b>CLINICAL LABORATORY SERVICES—TESTS FOR DIAGNOSTIC SERVICES</b>	100%	\$0	\$0

**PARTS A & B**

<b>SERVICES</b>	<b>MEDICARE PAYS</b>	<b>[AFTER YOU PAY \$[2240] DEDUCTIBLE,**] PLAN PAYS</b>	<b>[ IN ADDITION TO \$[2240] DEDUCTIBLE,**] YOU PAY</b>
<b>HOME HEALTH CARE MEDICARE APPROVED SERVICES</b>			
Medically necessary skilled care services and medical supplies	100%	\$0	\$0
Durable medical equipment	100%	\$0	\$0
-First \$[183] of Medicare Approved Amounts*	\$0	\$0	\$[183] (Unless Part B deductible has been met)
-Remainder of Medicare Approved Amounts	80%	20%	\$0

**PLAN G or HIGH DEDUCTIBLE PLAN G  
OTHER BENEFITS—NOT COVERED BY MEDICARE**

<b>SERVICES</b>	<b>MEDICARE PAYS</b>	<b>[AFTER YOU PAY \$[2240] DEDUCTIBLE,**] PLAN PAYS</b>	<b>[IN ADDITION TO \$[2240] DEDUCTIBLE,** YOU PAY</b>
<p><b>FOREIGN TRAVEL—NOT COVERED BY MEDICARE</b> Medically necessary emergency care services beginning during the first 60 days of each trip outside the USA.</p> <p>First \$250 each calendar year</p> <p>Remainder of charges</p>	<p>\$0</p> <p>\$0</p>	<p>\$0</p> <p>80% to a lifetime maximum benefit of \$50,000</p>	<p>\$250</p> <p>20% and amounts over the \$50,000 lifetime maximum</p>

## PLAN K

### MEDICARE (PART A)—HOSPITAL SERVICES—PER BENEFIT PERIOD

\* You will pay half the cost-sharing of some covered services until you reach the annual out-of-pocket limit of \$[5240] each calendar year. The amounts that count toward your annual limit are noted with diamonds (♦) in the chart below. Once you reach the annual limit, the plan pays 100% of your Medicare co-payment and coinsurance for the rest of the calendar year. **However, this limit does NOT include charges from your provider that exceed Medicare-approved amounts (these are called “Excess Charges”) and you will be responsible for paying this difference in the amount charged by your provider and the amount paid by Medicare for the item or service.**

\*\* A benefit period begins on the first day you receive service as an inpatient in a hospital and ends after you have been out of the hospital and have not received skilled care in any other facility for 60 days in a row.

SERVICES	MEDICARE PAYS	PLAN PAYS	YOU PAY*
<b>HOSPITALIZATION**</b>			
Semiprivate room and board, general nursing and miscellaneous services and supplies First 60 days	All but \$[1340]	\$[670] (50% of Part A deductible)	\$[670] (50% of Part A deductible) ♦
61st thru 90th day	All but \$[335]	\$[335] a day	\$0
91st day and after: —While using 60 lifetime reserve days —Once lifetime reserve days are used: —Additional 365 days	All but \$[670]	\$[670] a day	\$0
—Beyond the additional 365 days	\$0	100% of Medicare Eligible Expenses	\$0***
	\$0	\$0	All costs
<b>SKILLED NURSING FACILITY CARE**</b>			
You must meet Medicare’s requirements, including having been in a hospital for at least 3 days and entered a Medicare-approved facility Within 30 days after leaving the hospital:			
First 20 days	All approved Amounts	\$0	\$0
21st thru 100th day	All but \$[167.50] /day	Up to \$[83.75] / day	Up to \$[83.75] / day ♦
101st day and after	\$0	\$0	All costs

**PLAN K**

<b>SERVICES</b>	<b>MEDICARE PAYS</b>	<b>PLAN PAYS</b>	<b>YOU PAY*</b>
<b>BLOOD</b>			
First 3 pints	\$0	50%	50% ♦
Additional amounts	100%	\$0	\$0
<b>HOSPICE CARE</b>			
You must meet Medicare's requirements, including a doctor's certification of terminal illness.	All but very limited co-payment/coinsurance for outpatient drugs and inpatient respite care	50% of co-payment/coinsurance	50% of co-payment/coinsurance ♦

**\*\*\*NOTICE:** When your Medicare Part A hospital benefits are exhausted, the insurer stands in the place of Medicare and will pay whatever amount Medicare would have paid for up to an additional 365 days as provided in the policy's "Core Benefits." During this time the hospital is prohibited from billing you for the balance based on any difference between its billed charges and the amount Medicare would have paid.

## PLAN K

### MEDICARE (PART B)—MEDICAL SERVICES—PER CALENDAR YEAR

\*\*\*\* Once you have been billed \$[183] of Medicare-approved amounts for covered services (which are noted with an asterisk), your Part B deductible will have been met for the calendar year.

SERVICES	MEDICARE PAYS	PLAN PAYS	YOU PAY*
<b>MEDICAL EXPENSES—</b> IN OR OUT OF THE HOSPITAL AND OUTPATIENT HOSPITAL TREATMENT, such as Physician's services, inpatient and outpatient medical and surgical services and supplies, physical and speech therapy, diagnostic tests, durable medical equipment: First \$[183] of Medicare Approved Amounts****	\$0	\$0	\$[183] (Part B deductible)**** ♦
Preventive Benefits for Medicare covered services	Generally 75% or more of Medicare approved amounts	Remainder of Medicare approved amounts	All costs above Medicare approved amounts
Remainder of Medicare Approved Amounts	Generally 80%	Generally 10%	Generally 10% ♦
<b>Part B Excess Charges</b> (Above Medicare Approved Amounts)	\$0	\$0	All costs (and they do not count toward annual out-of-pocket limit of [\$5240])*
<b>BLOOD</b> First 3 pints	\$0	50%	50% ♦
Next \$[183] of Medicare Approved Amounts****	\$0	\$0	\$[183] (Part B deductible)**** ♦
Remainder of Medicare Approved Amounts	Generally 80%	Generally 10%	Generally 10% ♦
<b>CLINICAL LABORATORY SERVICES—TESTS FOR DIAGNOSTIC SERVICES</b>	100%	\$0	\$0

\* This plan limits your annual out-of-pocket payments for Medicare-approved amounts to \$[5240] per year. **However, this limit does NOT include charges from your provider that exceed Medicare-approved amounts (these are called "Excess Charges") and you will be responsible for paying this difference in the amount charged by your provider and the amount paid by Medicare for the item or service.**

**PLAN K**

**PARTS A & B**

<b>SERVICES</b>	<b>MEDICARE PAYS</b>	<b>PLAN PAYS</b>	<b>YOU PAY*</b>
<b>HOME HEALTH CARE MEDICARE APPROVED SERVICES</b>			
Medically necessary skilled care services and medical supplies			
—Durable medical equipment	100%	\$0	\$0
First \$[183] of Medicare Approved Amounts*****	\$0	\$0	[\$183] (Part B deductible) ♦
Remainder of Medicare Approved Amounts	80%	10%	10% ♦

\*\*\*\*\*Medicare benefits are subject to change. Please consult the latest *Guide to Health Insurance for People with Medicare*.

## PLAN L

### MEDICARE (PART A)—HOSPITAL SERVICES—PER BENEFIT PERIOD

\* You will pay one-fourth of the cost-sharing of some covered services until you reach the annual out-of-pocket limit of \$[2620] each calendar year. The amounts that count toward your annual limit are noted with diamonds (♦) in the chart below. Once you reach the annual limit, the plan pays 100% of your Medicare co-payment and coinsurance for the rest of the calendar year. **However, this limit does NOT include charges from your provider that exceed Medicare-approved amounts (these are called “Excess Charges”) and you will be responsible for paying this difference in the amount charged by your provider and the amount paid by Medicare for the item or service.**

\*\* A benefit period begins on the first day you receive service as an inpatient in a hospital and ends after you have been out of the hospital and have not received skilled care in any other facility for 60 days in a row.

SERVICES	MEDICARE PAYS	PLAN PAYS	YOU PAY*
<b>HOSPITALIZATION**</b>			
Semiprivate room and board, general nursing and miscellaneous services and supplies First 60 days	All but \$[1340]	\$[1005] (75% of Part A deductible)	\$[335] (25% of Part A deductible) ♦
61st thru 90th day	All but \$[335]	\$[335] a day	\$0
91st day and after: —While using 60 lifetime reserve days —Once lifetime reserve days are used: —Additional 365 days	All but \$[670]  \$0	\$[670] a day  100% of Medicare Eligible Expenses	\$0  \$0***
—Beyond the additional 365 days	\$0	\$0	All costs
<b>SKILLED NURSING FACILITY CARE**</b>			
You must meet Medicare's requirements, including having been in a hospital for at least 3 days and entered a Medicare-approved facility Within 30 days after leaving the hospital:			
First 20 days	All approved Amounts	\$0	\$0
21 <sup>st</sup> thru 100th day	All but \$[167.50] /day	Up to \$[125.63] / day	Up to \$[41.87] / day ♦
101 <sup>st</sup> day and after	\$0	\$0	All costs



**PLAN L**

<b>SERVICES</b>	<b>MEDICARE PAYS</b>	<b>PLAN PAYS</b>	<b>YOU PAY*</b>
<b>BLOOD</b>			
First 3 pints	\$0	75%	25% ♦
Additional amounts	100%	\$0	\$0
<b>HOSPICE CARE</b>			
You must meet Medicare's requirements, including a doctor's certification of terminal illness.	All but very limited co-payment/ coinsurance for outpatient drugs and inpatient respite care	75% of co-payment/ coinsurance	25% of co-payment/ coinsurance ♦

**\*\*\*NOTICE:** When your Medicare Part A hospital benefits are exhausted, the insurer stands in the place of Medicare and will pay whatever amount Medicare would have paid for up to an additional 365 days as provided in the policy's "Core Benefits." During this time the hospital is prohibited from billing you for the balance based on any difference between its billed charges and the amount Medicare would have paid.

## PLAN L

### MEDICARE (PART B)—MEDICAL SERVICES—PER CALENDAR YEAR

\*\*\*\* Once you have been billed \$[183] of Medicare-approved amounts for covered services (which are noted with an asterisk), your Part B deductible will have been met for the calendar year.

SERVICES	MEDICARE PAYS	PLAN PAYS	YOU PAY*
<b>MEDICAL EXPENSES—</b> <b>IN OR OUT OF THE</b> <b>HOSPITAL AND</b> <b>OUTPATIENT HOSPITAL</b> <b>TREATMENT, such as</b> Physician's services, inpatient and outpatient medical and surgical services and supplies, physical and speech therapy, diagnostic tests, durable medical equipment:  First \$[183] of Medicare Approved Amounts****	\$0	\$0	\$[183] (Part B deductible)**** ♦
Preventive Benefits for Medicare covered services	Generally 75% or more of Medicare approved amounts	Remainder of Medicare approved amounts	All costs above Medicare approved amounts
Remainder of Medicare Approved Amounts	Generally 80%	Generally 15%	Generally 5% ♦
<b>Part B Excess Charges</b> (Above Medicare Approved Amounts)	\$0	\$0	All costs (and they do not count toward annual out-of-pocket limit of [\$2620])*
<b>BLOOD</b> First 3 pints	\$0	75%	25% ♦
Next \$[183] of Medicare Approved Amounts****	\$0	\$0	\$[183] (Part B deductible)**** ♦
Remainder of Medicare Approved Amounts	Generally 80%	Generally 15%	Generally 5% ♦
<b>CLINICAL LABORATORY</b> <b>SERVICES—TESTS FOR</b> <b>DIAGNOSTIC SERVICES</b>	100%	\$0	\$0

\* This plan limits your annual out-of-pocket payments for Medicare-approved amounts to \$[2620] per year. However, this limit does NOT include charges from your provider that exceed Medicare-approved amounts (these are called "Excess Charges") and you will be responsible for paying this difference in the amount charged by your provider and the amount paid by Medicare for the item or service.

**PLAN L**

**PARTS A & B**

<b>SERVICES</b>	<b>MEDICARE PAYS</b>	<b>PLAN PAYS</b>	<b>YOU PAY*</b>
<b>HOME HEALTH CARE MEDICARE APPROVED SERVICES</b>			
Medically necessary skilled care services and medical supplies			
—Durable medical equipment	100%	\$0	\$0
First \$[183] of Medicare Approved Amounts*****	\$0	\$0	[\$183] (Part B deductible) ♦
Remainder of Medicare Approved Amounts	80%	15%	5% ♦

\*\*\*\*\*Medicare benefits are subject to change. Please consult the latest *Guide to Health Insurance for People with Medicare*.

**PLAN M**  
**MEDICARE (PART A)—HOSPITAL SERVICES—PER BENEFIT PERIOD**

\* A benefit period begins on the first day you receive service as an inpatient in a hospital and ends after you have been out of the hospital and have not received skilled care in any other facility for 60 days in a row.

SERVICES	MEDICARE PAYS	PLAN PAYS	YOU PAY
<b>HOSPITALIZATION*</b> Semiprivate room and board, general nursing and miscellaneous services and supplies First 60 days	All but \$[1340]	\$[670] (50% of Part A deductible)	\$[670] (50% of Part A deductible)
61st thru 90th day	All but \$[335]	\$[335] a day	
91st day and after: —While using 60 lifetime reserve days	All but \$[670]	\$[670] a day	\$0
—Once lifetime reserve days are used:			\$0
—Additional 365 days	\$0	100% of Medicare Eligible Expenses	\$0**
—Beyond the additional 365 days	\$0	\$0	All costs
<b>SKILLED NURSING FACILITY CARE**</b> You must meet Medicare's requirements, including having been in a hospital for at least 3 days and entered a Medicare-approved facility Within 30 days after leaving the hospital:			
First 20 days	All approved Amounts	\$0	\$0
21st thru 100th day	All but \$[167.50] /day	Up to \$[167.50] / day	\$0
101st day and after	\$0	\$0	All costs
<b>BLOOD</b>			
First 3 pints	\$0	3 Pints	\$0
Additional amounts	100%	\$0	\$0

**\*\*NOTICE:** When your Medicare Part A hospital benefits are exhausted, the insurer stands in the place of Medicare and will pay whatever amount Medicare would have paid for up to an additional 365 days as provided in the policy's "Core Benefits." During this time the hospital is prohibited from billing you for the balance based on any difference between its billed charges and the amount Medicare would have paid.

**PLAN M**

<b>SERVICES</b>	<b>MEDICARE PAYS</b>	<b>PLAN PAYS</b>	<b>YOU PAY</b>
<b>HOSPICE CARE</b>  You must meet Medicare's requirements, including a doctor's certification of terminal illness.	All but very limited co-payment/ coinsurance for outpatient drugs and inpatient respite care	Medicare co-payment/ coinsurance	\$0

**\*\*NOTICE:** When your Medicare Part A hospital benefits are exhausted, the insurer stands in the place of Medicare and will pay whatever amount Medicare would have paid for up to an additional 365 days as provided in the policy's "Core Benefits." During this time the hospital is prohibited from billing you for the balance based on any difference between its billed charges and the amount Medicare would have paid.

## PLAN M

### MEDICARE (PART B)—MEDICAL SERVICES—PER CALENDAR YEAR

\* Once you have been billed \$[183] of Medicare-approved amounts for covered services (which are noted with an asterisk), your Part B deductible will have been met for the calendar year.

SERVICES	MEDICARE PAYS	PLAN PAYS	YOU PAY
<b>MEDICAL EXPENSES—</b> IN OR OUT OF THE HOSPITAL AND OUTPATIENT HOSPITAL TREATMENT, such as Physician's services, inpatient and outpatient medical and surgical services and supplies, physical and speech therapy, diagnostic tests, durable medical equipment:  First \$[183] of Medicare Approved Amounts*  Remainder of Medicare Approved Amounts	\$0  Generally 80%	\$0  Generally 20%	\$[183] (Part B deductible)  \$0
<b>Part B Excess Charges</b> (Above Medicare Approved Amounts)	\$0	\$0	All costs
<b>BLOOD</b> First 3 pints  Next \$[183] of Medicare Approved Amounts*  Remainder of Medicare Approved Amounts	\$0 \$0 80%	All costs \$0 20%	\$0 \$[183] (Part B deductible) \$0
<b>CLINICAL LABORATORY SERVICES—TESTS FOR DIAGNOSTIC SERVICES</b>	100%	\$ 0	\$0

**PLAN M**  
**PARTS A & B**

SERVICES	MEDICARE PAYS	PLAN PAYS	YOU PAY
<b>HOME HEALTH CARE</b> MEDICARE APPROVED SERVICES			
Medically necessary skilled care services and medical supplies			
—Durable medical equipment	100%	\$0	\$0
First \$[183] of Medicare Approved Amounts*	\$0	\$0	\$[183] (Part B deductible)
Remainder of Medicare Approved Amounts	80%	20%	\$0

**OTHER BENEFITS—NOT COVERED BY MEDICARE**

SERVICES	MEDICARE PAYS	PLAN PAYS	YOU PAY
<b>FOREIGN TRAVEL—NOT COVERED BY MEDICARE</b>			
Medically necessary emergency care services beginning during the first 60 days of each trip outside the USA.			
First \$250 each calendar year	\$0	\$0	\$250
Remainder of charges	\$0	80% to a lifetime maximum benefit of \$50,000	20% and amounts over the \$50,000 lifetime maximum

## PLAN N

### MEDICARE (PART A)—HOSPITAL SERVICES—PER BENEFIT PERIOD

\* A benefit period begins on the first day you receive service as an inpatient in a hospital and ends after you have been out of the hospital and have not received skilled care in any other facility for 60 days in a row.

SERVICES	MEDICARE PAYS	PLAN PAYS	YOU PAY
<b>HOSPITALIZATION*</b>			
Semiprivate room and board, general nursing and miscellaneous services and supplies First 60 days	All but \$[1340]	\$[1340] (Part A deductible)	\$0
61st thru 90th day	All but \$[335]	\$[335] a day	\$0
91st day and after: —While using 60 lifetime reserve days —Once lifetime reserve days are used: —Additional 365 days	All but \$[670]	\$[670] a day	\$0
—Beyond the additional 365 days	\$0	100% of Medicare Eligible Expenses	\$0**
	\$0	\$0	All costs
<b>SKILLED NURSING FACILITY CARE*</b>			
You must meet Medicare's requirements, including having been in a hospital for at least 3 days and entered a Medicare-approved facility Within 30 days after leaving the hospital:			
First 20 days	All approved Amounts	\$0	\$0
21 <sup>st</sup> thru 100th day	All but \$[167.50] /day	Up to \$[167.50] / day	\$0
101 <sup>st</sup> day and after	\$0	\$0	All costs



**PLAN N**

<b>SERVICES</b>	<b>MEDICARE PAYS</b>	<b>PLAN PAYS</b>	<b>YOU PAY</b>
<b>BLOOD</b>			
First 3 pints	\$0	3 Pints	\$0
Additional amounts	100%	\$0	\$0
<b>HOSPICE CARE</b>			
You must meet Medicare's requirements, including a doctor's certification of terminal illness.	All but very limited co-payment/ coinsurance for outpatient drugs and inpatient respite care	Medicare co-payment/ coinsurance	\$0

**\*\*NOTICE:** When your Medicare Part A hospital benefits are exhausted, the insurer stands in the place of Medicare and will pay whatever amount Medicare would have paid for up to an additional 365 days as provided in the policy's "Core Benefits." During this time the hospital is prohibited from billing you for the balance based on any difference between its billed charges and the amount Medicare would have paid.

## PLAN N

### MEDICARE (PART B)—MEDICAL SERVICES—PER CALENDAR YEAR

\* Once you have been billed \$[183] of Medicare-approved amounts for covered services (which are noted with an asterisk), your Part B deductible will have been met for the calendar year.

SERVICES	MEDICARE PAYS	PLAN PAYS	YOU PAY
<b>MEDICAL EXPENSES—</b> <b>IN OR OUT OF THE</b> <b>HOSPITAL AND</b> <b>OUTPATIENT HOSPITAL</b> <b>TREATMENT, such as</b> Physician's services, inpatient and outpatient medical and surgical services and supplies, physical and speech therapy, diagnostic tests, durable medical equipment:  First \$[183] of Medicare Approved Amounts*  Remainder of Medicare Approved Amounts	\$0  Generally 80%	\$0  Balance, other than up to [\$20] per office visit and up to [\$50] per emergency room visit. The copayment of up to [\$50] is waived if the insured is admitted to any hospital and the emergency visit is covered as a Medicare Part A expense.	\$[183] (Part B deductible)  Up to [\$20] per office visit and up to [\$50] per emergency room visit. The co-payment of up to [\$50] is waived if the insured is admitted to any hospital and the emergency visit is covered as a Medicare Part A expense.
<b>Part B Excess Charges</b> (Above Medicare Approved Amounts)	\$0	\$0	All costs
<b>BLOOD</b> First 3 pints  Next \$[183] of Medicare Approved Amounts*  Remainder of Medicare Approved Amounts	\$0 \$0 80%	All costs \$0 20%	\$0 \$[183] (Part B deductible) \$0
<b>CLINICAL LABORATORY</b> <b>SERVICES—TESTS FOR</b> <b>DIAGNOSTIC SERVICES</b>	100%	\$ 0	\$0

**PLAN N**

**PARTS A & B**

<b>SERVICES</b>	<b>MEDICARE PAYS</b>	<b>PLAN PAYS</b>	<b>YOU PAY</b>
<b>HOME HEALTH CARE MEDICARE APPROVED SERVICES</b>			
Medically necessary skilled care services and medical supplies			
—Durable medical equipment	100%	\$0	\$0
First \$[183] of Medicare Approved Amounts*	\$0	\$0	\$[183] (Part B deductible)
Remainder of Medicare Approved Amounts	80%	20%	\$0

**OTHER BENEFITS—NOT COVERED BY MEDICARE**

<b>SERVICES</b>	<b>MEDICARE PAYS</b>	<b>PLAN PAYS</b>	<b>YOU PAY</b>
<b>FOREIGN TRAVEL—NOT COVERED BY MEDICARE</b>			
Medically necessary emergency care services beginning during the first 60 days of each trip outside the USA.			
First \$250 each calendar year	\$0	\$0	\$250
Remainder of charges	\$0	80% to a lifetime maximum benefit of \$50,000	20% and amounts over the \$50,000 lifetime maximum

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**M E M O R A N D U M**

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**DATE:** November 18, 2019

**TO:** David Altmaier, Commissioner, Office of Insurance Regulation

**THROUGH:** Anoush Brangaccio, General Counsel

**FROM:** Michael Lawrence, Jr., Assistant General Counsel

**SUBJECT:** Cabinet Agenda for December 3, 2019  
Request for Final Approval to Adopt Repeal of  
Rule 69O-167.007  
Assignment # 238962-19

The Office of Insurance Regulation requests that these proposed rule amendments be presented to the Cabinet aides on or before November 27, 2019, and to the Financial Services Commission on December 3, 2019, with a request for Final Approval to Adopt the proposed rules.

The notice of proposed rules was published on August 6, 2019 in Volume 45, No. 152, of the *Register*. Hearings were held on October 10, 2019, and November 13, 2019. The Office did not receive any comments.

Repeal of the rule due to the rule being obsolete or unnecessary.

Sections 624.308(1), 624.307(1), 626.9641(1)(b), F.S., are the rulemaking authority and laws implemented for this rule.

Michael Lawrence, Jr. is the attorney handling this rule. Attached are: 1) the proposed rule; and 2) a summary of the proposed rule.

Approved for signature:

  
Anoush Brangaccio, General Counsel

Approved for submission to Financial Services  
Commission:

  
David Altmaier, Commissioner  
Office of Insurance Regulation

690-167.007 Supplementary Payment of Defense Costs.

~~Any insurer issuing a commercial general liability contract shall provide for defense costs in addition to the limit of liability for the contract.~~

~~(1) Defense costs may be included within coverage limits for contracts for:~~

- ~~(a) Professional liability where liability limits are not specified in a statute requiring such coverage,~~
- ~~(b) Pollution liability, and~~
- ~~(c) Asbestos abatement.~~

~~(2) In addition to the three exceptions in subsection (1) above, the Office shall permit other types of liability contracts to include defense costs within the limit of liability if the insurer establishes that such policy provision is in the best interests of policyholders and the public. The best interests of the public shall be determined by the Office upon consideration of the following criteria:~~

- ~~(a) Demand for product,~~
- ~~(b) Sophistication of prospective consumers,~~
- ~~(c) Level of defense costs generally associated with risk,~~
- ~~(d) Disclosure provisions, and~~
- ~~(e) Policy coverage limits.~~

~~(3) This rule shall not be construed as requiring an insurer to incur defense costs accruing after it has tendered policy limits.~~

*Rulemaking Authority 624.308(1) FS. Law Implemented 624.307(1), 626.9641(1)(b) FS. History—New 8-4-92, Amended 9-19-94, Formerly 4-167.007, Repealed.*

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**M E M O R A N D U M**

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**DATE:** November 18, 2019

**TO:** David Altmaier, Commissioner, Office of Insurance Regulation

**THROUGH:** Anoush Brangaccio, General Counsel

**FROM:** Michael Lawrence, Jr., Assistant General Counsel

**SUBJECT:** Cabinet Agenda for December 3, 2019  
Request for Final Approval to Adopt Amendments to  
Rule 69O-189.003  
Assignment # 233359-18

The Office of Insurance Regulation requests that these proposed rule amendments be presented to the Cabinet aides on or before November 27, 2019, and to the Financial Services Commission on December 3, 2019, with a request for Final Approval to Adopt the proposed rules.

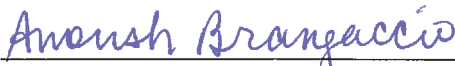
The notice of proposed rules was published on August 6, 2019 in Volume 45, No. 152, of the *Register*. Hearings were held on October 10, 2019, and November 13, 2019. The Office did not receive any comments.

The rule is amended to reference section 92.525, FS, for sworn statements. The rule is amended remove notarization requirements in portions of the rule. A sentence allowing the acceptance of electronic notarization is deleted due to the notary requirement being removed.

Sections 440.381, 624.308(1), 440.105(4)(b)5., 440.381, 624.307, 624.424(1)(c), F.S., are the rulemaking authority and laws implemented for this rule.

Michael Lawrence, Jr. is the attorney handling this rule. Attached are: 1) the proposed rule; 2) any incorporated materials, such as forms; and 3) a summary of proposed rule.

Approved for signature:

  
Anoush Brangaccio, General Counsel

Approved for submission to Financial Services  
Commission:

  
David Altmaier, Commissioner  
Office of Insurance Regulation

**690-189.003 Workers' Compensation: Application and Audit Procedures.**

(1)(a) Each employer applying to a carrier in the voluntary market for workers' compensation coverage required by section 440.38, F.S., shall use Form ACORD 130 FL (rev. 2019/07) ~~Form ACORD 130 FL (rev. 2015-02)~~, "Florida Workers' Compensation Application," which is hereby adopted and incorporated by reference. The form shall be completed and submitted to the carrier with which the employer wishes to contract for coverage.

(b) A carrier wishing to use its own application form shall submit the form electronically to the Florida Office of Insurance Regulation (Office) at <http://www.flair.com/iportal>, and receive approval prior to its use.

1. through 2. No change.

3. The application shall contain a sworn statement by the employer which complies with section 92.525, F.S., attesting to the accuracy of the information submitted.

4. The application shall contain a sworn statement by the agent which complies with section 92.525, F.S., attesting that the agent explained to the employer or officer the classification codes that are used for premium calculations.

(c) Each employer applying for workers' compensation coverage in the Florida Workers' Compensation Joint Underwriting Association (FWCJUA) shall use Form ACORD 130 FL (2019/07) ~~ACORD Form 130 FL (rev. 2015-02)~~ unless the FWCJUA files and receives approval by the Office of Insurance Regulation to use a different application form in accordance with paragraph (1)(b). The FWCJUA shall submit any addendum to the application to the Office and receive approval prior to using. The completed application and all addenda shall be submitted to the FWCJUA at the address on the form.

(d) Form ACORD 130 FL (rev. 2019/07) is available; The forms adopted in this subsection (1), may be obtained from the Office's website at: <http://www.flair.com/iportal>.

1. From ACORD at <https://www.acord.org/home>; and,

2. For inspection during regular business hours at the Office of Insurance Regulation, Larson Building, 200 East Gaines Street, Tallahassee, Florida 32399-0300.

(2)(a) No change.

(b) ~~The employer shall sign the application. The applicant's signature on the applicant form shall be notarized to the extent that such notarization complies with parts I and II of chapter 668, F.S. The carrier is authorized to require the producer's signature to be notarized to the extent that such notarization complies with parts I and II of chapter 668, F.S.~~

(c) No change.

~~(d) It is permissible for insurers to accept electronic notarizations in satisfaction of the application notarization requirements to the extent that such acceptance of electronic notarizations complies with parts I and II of chapter 668, F.S.~~

(3) through (4) No change.

*Rulemaking Authority 440.381, 624.308(1) FS. Law Implemented 440.105(4)(b)5., 440.381, 624.307, 624.424(1)(c) FS. History—New 8-1-91, Formerly 4-28.007, Amended 10-3-95, 10-10-96, 1-15-98, 11-21-00, 11-5-02, 9-22-03, Formerly 4-189.003, Amended 3-29-05, 3-10-10, \_\_\_\_\_.*

PRODUCER	PHONE (A/C, No, Ext): FAX (A/C, No):	COMPANY	UNDERWRITER
		APPLICANT NAME - INCLUDE ALL SUBSIDIARIES & DBA'S TO BE INCLUDED IN COVERAGE, ALONG WITH THEIR FEIN	
		MAILING ADDRESS (INCLUDING ZIP CODE) - INCLUDE PRINCIPAL PHYSICAL LOCATION AND ALL INSURED ENTITIES	<input type="checkbox"/> CHECK HERE IF LIST OF ADDITIONAL LOCATIONS ATTACHED
LICENSE #:		YRS IN BUS	SIC CODE
CODE:	SUB CODE:	<input type="checkbox"/> INDIVIDUAL	<input type="checkbox"/> CORPORATION
		<input type="checkbox"/> PARTNERSHIP	<input type="checkbox"/> OTHER:
		SUBCHAPTER "S" CORP	
AGENCY CUSTOMER ID	FEDERAL EMPLOYER ID NUMBER	NCCI ID NUMBER	OTHER RATING BUREAU ID NUMBER

**STATUS OF SUBMISSION**

**BILLING / AUDIT INFORMATION**

<input type="checkbox"/> QUOTE	<input type="checkbox"/> ISSUE POLICY	<b>BILLING PLAN</b>	<b>PAYMENT PLAN</b>	<b>AUDIT</b>
		<input type="checkbox"/> AGENCY BILL	<input type="checkbox"/> ANNUAL	<input type="checkbox"/> AT EXPIRATION
		<input type="checkbox"/> DIRECT BILL	<input type="checkbox"/> SEMI-ANNUAL	<input type="checkbox"/> SEMI-ANNUAL
			<input type="checkbox"/> QUARTERLY	<input type="checkbox"/> QUARTERLY
			<input type="checkbox"/> % DOWN:	<input type="checkbox"/> MONTHLY
				<input type="checkbox"/> OTHER:

**LOCATIONS - LIST ALL PHYSICAL LOCATIONS, INCLUDING OTHER STATES, WHETHER COVERAGE IS REQUESTED OR NOT. IF APPLICANT IS A PROFESSIONAL EMPLOYER ORGANIZATION (PEO) / EMPLOYEE LEASING COMPANY, LIST ALL CLIENT COMPANIES AND THEIR LOCATIONS**

#	STREET, CITY, COUNTY, STATE, ZIP CODE

**POLICY INFORMATION**

PROPOSED EFF DATE	PROPOSED EXP DATE	NORMAL ANNIVERSARY RATING DATE	<input type="checkbox"/> PARTICIPATING	RETRO PLAN	
			<input type="checkbox"/> NON-PARTICIPATING		
PART 1 - WORKERS COMPENSATION (States)	PART 2 - EMPLOYER'S LIABILITY		PART 3 - OTHER STATES INS	DEDUCTIBLE	
	\$ EACH ACCIDENT			COINSURANCE LIMIT	OTHER COVERAGES
	\$ DISEASE - POLICY LIMIT				<input type="checkbox"/> U.S.L. & H.
	\$ DISEASE - EACH EMPLOYEE				<input type="checkbox"/> VOLUNTARY COMPENSATION
DIVIDEND PLAN / SAFETY GROUP	ADDITIONAL COMPANY INFORMATION				

**RATING INFORMATION**

**CHECK HERE IF LIST OF ADDITIONAL CLASS CODES ATTACHED**

LOC	CLASS CODE	COMPANY USE	CATEGORIES, DUTIES, CLASSIFICATIONS	# OF EMPLOYEES	ACTUAL REMUNERATION PAST 12 MONTHS	ESTIMATED REMUNERATION FOR NEXT POLICY PERIOD	RATE	ESTIMATED ANNUAL PREMIUM

**SPECIFY ADDITIONAL COVERAGES / ENDORSEMENTS**

	FACTOR	FACTORED PREMIUM
TOTAL		\$
		\$
		\$
EXPERIENCE MODIFICATION		\$
MODIFIED PREMIUM		\$
PREMIUM DISCOUNT		\$
EXPENSE CONSTANT	N/A	\$
		\$
TOTAL ESTIMATED ANNUAL PREMIUM		\$
MINIMUM PREMIUM	DEPOSIT PREMIUM	\$
\$		\$



**INDIVIDUALS INCLUDED / EXCLUDED**

PARTNERS, OFFICERS, OWNERS TO BE INCLUDED OR EXCLUDED. (REMUNERATION TO BE INCLUDED MUST BE PART OF RATING INFORMATION SECTION.) ATTACH LIST OF ADDITIONS/EXEMPTIONS, IF ANY. PROVIDE COPIES OF EVIDENCE OF EXCLUSIONS/INCLUSIONS. DISCLOSURES OF THE SOCIAL SECURITY NUMBERS IS VOLUNTARY, AS AN ALTERNATIVE, ATTACH A COPY OF EXEMPTION OR INCLUSION FORM FILED WITH THE STATE OF FLORIDA.

#	NAME	DATE OF BIRTH	SOCIAL SECURITY #	TITLE / RELATIONSHIP	OWNR-SHP %	DUTIES	INC / EXC	CLASS CODE	REMUNERATION
1									
2									
3									

**PRIOR CARRIER INFORMATION / LOSS HISTORY**

PROVIDE INFORMATION FOR THE PAST 5 YEARS AND USE THE REMARKS SECTION FOR LOSS DETAILS

YEAR	CARRIER & POLICY NUMBER	ACTUAL/AUDITED PREMIUM	MOD	# CLAIMS	AMOUNT PAID	RESERVE	LOSS RUN ATTACHED
	CO: POL #:						
	CO: POL #:						
	CO: POL #:						
	CO: POL #:						
	CO: POL #:						

**NATURE OF BUSINESS / DESCRIPTION OF OPERATIONS**

GIVE COMMENTS AND DESCRIPTIONS OF ALL BUSINESSES, OPERATIONS AND PRODUCTS (INCLUDING OTHER STATES): MANUFACTURING - RAW MATERIALS, PROCESSES, PRODUCT, EQUIPMENT; CONTRACTOR - TYPE OF WORK, SUB-CONTRACTS; MERCANTILE - MERCHANDISE, CUSTOMERS, DELIVERIES; SERVICE - TYPE, LOCATION; FARM - ACREAGE, ANIMALS, MACHINERY, SUB-CONTRACTS. IF CONTRACTOR, PROVIDE LICENSE NUMBER.

PROFESSIONAL EMPLOYER ORGANIZATION (PEO) / EMPLOYEE LEASING COMPANY     TEMPORARY EMPLOYMENT SERVICE

**EMPLOYEES - ATTACH A LIST OF ADDITIONAL EMPLOYEE NAMES**

NAME	CLASS CODE	SOCIAL SECURITY #	NAME	CLASS CODE	SOCIAL SECURITY #

ATTACH THE LAST FOUR (4) EMPLOYERS QUARTERLY REPORTS OR IRS FORM 941. PLEASE EXPLAIN IF THE EMPLOYERS QUARTERLY REPORTS OR 941 IS NOT AVAILABLE. DISCLOSURE OF THE SOCIAL SECURITY NUMBERS IS VOLUNTARY. AS AN ALTERNATIVE, THE LATEST EMPLOYERS QUARTERLY REPORT WITH CLASS CODES ADDED CAN BE USED IN LIEU OF A SEPARATE LISTING OF EMPLOYEE NAMES, SOCIAL SECURITY NUMBER AND CLASS CODE. ANY EMPLOYEES NOT ON THE EMPLOYERS QUARTERLY REPORT SHOULD BE SHOWN SEPARATELY.

**GENERAL INFORMATION**

EXPLAIN ALL "YES" RESPONSES	YES	NO	EXPLAIN ALL "YES" RESPONSES	YES	NO
1. DOES APPLICANT OWN, OPERATE OR LEASE AIRCRAFT / WATERCRAFT?			16. ARE PHYSICALS REQUIRED AFTER OFFERS OF EMPLOYMENT ARE MADE?		
2. DO / HAVE PAST, PRESENT OR DISCONTINUED OPERATIONS INVOLVE(D) STORING, TREATING, DISCHARGING, APPLYING, DISPOSING, OR TRANSPORTING OF HAZARDOUS MATERIAL? (e.g. landfills, wastes, fuel tanks, etc)			17. ANY OTHER INSURANCE WITH THIS INSURER?		
3. ANY WORK PERFORMED UNDERGROUND OR ABOVE 15 FEET?			18. ANY PRIOR COVERAGE DECLINED / CANCELLED / NON-RENEWED (Last 3 years)?		
4. ANY WORK PERFORMED ON BARGES, VESSELS, DOCKS, BRIDGE OVER WATER?			19. ARE EMPLOYEE HEALTH PLANS PROVIDED?		
5. IS APPLICANT ENGAGED IN ANY OTHER TYPE OF BUSINESS?			20. IS THERE A LABOR INTERCHANGE WITH ANY OTHER BUSINESS / SUBSIDIARY?		
6. ARE SUB-CONTRACTORS AND/OR INDEPENDENT CONTRACTORS USED?			21. DO YOU LEASE EMPLOYEES TO OR FROM OTHER EMPLOYERS?		
7. ANY WORK SUBLET WITHOUT CERTIFICATES OF INS.?			22. DO ANY EMPLOYEES PREDOMINANTLY WORK AT HOME?		
8. IS A FORMAL SAFETY PROGRAM IN OPERATION?			23. WHAT ARE YOUR ESTIMATED ANNUAL REVENUES? \$		
9. ANY GROUP TRANSPORTATION PROVIDED?			24. IS THERE ANY CURRENT OR ANTICIPATED DEBT FOR UNPAID PREMIUMS OWED TO ANY PREVIOUS WORKERS' COMPENSATION PROVIDER?		
10. ANY EMPLOYEES UNDER 16 OR OVER 60 YEARS OF AGE?			<b>CONTACT INFORMATION</b>		
11. ANY PART TIME OR SEASONAL EMPLOYEES?			IN-SPECTION	PHONE:	
12. IS THERE ANY VOLUNTEER OR DONATED LABOR?				NAME:	
13. ANY EMPLOYEES WITH PHYSICAL HANDICAPS?			ACCTNG RECORD	PHONE:	
14. DO EMPLOYEES TRAVEL OUT OF STATE?				NAME:	
15. ARE ATHLETIC TEAMS SPONSORED?			CLAIMS INFO	PHONE:	
				NAME:	
<b>REMARKS</b>					

THE FILING OF AN APPLICATION CONTAINING FALSE, MISLEADING, OR INCOMPLETE INFORMATION PROVIDED WITH THE PURPOSE OF AVOIDING OR REDUCING THE AMOUNT OF PREMIUMS FOR WORKERS' COMPENSATION COVERAGE IS A FELONY OF THE THIRD DEGREE, PUNISHABLE AS PROVIDED IN S. 775.082, S. 775.083, OR S. 775.084.

I UNDERSTAND THAT AS THE EMPLOYER,  
I MUST UPDATE THE APPLICATION MONTHLY TO REFLECT ANY CHANGE IN THE REQUIRED APPLICATION INFORMATION; (THE FLORIDA WORKERS COMPENSATION CHANGE SHEET WILL BE USED FOR THIS PURPOSE.)

IF I FILE AN APPLICATION OR APPLICATION UPDATE CONTAINING FALSE, MISLEADING, OR INCOMPLETE INFORMATION WITH THE PURPOSE OF AVOIDING OR REDUCING THE AMOUNT OF PREMIUMS FOR WORKERS COMPENSATION COVERAGE IT IS A FELONY OF THE THIRD DEGREE OR AS OTHERWISE PUNISHABLE AS PROVIDED UNDER THE LAW.

I SHALL SUBMIT TO THE CARRIER, A COPY OF THE EMPLOYERS QUARTERLY REPORT AND SELF-AUDITS SUPPORTED BY THE EMPLOYERS QUARTERLY REPORT, AS REQUIRED BY CHAPTER 443, AT THE END OF EACH QUARTER. IF I OMIT THE NAME OF AN EMPLOYEE FROM THIS EMPLOYERS QUARTERLY REPORT, FLORIDA STATUTES STATE THAT I WILL REMAIN LIABLE AND WILL REIMBURSE THE CARRIER FOR ANY WORKERS COMPENSATION BENEFITS PAID TO THIS OMITTED EMPLOYEE;

I AGREE TO MAKE AVAILABLE, ALL RECORDS NECESSARY FOR THE PAYROLL VERIFICATION AUDIT AND PERMIT THE AUDITOR TO MAKE A PHYSICAL INSPECTION OF OUR OPERATIONS. I UNDERSTAND FAILURE TO DO THIS SHALL RESULT IN A \$500 PAYMENT TO THE CARRIER TO DEFRAY THE COST OF THE AUDITS;

THAT, IN ACCORDANCE WITH FLORIDA STATUTES 440.381(6), IF I (WE) UNDERSTATE OR CONCEAL PAYROLL, OR MISREPRESENT OR CONCEAL EMPLOYEE DUTIES SO AS TO AVOID PROPER CLASSIFICATION FOR PREMIUM CALCULATIONS, OR MISREPRESENT OR CONCEAL INFORMATION PERTINENT TO THE COMPUTATION AND APPLICATION OF AN EXPERIENCE RATING MODIFICATION FACTOR, I (WE) SHALL PAY A PENALTY OF TEN (10) TIMES THE AMOUNT OF THE DIFFERENCE IN PREMIUM PAID AND THE AMOUNT I (WE) SHOULD HAVE PAID, AND REASONABLE ATTORNEY'S FEES.

**FORMER NAMES AND OWNERS**

FOR THE LAST 5 YEARS, LIST THE CURRENT BUSINESS NAME AND ANY FORMER NAMES OR PREDECESSOR COMPANIES FOR ALL COMPANIES TO BE COVERED BY THE POLICY. INCLUDE THE FEIN FOR EACH COMPANY.

FOR EACH COVERED COMPANY, LIST ANY CURRENT OWNER WHO HAS MORE THAN 5% OWNERSHIP INTEREST. FOR EACH COVERED COMPANY OR PREDECESSOR COMPANY, LIST ANY OWNER WHO HAD MORE THAN 5% OWNERSHIP INTEREST IN THE LAST 5 YEARS.

**OWNERSHIP / COMBINABILITY**

DOES THIS BUSINESS OR ANY OF THE OWNERS OF THIS BUSINESS, EITHER INDIVIDUALLY OR IN COMBINATION WITH OTHER OWNERS OF THIS BUSINESS, OWN MORE THAN 50% OF ANY OTHER BUSINESS, WHICH OPERATED AT ANY TIME DURING THE FIVE YEARS PRIOR TO THIS APPLICATION?

YES  NO

OR, DOES THIS BUSINESS OWN A MAJORITY INTEREST IN ANOTHER ENTITY, WHICH IN TURN OWNS A MAJORITY INTEREST IN ANY ENTITY THAT OPERATED AT ANY TIME IN THE FIVE YEARS PRIOR TO THIS APPLICATION?

YES  NO

IF THE ANSWER TO EITHER OF THE ABOVE QUESTIONS IS YES, COMPLETE THE FOLLOWING SUPPLEMENTAL OWNERSHIP / COMBINABILITY QUESTIONS:

1. IDENTIFY BY NAME, ADDRESS, AND FEIN EACH BUSINESS WHICH IS RELATED BY COMMON OWNERSHIP TO THE APPLICANT BUSINESS.
2. SET FORTH THE DATES EACH BUSINESS WAS IN OPERATION, THE INSURANCE COMPANY THAT PROVIDED WORKERS' COMPENSATION INSURANCE, THE POLICY NUMBER AND THE EXPERIENCE MODIFICATION FACTOR APPLIED TO EACH SUCH POLICY.
3. IF THE POLICY WAS WRITTEN WITHOUT AN EXPERIENCE MODIFICATION FACTOR, PLEASE STATE.

THE APPLICANT HEREBY AUTHORIZES AND REQUESTS EACH RATING ORGANIZATION WITH EXPERIENCE RATING INFORMATION RELATED TO THE APPLICANT AND THE BUSINESS SET FORTH ABOVE TO RELEASE SUCH INFORMATION TO THE INSURER, FWCJUA, OR OTHER RATING ORGANIZATION SO THAT THE CORRECT EXPERIENCE MODIFICATION FACTOR CAN BE DETERMINED.

I HEREBY ACKNOWLEDGE THAT I HAVE READ THE ABOVE STATEMENTS AND PERSONALLY SWEAR THAT THE INFORMATION CONTAINED IN THE APPLICATION IS ACCURATE. THAT I, AS AN OWNER / OFFICER, AM FULLY AUTHORIZED TO SIGN THIS APPLICATION ON BEHALF OF THE APPLICANT AND TO BIND THE APPLICATION.

AS AGENT / PRODUCER I HEREBY ATTEST THAT I HAVE GIVEN THE APPLICANT/SIGNATORY THE OPPORTUNITY TO READ THE APPLICATION AND I HAVE EXPLAINED ANY AND ALL QUESTIONS REGARDING THE APPLICATION. I ALSO ATTEST THAT I HAVE EXPLAINED TO THE EMPLOYER OR OFFICER THE CLASSIFICATION CODES THAT ARE USED FOR PREMIUM CALCULATIONS PURSUANT TO SECTION 440.381 (2), FLORIDA STATUTES.

UNDER PENALTIES OF PERJURY, I DECLARE THAT I HAVE READ THE FOREGOING DOCUMENT AND THAT THE FACTS STATED IN IT ARE TRUE.

UNDER PENALTIES OF PERJURY, I DECLARE THAT I HAVE READ THE FOREGOING DOCUMENT AND THAT THE FACTS STATED IN IT ARE TRUE.

OWNER / OFFICER SIGNATURE

DATE

PRODUCER'S SIGNATURE

DATE

PRINT NAME

**OFFICE OF INSURANCE REGULATION  
Contract Signature Page**

<b>Contract Title</b> Actuarial Consulting Services for Peer Review of Ratemaking Processes of the NCCI	<b>P.O. No. or Solicitation No., if any</b>	<b>Contract Number</b>
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1. This Contract is entered into between the Office of Insurance Regulation and the Contractor named below:

**The Office of Insurance Regulation, 200 East Gaines Street, Tallahassee, FL 32399** (hereinafter called the "Office")

**Oliver Wyman Actuarial Consulting, Inc. 48 South Service Rd, Ste 310, Melville, NY 11747** (hereinafter called the "Contractor")

2. <b>Contract to Begin:</b> December 2, 2019, or the date last signed below, whichever is later ("Effective Date")	<b>Date of Completion:</b> February 28, 2020	<b>Renewals:</b> None
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3. <b>Performance Bond, if any:</b> None	<b>Other Bonds, if any:</b> None
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4. <b>Total Value for Contract Term:</b> \$12,500	<b>Total Value of Renewal(s):</b> \$0	<b>Total Value of Contract Term Plus Renewal(s):</b> \$12,500
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<b>5. Office's Contract Manager</b>	<b>Contractor's Contract Manager</b>
<b>Name:</b> Richard Fox <b>Address:</b> 200 East Gaines Street, Tallahassee, FL 32399 <b>Phone:</b> 850-413-5024 Richard.Fox@fior.com	<b>Name:</b> Scott Lefkowitz, Partner <b>Address:</b> 48 South Service Road, Ste. 310, Melville, NY 11747 <b>Phone:</b> 631-577-0548 Scott.Lefkowitz@oliverwyman.com

6. The parties agree to comply with the terms and conditions of the following attachments which are hereby incorporated by reference:

Attachment 1: Statement of Work
Attachment 2: Standard Terms and Conditions
Attachment 3: Price Response

7. The parties agree to comply with the terms and conditions of the following addenda which are hereby incorporated by reference:

Addendum A: Public Records Requirements
Addendum B: Data Security Requirements
Addendum C: Request for Informal Quote and Relevant Portions of Contractor's Response

**IN WITNESS WHEREOF, this Contract is being executed by the parties and will begin on the Effective Date.**

8. **Oliver Wyman Actuarial Consulting, Inc. CONTRACTOR**  
Contractor's Name (if other than individual, state whether corporation, partnership, etc.)

By (Authorized Signature) <b>Scott Lefkowitz, Partner</b>	Date Signed
Printed Name and Title of Person Signing	

9. **Office of Insurance Regulation OFFICE**

By (Authorized Signature) <b>Mike Yaworsky, Chief of Staff</b>	Date Signed
Printed Name and Title of Person Signing	

**OFFICE OF INSURANCE REGULATION**

**Request for Informal Quote**

**Actuarial Consulting Services for Peer Review and Analysis of the  
Ratemaking Processes of the National Council on Compensation Insurance**

**ATTACHMENT 2**

**STATEMENT OF WORK**

**1. Scope of Work.**

The Contractor shall perform an independent actuarial peer review and analysis of the ratemaking processes of the National Council on Compensation Insurance (“NCCI”). The analysis of ratemaking should specifically include an analysis of the processes employed in evaluating and pricing the effect of legislation or new law. A final report is due to the Commission, President of the Senate, and Speaker of the House by February 1, 2020. (Prior reports are available for review on the Office’s website <http://www.floir.com/office/datareports.aspx> and prior Proposals are available by request through the Office’s Public Records Office [publicrecords@floir.com](mailto:publicrecords@floir.com).)

**2. Payment Provisions.**

- a. Compensation. This is a fixed price contract. The compensation of this Contract is stated in the attached Price Sheet, which is incorporated by reference.
- b. Expenses. The Office will not compensate the Contractor for any of its expenses, including travel-related expenses.
- c. Funding Source. The funds used to satisfy this Contract will come from the Workers’ Compensation Trust Fund.
- d. Invoicing. Invoicing will occur after approval of the final deliverable(s).
  - i. Invoice shall be submitted to the Contract Manager:  
Richard Fox  
State of Florida, Office of Insurance Regulation  
200 East Gaines Street, Larson Building, Room 121-J  
Tallahassee, FL 32399  
[Richard.Fox@floir.com](mailto:Richard.Fox@floir.com)

**3. Contractor Responsibilities.**

- a. *Deliverables and Acceptance Criteria.*  
The Office will require the Contractor to provide the following:

<b>Deliverable</b>	<b>Deliverable Description and Acceptance Criteria</b>	<b>Consequences for Non-Performance</b>	<b>Due Date</b>
1. Peer review and analysis of the ratemaking processes of NCCI in Florida.	Deliverable Description: Produce a <b>Draft</b> report which outlines objectives and approach of the project; documents the data used, materials reviewed, assumptions and methodologies employed during the project, including reference to any Actuarial Standards of Practice; and detailed findings and recommendations, if any. The Draft report must comply with accepted actuarial practice and any standards for such analysis established by the Casualty Actuarial Society and/or the American Academy of Actuaries.	Failure to complete the required peer review and analysis as outlined in this SOW will result in the rejection of the invoice and will not be paid until correction has been made. Additionally, the Office will withhold \$200.00 per day for each calendar day beyond the due date until the deliverable is provided to the Office.	January 13, 2020
2. Peer review and analysis of the ratemaking processes of NCCI in Florida.	Produce a <b>Final</b> report which outlines objectives and approach of the project; documents the data used, materials reviewed, assumptions and methodologies employed during the project, including reference to any Actuarial Standards of Practice; and detailed findings and recommendations, if any. The Final Report must comply with accepted actuarial practice and any standards for such analysis established by the Casualty Actuarial Society and/or the American Academy of Actuaries.  Acceptance criteria: Task must be satisfactorily completed within the stated response time after request is made, and must be itemized in invoice.	Failure to complete the required peer review and analysis as outlined in this SOW will result in the rejection of the invoice and will not be paid until correction has been made. Additionally, the Office will withhold \$200.00 per day for each calendar day beyond the due date until the deliverable is provided to the Office.	January 21, 2020

**b. Additional Responsibilities**

In addition to the Deliverables listed below, the following tasks are to be performed by the awarded Proposer (“Contractor”):

- i. Contractor will attend status meetings which may be conducted by teleconference, as requested by the Office.

Request for Informal Quote – Attachment 2

- ii. Provide expert witness testimony during the 2020 legislative session and/or associated legislative committee weeks as required. Such services will be provided pursuant to a separate contract to be entered into between the Office and the Contractor, in the event such services are required.

**4. Standards and Specifications.**

All deliverables developed and work conducted by the Contractor pursuant to this Statement of Work (“SOW”) shall be performed in accordance with Office’s standards and applicable specifications.

**5. Acceptance of Work and Performance Standards.**

The Office will use the “Deliverable Description and Acceptance Criteria” above to determine when each task will be considered acceptable. The Contract Manager may provide additional acceptance criteria during the contract period to be used for the deliverables. Failure to accept a deliverable within twenty (20) days means automatic non-acceptance by the Office unless stated otherwise by the Contract Manager in writing.

**6. Contract Period.**

The contract period for this SOW begins upon execution of a written agreement between the Office and the Contractor and ends close of business on February 28, 2020.

**7. Project Manager.**

All services will be performed under the direction and control of:

Greg Jaynes  
State of Florida, Office of Insurance Regulation  
200 East Gaines Street, Larson Building, Room 212-F  
Tallahassee, FL 32399  
Greg.Jaynes@flor.com

All written and verbal approvals referenced in this contract must be obtained from the Office’s Project Manager designated in this section or her designees in writing. If Contractor fails to notify and obtain approval from the Office before commencing performance of activities relating to changes in the contract, such activities will be considered to be performed gratuitously by Contractor, and Contractor shall not have any right thereafter to assert any claim for additional compensation or time for the performance of such activities.

**8. Special Conditions.**

- a. Data Security and Confidentiality. The Contractor shall comply with all applicable data security requirements outlined in Addendum B- Data Security Requirements, which is hereby incorporated by reference.
- b. Loss of Data. In the event of loss of any State data or record where such loss is due to the negligence of the Contractor or any of its subcontractors or agents, the Contractor shall be responsible for recreating such lost data in the manner and on the schedule set by the Office at the Contractor’s sole expense, in addition to any other damages the Office may be entitled to by law or the contract. In the event lost or damaged data is suspected, the Contractor will perform due diligence, report findings to the Office, and perform efforts

to recover the data. If it is unrecoverable, Contractor will pay all the related costs associated with the remediation and correction of the problems engendered by any given specific loss.

- c. Public Records. The Contractor shall comply with all applicable public records requirements outlined in Addendum A – Public Records Requirements, which is hereby incorporated by reference.
- d. Governing Law. With regard to limitation of actions, section 95.11, F. S., shall govern. Florida law shall govern the contract and jurisdiction shall be in Leon County, FL.

**OFFICE OF INSURANCE REGULATION**  
**Standard Terms and Conditions**

**ATTACHMENT 1**

**1. Entire Contract.**

This Contract, including any Attachments and Addenda referred to herein and attached hereto, constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior agreements, whether written or oral, with respect to such subject matter. Any preprinted contract terms and conditions included on Contractor's forms or invoices will be null and void.

**2. Contract Administration.**

a. Order of Precedence. If there are conflicting provisions among the documents that make up the Contract, the order of precedence for the documents is as follows:

- i) Attachment 2, Statement of Work
- ii) Contract Signature Page
- iii) Attachments other than Attachments 1, 2, 3, and 4, if any, in the numerical order designated in the Contract Signature Page
- iv) Attachment 1, Standard Terms and Conditions
- v) Attachment 3, Price Response
- vi) Addendum A, Public Records Requirements
- vii) Addendum B, Data Security Requirements
- viii) Attachment 4, Form PUR 1000, General Contract Conditions (PUR 1000)
- ix) Addenda other than Addenda A and B, if any, in the alphabetical order designated in the Contract Signature Page

Notwithstanding the foregoing, if there is any discrepancy between Attachment 2, Statement of Work, and any incorporated portions of the Contract that were provided by the Contractor, the terms most favorable to the Office will prevail.

- b. Approvals. All written and verbal approvals referenced in this Contract must be obtained from the parties' Contract Managers as designated in the Contract Signature Page, or their designees, if designated in writing.
- c. Contract Managers. In the event that different Contract Managers are designated by either party after execution of this Contract, notice of the name and contact information of the new Contract Manager shall be submitted in writing (by either mail or e-mail) to the other party and maintained in the respective parties' Contract records. Designation of a new Contract Manager will not require a formal amendment to the Contract.
- d. Amendments. This Contract may be amended only by a written agreement between both parties.

**3. Contract Duration.**

- a. Term. The term of the Contract will begin and end on the dates indicated on the Contract Signature Page unless terminated earlier in accordance with the applicable terms and conditions.
- b. Renewals. Section 287.058(1)(g), Florida Statutes (F.S.), is hereby incorporated by reference and any renewals provided under the Contract must meet the requirements of this statute. If the Contract Signature Page indicates renewals are available, the Contract may be renewed for the timeframe(s) indicated in the Contract Signature Page.

**4. Deliverables.**

The Contractor agrees to render the services or other units of deliverables, which may be comprised of tasks or activities, as set forth in Attachment 2, Statement of Work. The services or other units of deliverables specified shall be delivered in accordance with the schedule and at the pricing outlined in Attachment 2, Statement of Work, and Attachment 3, Price Response.

**5. Performance Measures.**

The Contractor warrants that: (1) the services will be performed by qualified personnel; (2) the services will be of the kind and quality described in Attachment 2, Statement of Work; (3) the services will be performed in a professional and workmanlike manner in accordance with industry standards and practices;



(4) the services will not and do not infringe upon the intellectual property rights, or any other proprietary rights, of any third party; and (5) any person or entity, whether an agent or independent contractor, that performs work on the Contract for the Contractor (Contractor Representative) will comply with any security requirements and processes as provided by the Office, or provided by the Office's customer, for work done at the Office or other locations. The Office reserves the right to investigate or inspect at any time whether the services or qualifications offered by the Contractor meet the Contract requirements. Notwithstanding any provisions to the contrary, written acceptance of a particular deliverable/minimum requirement does not foreclose the Office's remedies in the event those performance standards that cannot be readily measured at the time of delivery are not met.

**6. Acceptance of Deliverables.**

- a. Acceptance Process. All deliverables must be received and accepted in writing by the Office's Contract Manager before payment, unless advanced payment or partial payment has been authorized in accordance with section 215.422, F.S. The Office will have fifteen (15) calendar days to inspect and approve the deliverables after receipt.
- b. Rejection of Deliverables. The Office reserves the right to reject deliverables outlined in Attachment 2, Statement of Work, as incomplete, inadequate, or unacceptable due in whole or in part to the Contractor's lack of satisfactory performance under the terms of this Contract. If the Office's Contract Manager does not accept a deliverable within fifteen (15) days, the deliverable will be deemed rejected. Failure to fulfill the appropriate technical requirements or complete all tasks, duties, or activities as identified in Attachment 2, Statement of Work, will result in rejection of the deliverable and the associated invoice. The Office, at its option, may allow additional time within which the Contractor may remedy the objections noted by the Office before the Office issues a notice of default. If the Office's Contract Manager allows additional time for the Contractor to correct a rejected deliverable, the Contractor shall work diligently to correct all deficiencies in the deliverable that remain outstanding within a reasonable time or, if a time certain is specified, within the additional time allotted. All work done to correct a rejected deliverable will be done at the Contractor's expense.
- c. Status Reports. If status reports are required as part of the Contract, the Contractor shall timely submit status reports showing each task, activity, and deliverable worked on; attesting to the level of services provided; listing the hours spent on each task, activity, or deliverable; and listing any upcoming tasks, activities, or deliverables.
- d. Completion Criteria and Date. The Contract will be considered complete once all of the deliverables under the Contract have been provided and accepted. The final date for completion of the Contract must not exceed the Contract duration, including any executed renewals or extensions, or, where applicable, the expiration date of any purchase orders made from the Contract.

**7. Financial Consequences for Nonperformance.**

Withholding Payment. In addition to the specific financial consequences explained in Attachment 2, Statement of Work, the state of Florida (State) reserves the right to withhold payment when the Contractor has failed to perform or comply with the provisions of this Contract. These consequences for nonperformance are not to be considered penalties.

**8. Dispute Resolution.**

Any claim, counterclaim, or dispute between the Office and the Contractor relating to this Contract will be resolved as set forth herein. For all claims, the party with the dispute shall submit an affidavit executed by that party's Contract Manager, or designee, certifying that:

- i. The claim is made in good faith;
- ii. The claim accurately reflects the adjustments for performance; and
- iii. The supporting data provided with such an affidavit are current and complete to the Contract Manager's best knowledge and belief.

The Contractor is obligated to address any cost-related issues with the Office for which the Contractor believes the State is liable and address all costs of every type to which the Contractor is entitled from the occurrence of the claimed event. The Contractor cannot seek a claim under this Contract for an increase in payment.

- a. Informal Resolution Process. If the parties are unable to resolve any disputes after compliance with such processes, the parties shall meet with the Office's Chief Financial Officer (CFO), or designee, for

the purpose of attempting to resolve such dispute without the need for formal legal proceedings, as follows:

- i. The representatives of the Contractor and the Office shall meet as often as the parties reasonably deem necessary in order to gather and furnish to each other all information with respect to the matter at issue which the parties believe to be appropriate and germane in connection with its resolution. The representatives shall discuss the problem and negotiate in good faith in an effort to resolve the dispute without the necessity of any formal proceeding.
  - ii. During the course of negotiations, all reasonable requests made by one party to another for non-privileged information reasonably related to this Contract will be honored in order that each of the parties may be fully advised of the other's position.
  - iii. The specific format for the discussions will be left to the discretion of the designated Office's and Contractor's representatives but may include the preparation of agreed upon statements of fact or written statements of position.
  - iv. Following the completion of this process, the CFO, or designee, shall issue a written opinion regarding the issue(s) in dispute. The opinion regarding the dispute will be considered the Office's final action.
- b. Continued Performance. Each party agrees to continue performing its obligations under this Contract while a dispute is being resolved except to the extent the issue in dispute precludes performance (dispute with the Office over compensation will not be deemed to preclude performance) and without limiting either party's right to terminate this Contract for convenience or default.

#### **9. Payment.**

- a. Payment Process. Subject to the terms and conditions established in Attachment 2, Statement of Work, the pricing per deliverable established by the Attachment 3, Price Response, or Attachment 2, Statement of Work, and the billing procedures established by the Office, the Office agrees to pay the Contractor for services rendered in accordance with section 215.422, F.S. To obtain the applicable interest rate, please refer to <http://www.myfloridacfo.com/Division/AA/Vendors/default.htm>.
- b. Vendor Rights. A Vendor Ombudsman has been established within the Office. The duties of this individual include acting as an advocate for Contractors who may be experiencing problems in obtaining timely payment(s) from a state agency. The Vendor Ombudsman may be reached at (850) 413-5516.
- c. Taxes. The Office is exempted from payment of State sales and use taxes and Federal Excise Tax. The Contractor, however, will not be exempted from paying State sales and use taxes to the appropriate governmental agencies or for payment by the Contractor to suppliers for taxes on materials used to fulfill its contractual obligations with the Office. The Contractor shall not use the Office's exemption number in securing such materials. The Contractor shall be responsible and liable for the payment of all its FICA/Social Security and other taxes resulting from this Contract. The Contractor shall provide the Office its taxpayer identification number upon request.
- d. Invoice Detail. All charges for services rendered or for reimbursement of expenses authorized by the Office pursuant to Attachment 2, Statement of Work, shall be submitted to the Office in sufficient detail for a proper pre-audit and post-audit to be performed.
- e. Interim Payments. Interim payments may be made by the Office at its discretion under extenuating circumstances if the completion of services and other units of deliverables to date have first been accepted in writing by the Office's Contract Manager.

#### **10. Insurance.**

- a. Required Coverage. At all times during the duration of the Contract, the Contractor, at its sole expense, and its subcontractors, if any, shall maintain insurance coverage of such types and with such terms and limits as may be reasonably associated with the Contract. The limits of coverage under each policy maintained by the Contractor will not be interpreted as limiting the Contractor's liability and obligations under the Contract. All insurance policies must either be through insurers licensed and authorized to write policies in the State or through a self-insurance program established and operating under the laws of the State. Unless specifically exempted in Attachment 2, Statement of Work, the following are the minimum insurance requirements applicable to this Contract:

#### **Attachment 1**

i. Commercial General Liability Insurance.

By execution of this Contract, unless the Contractor is a state agency or subdivision as defined by section 768.28(2), F.S., the Contractor shall provide adequate commercial general liability insurance coverage and hold such liability insurance at all times during the Contract. The Office and its employees and officers must be named as an additional insured on any general liability policies.

ii. Workers' Compensation and Employer's Liability Coverage.

The Contractor shall provide workers' compensation, in accordance with chapter 440, F.S., and employer's liability insurance with minimum limits of \$100,000 per accident, \$100,000 per person, and \$500,000 policy aggregate. Such policies must cover all employees engaged in any Contract work.

iii. Other Insurance.

At all times during the duration of the Contract, the Contractor shall maintain any other insurance as required in Attachment 2, Statement of Work.

- b. Deductibles. The Office is exempt from, and in no way liable for, any sums of money representing a deductible in any insurance policy. The payment of such deductible shall be the sole responsibility of the Contractor or subcontractor providing such insurance.
- c. Verification of Insurance. Upon execution of the Contract, the Contractor shall provide to the Office written verification of the existence and amount for each type of applicable insurance coverage. Upon receipt of written request from the Office, the Contractor shall furnish to the Office proof of applicable insurance coverage by standard form certificates of insurance.
- d. Failure to Maintain Coverage. In the event that any applicable coverage is cancelled by the insurer for any reason, the Contractor shall immediately notify the Office of such cancellation and shall obtain adequate replacement coverage conforming to the requirements herein and provide proof of such replacement coverage within fifteen (15) business days after the cancellation of coverage.

**11. Termination.**

- a. Contractor Obligations upon Notice of Termination. After receipt of a notice of termination or partial termination, and except as otherwise directed by the Office, the Contractor shall stop performing services on the date, and to the extent specified, in the notice. The Contractor shall accept no further work or new services related to the affected deliverables, and shall, as soon as practicable, but in no event longer than thirty (30) calendar days after termination, terminate any orders and subcontracts related to the terminated deliverables and settle all outstanding liabilities and all claims arising out of such termination of orders and/or subcontracts, with the approval or ratification of the Office to the extent required, which approval or ratification shall be final for the purpose of this section. The Contractor shall submit to the Office within ninety (90) calendar days of termination a request for payment of completed services. Requests submitted later than ninety (90) calendar days after termination will not be honored and will be returned unpaid. The Contractor shall professionally service to conclusion, in accordance with the requirements of the Contract, all services for which the Office has paid prior to the termination date of this Contract. Should the Contractor fail to perform all services under the Contract, the Contractor shall be liable to the Office for any fees or expenses that the Office may incur in securing a substitute provider to assume completion of those services.
- b. Contractor Obligations after Termination. If at any time the Contract is canceled, terminated, or expires, and a contract is subsequently executed with a provider other than the Contractor, the Contractor has the affirmative obligation to assist in the smooth transition of Contract services to the subsequent contractor in accordance with Exit Transition requirements in Section 31, below, and Attachment 2, Statement of Work, if expressed therein.
- c. Termination for Convenience. The Office may, in its sole discretion, terminate the Contract in whole or in part at any time by giving thirty (30) days' written notice to the Contractor. The Contractor will not be entitled to recover any cancellation charges or lost profits.

**12. Notice of Default.**

If the Contractor defaults in the performance of any covenant or obligation contained in the Contract, including, without limitation, any of the events of default listed below, the Office shall provide notice to the Contractor and an opportunity to cure that is reasonable under the circumstances. This notice will state

the nature of the failure to perform and provide a time certain for correcting the failure. The notice will also provide that the Office may terminate the Contract effective as of the date of receipt of the default notice unless the Contractor cures the default within the specified cure period.

**13. Events of Default.**

Provided such failure is not the fault of the Office or outside the reasonable control of the Contractor, the following non-exclusive list of events, acts, or omissions, constitutes events of default:

- a. The commitment of any material breach of this Contract by the Contractor, including failure to timely deliver a deliverable, discontinuance of the performance of the work, failure to resume work that has been discontinued within a reasonable time after notice to do so, or abandonment of the Contract;
- b. Failure to maintain adequate progress, thus endangering performance of the Contract;
- c. Failure to honor any term of the Contract,
- d. Failure to abide by any statutory, regulatory, or licensing requirement, including an entry of an order revoking the certificate of authority granted to the Contractor by the State or other licensing authority;
- e. Failure to pay any and all entities, individuals, and the like furnishing labor or materials, or failure to make payment to any other entities as required herein in connection with the Contract;
- f. Employment of an unauthorized alien in the performance of the work, in violation of section 274A of the Immigration and Nationality Act, 8 U.S.C. section 1324a;
- g. One or more of the following circumstances, uncorrected for more than thirty (30) calendar days unless within the specified thirty (30) day period, the Contractor (including its receiver or trustee in bankruptcy) provides to the Office adequate assurances, reasonably acceptable to the Office, of its continuing ability and willingness to fulfill its obligations under the Contract:
  - i) Entry of an order for relief under Title 11 of the United States Code;
  - ii) To the extent permitted by State law, the making by the Contractor of a general assignment for the benefit of creditors;
  - iii) The appointment of a general receiver or trustee in bankruptcy of the Contractor's business or property; or
  - iv) An action by the Contractor under any state insolvency or similar law for the purpose of its bankruptcy, reorganization, or liquidation;
- h. The commitment of an intentional material misrepresentation or omission in any materials provided to the Office;
- i. Failure to comply with the E-Verify requirements of this Contract; and
- j. Failure to or maintain the insurance required by this Contract.

**14. Indemnification.**

The following provision supplements Section 19, Indemnification, of Attachment 4, PUR 1000:

No provision in this Contract shall be construed to: 1) require the Office to hold harmless or indemnify the Contractor; 2) require the Office to insure or assume liability for the Contractor's negligence or the negligence of Contractor Representatives; 3) waive the Office's sovereign immunity under the laws of the State; or 4) otherwise impose liability on the Office for which it would not otherwise be responsible. Any provision, implication, or suggestion to the contrary is null and void.

**15. Limitation of Liability.**

The Office's liability for any claim arising from this Contract is limited to compensatory damages in an amount no greater than the sum of the unpaid balance of compensation due for goods or services rendered pursuant to and in compliance with the terms of the Contract. Such liability is further limited to a cap of \$100,000.

**16. Remedies.**

Nothing in this Contract will be construed to make the Contractor liable for force majeure events. Nothing in this Contract, including financial consequences for nonperformance, will limit the Office's right to pursue its remedies for other types of damages under the Contract, at law, or in equity. The Office may, in addition to other remedies available at law or equity, and upon notice to the Contractor, retain such monies from amounts due to the Contractor as may be necessary to satisfy any claim for damages, penalties, costs, and the like asserted by or against it. The Office may set off any liability or other obligation of the Contractor or its affiliates to the Office against any payments due the Contractor under any contract with the State.

**17. Waiver.**

The delay or failure by the Office to exercise or enforce any of its rights under this Contract does not constitute nor is to be deemed a waiver of the Office's right thereafter to enforce those rights, nor will any single or partial exercise of any such right preclude any other or further exercise thereof or the exercise of any other right.

**18. Record Retention.**

The Contractor shall retain records demonstrating its compliance with the terms of the Contract five (5) years after the expiration of the Contract and all pending matters, or the period required by the General Records Schedules maintained by the Florida Department of State (available at: <http://dos.myflorida.com/library-archives/records-management/general-records-schedules/>), whichever is longer. If the Contractor is required to comply with section 119.0701, F.S., then compliance with the retention of records in accordance with section 119.0701(2)(b)4., F.S., will fulfill the above stated requirement. If the Contractor's record retention requirements terminate prior to the requirements stated herein, the Contractor may meet the Office's record retention requirements for this Contract by transferring its records to the Office at that time, and by destroying duplicate records in accordance with section 501.171(8), F.S., and, if applicable, section 119.0701, F.S. The Contractor shall adhere to established information destruction standards such as those established by the National Institute of Standards and Technology Special Publication 800-88, "Guidelines for Media Sanitization" (2014). See <http://nvlpubs.nist.gov/nistpubs/SpecialPublications/NIST.SP.800-88r1.pdf>.

**19. Intellectual Property.**

- a. In accordance with State law, the Contractor shall not assert any rights to: 1) intellectual property created or otherwise developed specifically for the Office under this Contract or any prior agreement between the parties (which includes any deliverables); 2) intellectual property furnished by the Office; and 3) any data collected or created for the Office. The Contractor shall perfect the transfer of any such property or data to the Office upon completion, termination, or cancellation of the Contract and prior to payment of the final invoice. Any data provided must be in a format designated by the Office.
- b. If the Office or the State has authority to assert a right in any of the property or data, the Contractor shall assist, if necessary, in the assertion of such right.
- c. Proceeds derived from the sale, licensing, marketing, or other authorization related to any such Office-controlled intellectual property rights shall belong to the Office, unless otherwise specified by applicable State law.
- d. Notwithstanding the foregoing, and unless otherwise specified in Attachment 2, Statement of Work, the Contractor's intellectual property rights that preexist this Contract will remain with the Contractor.
- e. If the Contractor fails to provide, or no longer can provide, a deliverable or service under the Contract that contains or otherwise utilizes intellectual property controlled by the Contractor, the Contractor shall grant the Office a royalty-free, paid-up, nonexclusive, perpetual license to use, modify, reproduce, distribute, publish, or release to others such Contractor-controlled intellectual property solely for use in connection with the deliverables or services under the Contract.

**20. Ownership of Property.**

Title to all property furnished by the Office under this Contract and deliverables provided to the Office shall remain property of the Office and/or become property of the Office upon receipt and acceptance. The Contractor shall perfect any transfer of the property to the Office upon completion, termination, or cancellation of the Contract prior to payment of the final invoice.

**21. Nonexclusive Contract.**

This Contract is not an exclusive license to provide the services described in the solicitation or the resulting Contract. The Office may, without limitation and without recourse by the Contractor, contract with other vendors to provide the same or similar services.

**22. Statutory Notices.**

The Office shall consider the employment by any contractor of unauthorized aliens a violation of section 274A(e) of the Immigration and Nationality Act. Pursuant to sections 287.133 and 287.134, F.S., the following restrictions are placed on the ability of persons or entities placed on the convicted vendor list or the discriminatory vendor list:

- a. Public Entity Crime. A person or affiliate who has been placed on the convicted vendor list following a conviction for a public entity crime may not submit a bid, proposal, or reply on a contract to provide any goods or services to a public entity; may not submit a bid, proposal, or reply on a contract with a public entity for the construction or repair of a public building or public work; may not submit a bid, proposal, or reply on leases of real property to a public entity; may not be awarded or perform work as a contractor, supplier, subcontractor, or consultant under a contract with any public entity; and may not transact business with any public entity in excess of the threshold amount provided in section 287.017, F.S., for CATEGORY TWO for a period of thirty-six (36) months following the date of being placed on the convicted vendor list.
- b. Discriminatory Vendors. An entity or affiliate that has been placed on the discriminatory vendor list may not submit a bid, proposal, or reply on a contract to provide any goods or services to a public entity; may not submit a bid, proposal, or reply on a contract with a public entity for the construction or repair of a public building or public work; may not submit a bid, proposal, or reply on leases of real property to a public entity; may not be awarded or perform work as a contractor, supplier, subcontractor, or consultant under a contract with any public entity; and may not transact business with any public entity.

The Contractor shall notify the Office if it or any of its suppliers, subcontractors, or consultants have been placed on the convicted vendor list or the discriminatory vendor list during the life of the Contract.

### **23. Compliance with Federal, State, and Local Laws.**

- a. Regulations. The Contractor and all Contractor Representatives shall comply with all federal, state, and local regulations, including, but not limited to, nondiscrimination, wages, social security, workers' compensation, licenses, and registration requirements.
- b. Choice of Law. This Contract will be governed by and construed in accordance with the laws of the State.
- c. Rehabilitation Act. If applicable, the Contractor shall ensure that, as to its products and services it develops for the Office, electronic and information technology accessibility requirements of the Rehabilitation Act Amendments, 29 U.S.C. section 794 are met. Section 508 of the Rehabilitation Act Amendments, 29 U.S.C. section 794, compliance information on the supplies and services in this Contract are available on a website indicated by the Contractor. The Electronic and Information Technology standard can be found at: <http://www.section508.gov/>.
- d. Scrutinized Companies. The following paragraph applies regardless of the dollar value of the goods or services provided:

By entering into this Contract, in accordance with the requirements of section 287.135(5), F.S., the Contractor certifies that it is not participating in a boycott of Israel. At the Office's option, the Contract may be terminated if the Contractor is placed on the Quarterly List of Scrutinized Companies that Boycott Israel (referred to in statute as the "Scrutinized Companies that Boycott Israel List") or becomes engaged in a boycott of Israel.

The State Board of Administration maintains the "Quarterly List of Scrutinized Companies that Boycott Israel" at the following link:

<https://www.sbafla.com/fsb/FundsWeManage/FRSPensionPlan/GlobalGovernanceMandates.aspx>.

The following paragraph applies only when the goods or services to be provided are \$1 million or more:

By entering into this Contract, in accordance with the requirements of section 287.135, F.S., the Contractor certifies that it is not on the Scrutinized List of Prohibited Companies (referred to in statute as the "Scrutinized Companies with Activities in Sudan List" and the "Scrutinized Companies with Activities in the Iran Petroleum Energy Sector List") and, to the extent that it is not preempted by Federal law, that it has not been engaged in business operations in Cuba or Syria. At the Office's option, the Contract may be terminated if such certification (or the certification regarding a boycott of Israel) is false, if the Contractor is placed on the Scrutinized List of Prohibited Companies, or, to the extent not preempted by Federal law, if the Contractor engages in business operations in Cuba or Syria.

The State Board of Administration maintains the "Scrutinized List of Prohibited Companies" under the quarterly reports section at the following link: <https://www.sbafla.com/fsb/PerformanceReports.aspx>.

#### **24. Employment Eligibility Verification.**

The Contractor is responsible for payment of costs, if any, and retention of records relating to employment eligibility verification. These records are exempt from Chapter 119, F.S. Verification requires the following:

- a. In cooperation with the Governor's Executive Order 11-116, the Contractor must participate in the federal E-Verify System for employment eligibility verification under the terms provided in the "Memorandum of Understanding" with the federal Office of Homeland Security if any new employees are hired to work on this Contract during the term of the Contract. The Contractor agrees to provide to the Office, within thirty (30) days of hiring new employees to work on this Contract, documentation of such enrollment in the form of a copy of the E-Verify "Edit Company Profile" screen, which contains proof of enrollment in the E-Verify System. Information on "E-Verify" is available at the following website: <http://www.dhsuscis.gov/e-verify>.
- b. The Contractor further agrees that it will require each subcontractor that performs work under this Contract to enroll and participate in the E-Verify System if the subcontractor hires new employees during the term of this Contract. The Contractor shall include this provision in any subcontract and obtain from the subcontractor(s) a copy of the "Edit Company Profile" screen indicating enrollment in the E-Verify System and make such record(s) available to the Office upon request.

#### **25. Data.**

- a. Data Centers. The Contractor shall only use data centers located in the United States when processing and storing State data under this Contract.
- b. Requirements of Section 501.171, F.S. If the Office shares data that is covered by section 501.171, F.S., with the Contractor in the process of fulfilling this Contract, the Contractor is responsible for fulfilling the requirements of section 501.171, F.S., in the event that the Contractor is responsible for a breach of this data.

#### **26. Claims for Damages.**

Jurisdiction for any damages arising under the terms of the Contract will be in the courts of the State, and venue will be in the Second Judicial Circuit in and for Leon County. Both parties waive their right to a jury trial. Except as otherwise provided by law, the parties agree to be responsible for their own attorney's fees incurred in connection with disputes arising under the terms of this Contract.

#### **27. Independent Contractor.**

The Contractor is an independent contractor and is not an employee or agent of the Office.

#### **28. Subcontracting.**

- a. Consent. Unless otherwise specified in Attachment 2, Statement of Work, all services contracted for are to be performed solely by the Contractor and may not be subcontracted or assigned without the prior written consent of the Office.
- b. Replacement. The Office may, for cause, require the replacement of any Contractor Representative. For cause, includes, but is not limited to, technical or training qualifications, quality of work, change in security status, or non-compliance with an applicable Office policy or other requirement.
- c. Access. The Office may, for cause, deny access to the Office's secure information or any facility by any Contractor Representative.
- d. Continuing Obligation. The Office's actions under paragraphs b. or c. shall not relieve the Contractor of its obligation to perform all work in compliance with the Contract.
- e. Meetings. The Office will not deny Contractor Representatives access to meetings within the Office's facilities, unless the basis of the Office's denial is safety or security considerations.

#### **29. Guarantee of Parent Corporation.**

In the event the Contractor is a subsidiary of another corporation or other business entity, the Contractor asserts that its parent corporation will guarantee all the obligations of the Contractor for purposes of fulfilling the obligations of the Contract. In the event the Contractor is sold during the period the Contract is in effect, the Contractor agrees that it will be a requirement of sale that the new parent company guarantee all the obligations of the Contractor.

#### **30. Survival.**

The respective obligations of the parties, which by their nature would continue beyond the termination or expiration of this Contract, including without limitation, the obligations regarding confidentiality,

proprietary interests, and public records, will survive termination, cancellation, or expiration of this Contract.

**31. Exit Transition Services.**

If not otherwise addressed in Attachment 2, Statement of Work, the Contractor has the affirmative obligation to provide to the Office, or its designee, all reasonable services necessary for the transfer of knowledge regarding the services and deliverables provided under the Contract (Exit Transition Services) to facilitate the orderly transfer of such services to the Office or its designee. If Exit Transition Services are necessary, such services may continue for up to six (6) months after termination, expiration, or cancellation of the Contract, at no cost to the Office.

**32. Third Parties.**

The Office shall not be deemed to assume any liability for the acts, omissions to act, or negligence of the Contractor or Contractor Representatives, nor shall the Contractor disclaim its own negligence to the Office or any third party. This Contract does not and is not intended to confer any rights or remedies upon any person other than the parties. If the Office consents to a subcontract, the Contractor will specifically disclose that this Contract does not create any third-party rights. Further, no third parties shall rely upon any of the rights and obligations created under this Contract.

**33. Employment of State Employees.**

During the term of this Contract, the Contractor shall not knowingly employ or subcontract with any person (including any nongovernmental entity in which such person has any employment or other material interest as defined in section 112.312(15), F.S.), in connection with this Contract, who has participated in the performance or procurement of this Contract except as provided in section 112.3185, F.S.

**34. Audits.**

The Contractor understands its duty, pursuant to section 20.055(5), F.S., to cooperate with the Inspector General in any investigation, audit, inspection, review, or hearing. The Contractor will comply with this duty and ensure that subcontracts issued under this Contract, if any, impose this requirement, in writing, on its subcontractors.

**35. Travel Reimbursement.**

Any travel expenses allowable under this Contract must be submitted in accordance with section 112.061, F.S.

**36. Use of State Funds to Purchase or Improve Real Property.**

Any State funds provided for the purchase of, or improvements to real property, are contingent upon the Contractor or political subdivision granting to the State a security interest in the property at least in the amount of State funds provided, for at least five (5) years from the date of purchase or the completion of the improvements, or as further required by law.

**37. Assignment.**

Unless otherwise required by law, the Contractor shall not sell, assign or transfer any of its rights, duties or obligations under the Contract, or under any purchase order issued pursuant to the Contract, without the prior written consent of the Office. In the event of any assignment, the Contractor remains secondarily liable for performance of the Contract, unless the Office expressly waives such secondary liability. The Office may assign the Contract with prior written notice to the Contractor of its intent to do so.

**38. Lobbying.**

The following replaces the first sentence of Section 18, Lobbying and Integrity, of Attachment 4, PUR 1000:

The Contractor agrees that funds received by it under this Contract will not be expended for the purpose of lobbying the Legislature, the judicial branch, or a State agency in violation of sections 11.062 or 216.347, F.S. Pursuant to the requirements of section 287.058(6), F.S., during the Contract term, the Contractor may lobby the executive or legislative branch concerning the scope of services, performance, term, or compensation regarding the Contract.

**39. Contractor Representatives.**

All Contractor Representatives shall be properly trained technicians who meet or exceed any specified training qualifications. Upon request, the Contractor shall furnish a copy of technical certification or other



proof of qualification. All Contractor Representatives must comply with all security and administrative requirements of the Office and with all controlling laws and regulations relevant to the services they are providing under the Contract. The State may conduct, and the Contractor shall cooperate in, a security background check or other assessment of any Contractor Representative. The Office may refuse access to, or require replacement of, any Contractor Representative for cause, including, but not limited to, lack of technical or training qualifications, quality of work, change in security status, or noncompliance with the Office's security or administrative requirements. Such approval shall not relieve the Contractor of its obligation to perform all work in compliance with the Contract. The Office may reject and bar from any facility, for cause, any Contractor Representatives.

**OFFICE OF INSURANCE REGULATION**  
**Public Records Requirements**

**Addendum A**

**1. Public Records Access Requirements.**

- a. If the Contractor is acting on behalf of the Office in its performance of services under the Contract, the Contractor must allow public access to all documents, papers, letters, or other material, regardless of the physical form, characteristics, or means of transmission, made or received by the Contractor in conjunction with the Contract (Public Records), unless the Public Records are exempt from public access pursuant to section 24(a) of Article I of the Florida Constitution or section 119.07(1), F.S.
- b. The Office may unilaterally terminate the Contract if the Contractor refuses to allow public access to Public Records as required by law.

**2. Public Records Requirements Applicable to All Contractors.**

- a. For purposes of the Contract, the Contractor is responsible for becoming familiar with Florida's Public Records law, consisting of chapter 119, F.S., section 24(a) of Article I of the Florida Constitution, or other applicable state or federal law (Public Records Law).
- b. All requests to inspect or copy Public Records relating to the Contract must be made directly to the Office. Notwithstanding any provisions to the contrary, disclosure of any records made or received by the State in conjunction with the Contract is governed by Public Records Law.
- c. If the Contractor has a reasonable, legal basis to assert that any portion of any records submitted to the Office are confidential, proprietary, trade secret, or otherwise not subject to disclosure ("Confidential" or "Trade Secret") under Public Records Law or other authority, the Contractor must simultaneously provide the Office with a separate redacted copy of the records the Contractor claims as Confidential or Trade Secret and briefly describe in writing the grounds for claiming exemption from the Public Records Law, including the specific statutory citation for such exemption. The un-redacted copy of the records must contain the Contract name and number, and must be clearly labeled "Confidential" or "Trade Secret." The redacted copy of the records should only redact those portions of the records that the Contractor claims are Confidential or Trade Secret. If the Contractor fails to submit a redacted copy of records it claims are Confidential or Trade Secret, such action may constitute a waiver of any claim of confidentiality.
- d. If the Office receives a Public Records request, and if records that have been marked as "Confidential" or "Trade Secret" are responsive to such request, the Office will provide the Contractor-redacted copies to the requester. If a requester asserts a right to the portions of records claimed as Confidential or Trade Secret, the Office will notify the Contractor that such an assertion has been made. It is the Contractor's responsibility to assert that the portions of records in question are exempt from disclosure under Public Records Law or other authority. If the Office becomes subject to a demand for discovery or disclosure of the portions of records the Contractor claims as Confidential or Trade Secret in a legal proceeding, the Office will give the Contractor prompt notice of the demand, when possible, prior to releasing the portions of records the Contractor claims as Confidential or Trade Secret (unless disclosure is otherwise prohibited by applicable law). The Contractor shall be responsible for defending its determination that the redacted portions of its records are Confidential or Trade Secret. No right or remedy for damages against the Office arises from any disclosure made by the Office based on the Contractor's failure to promptly legally protect its claim of exemption and commence such protective actions within ten days of receipt of such notice from the Office.
- e. If the Contractor claims that the records are "Trade Secret" pursuant to section 624.4213, F.S., and all the requirements of section 624.4213(1), F.S., are met, the Office will respond to the Public Records Request in accordance with the provisions specified in that statute.
- f. The Contractor shall ensure that exempt or confidential and exempt Public Records are not disclosed except as permitted by the Contract or by Public Records Law.

**Addendum A**

**3. Additional Public Records Duties of Section 119.0701, F.S., If Applicable.**

If the Contractor is a “contractor” as defined in section 119.0701(1)(a), F.S., the Contractor shall:

- a. Keep and maintain Public Records required by the Office to perform the service.
- b. Upon request, provide the Office with a copy of requested Public Records or allow the Public Records to be inspected or copied within a reasonable time at a cost that does not exceed the cost provided in chapter 119, F.S., or as otherwise provided by law.
- c. Ensure that Public Records that are exempt or confidential and exempt from Public Records disclosure requirements are not disclosed except as authorized by law for the duration of the Contract term and following completion of the Contract if the Contractor does not transfer the Public Records to the Office.
- d. Upon completion of the Contract, transfer, at no cost, to the Office all Public Records in possession of the Contractor or keep and maintain Public Records required by the Office to perform the service. If the Contractor transfers all Public Records to the Office upon completion of the Contract, the Contractor shall destroy any duplicate Public Records that are exempt or confidential and exempt from Public Records disclosure requirements. If the Contractor keeps and maintains Public Records upon completion of the Contract, the Contractor shall meet all applicable requirements for retaining Public Records. All Public Records stored electronically must be provided to the Office, upon request from the Office’s custodian of Public Records, in a format specified by the Office as compatible with the information technology systems of the Office. These formatting requirements are satisfied by using the data formats as authorized in the Contract or Microsoft Word, Outlook, Adobe, or Excel, and any software formats the Contractor is authorized to access.

**e. IF THE CONTRACTOR HAS QUESTIONS REGARDING THE APPLICATION OF CHAPTER 119, F.S., TO THE CONTRACTOR’S DUTY TO PROVIDE PUBLIC RECORDS RELATING TO THE CONTRACT, CONTACT PUBLIC RECORDS AT:**

**Telephone:** (850) 413-3149  
**Email:** [PublicRecordsInquiry@myfloridacfo.com](mailto:PublicRecordsInquiry@myfloridacfo.com)  
**Mailing Address:** The Office of Financial Services  
Office of the General Counsel, Public Records  
200 E. Gaines Street, Larson Building  
Tallahassee, Florida 32399-0311

A Contractor who fails to provide the Public Records to the Office within a reasonable time may be subject to penalties under section 119.10, F.S.

**OFFICE OF INSURANCE REGULATION**  
**Data Security Requirements**

**Addendum B**

**1. Data Security, Recovery, and Damages for Non-Performance.**

- a. **Data Security.** The Contractor, its employees, subcontractors, and agents, shall comply with Rule Chapter 74-2, Florida Administrative Code (F.A.C.), which contains information technology (IT) procedures and requires adherence to the Office's security policies, in performance of this Contract. The Contractor shall provide immediate notice to the Office's Information Security Office (ISO), within the Office of Information Technology: 1) in the event it becomes aware of any security breach or any unauthorized transmission or loss of any or all of the data collected, created for, or provided by the Office (State Data); and 2) of any allegation or suspected violation of Rule Chapter 74-2, F.A.C. Except as required by law or legal process, and after notice to the Office, the Contractor shall not divulge to third parties any Confidential Information obtained by the Contractor or its agents, distributors, resellers, subcontractors, officers, or employees in the course of performing Contract work according to applicable rules, including, but not limited to, Rule Chapter 74-2, F.A.C. "Confidential Information" means information in the possession or under the control of the state of Florida (State) or the Contractor that is exempt from public disclosure pursuant to chapter 119, Florida Statutes (F.S.), or to any other applicable provision of State or federal law that serves to exempt information from public disclosure. This includes, but is not limited to, the security procedures, business operations information, or commercial proprietary information in the possession of the State or the Office. The Contractor will not be required to keep confidential any information that is publicly available through no fault of the Contractor, material that the Contractor developed independently without relying on the State's Confidential Information, or information that is otherwise obtainable under State law as a public record. If State Data will reside in the Contractor's system, the Office may conduct, or request the Contractor conduct at the Contractor's expense, an annual network penetration test or security audit of the Contractor's system(s) on which State Data resides. If the Contract is less than a year in duration, the right to conduct the network penetration test or security audit of the Contractor's system(s) on which State Data resides can be exercised at any time.
- b. **Data Protection.** No State Data will be transmitted, processed, or stored outside of the United States of America regardless of method, except as required by law. Access to State Data will only be available to staff approved and authorized by the Office that have a legitimate business need. Access to State Data does not include remote support sessions for devices that might contain the State Data; however, during the remote support session the Office requires the Contractor to escort the remote support access and maintain visibility of the support personnel's actions. Requests for remote access will be submitted to the Office's Help Desk. With approval, third parties may be granted time-limited terminal service access to IT resources as necessary for fulfillment of related responsibilities. Remote connections are subject to detailed monitoring via two-way log reviews and the use of other tools. When remote access is no longer needed, the ISO will be promptly notified and access will be promptly removed.
- c. **Encryption and Remote Access.** The Contractor shall encrypt all data transmissions containing Confidential Information utilizing a protocol approved by the Office.
- d. **Breach and Negligence.** The Contractor agrees to protect, indemnify, defend, and hold harmless the Office from and against any and all costs, claims, demands, damages, losses, and liabilities arising from or in any way related to the Contractor's breach of this Section 1 or the negligent acts or omissions of the Contractor related to this addendum.
- e. **Separate Security Requirements.** Any Criminal Justice Information Services-specific and/or Health Information Portability and Accountability Act-specific security requirements are attached in a separate addendum, if applicable.

**Addendum B**

- f. Ownership of State Data. State Data will be made available to the Office upon its request, in the form and format reasonably requested by the Office. Title to all State Data will remain property of the Office and/or become property of the Office upon receipt and acceptance. The Contractor shall not possess or assert any lien or other right against or to any State Data in any circumstances.

**2. Data Access.**

- a. Background Checks. All Contractor personnel who will have direct query access to State Data will undergo the background checks described in Attachment 2, Statement of Work.
- b. Cooperation with the State and Third Parties. The Contractor agrees to cooperate with the following entities: (i) the State; (ii) the State's other contractors; (iii) the State's agents, including properly authorized governmental entities; (iv) the State's authorized third parties, such as technology staff under contract with the State; and (v) other properly authorized individuals who directly or indirectly access State Data on behalf of any of the entities listed in this section. The Contractor shall also provide reasonable access to the Contractor's Contract personnel, systems, and facilities to these same entities, when reasonably requested by the Office. The Contractor agrees to impose these same requirements on all subcontractors performing the work of this Contract.



**PROPOSAL TO PROVIDE ACTUARIAL SERVICES  
RELATED TO THE PEER REVIEW AND ANALYSIS OF  
THE RATEMAKING PROCESSES OF THE NATIONAL  
COUNCIL ON COMPENSATION INSURANCE**

STATE OF FLORIDA  
OFFICE OF INSURANCE REGULATION

OCTOBER 7, 2019

**Presented by:**

**Scott J. Lefkowitz, FCAS, MAAA, FCA  
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**Transmittal Letter**

October 7, 2019

Mr. Richard Fox  
State of Florida, Office of Insurance Regulation  
200 East Gaines Street, Larson Building, Room 121-J  
Tallahassee, FL 32399

**Re: Proposal to Provide Actuarial Services  
Peer Review and Analysis of the Ratemaking Process  
National Council on Compensation Insurance**


Dear Mr. Fox,

Oliver Wyman Actuarial Consulting, Inc. (Oliver Wyman) is pleased to submit this proposal to the Office of Insurance Regulation ("the Office") to provide actuarial consulting services. I have the specialized expertise and depth of experience to provide the required consulting services. I am a Partner of Oliver Wyman, I manage the Melville, NY Oliver Wyman office, and I am well regarded as an expert on workers compensation issues. I have devoted a large portion of my career to addressing issues related to workers compensation exposures in general, and more specifically, workers compensation ratemaking. I currently review workers compensation filings and related issues on behalf of regulators in Vermont, Virginia, and Pennsylvania. I have provided similar services to regulators and government officials in Florida, Oregon, Colorado, Washington State, New Hampshire, Rhode Island, Maryland, Maine, and other jurisdictions. I provided the requested services to the Office in 2005, 2007, 2013, and 2015.

Given that I have provided consulting services to regulators, state and municipal governments, agencies of the federal government, and other governmental entities throughout my career, I am very much aware that findings and written reports are likely to be the subjects of intense scrutiny. I therefore understand the need for effective communication. While direct client contacts generally have an excellent understanding of actuarial principles and related actuarial terms of art, the general public, and, more importantly, policymakers in government, generally do not. This is especially true when dealing with rate level issues associated with workers compensation markets. All of my reports present findings and recommendations in clear, non-technical language that individuals who are unfamiliar with actuarial science will understand.

The hope is that my prior work for the Office on this specific matter, my experience with workers compensation issues, and the overall level of excellence associated with the Oliver Wyman brand will convince the Office to once again award this assignment to me. Thank you in advance for your consideration.

Sincerely,

  
Scott J. Lefkowitz, FCAS, MAAA, FCA  
Partner  
Oliver Wyman Actuarial Consulting



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# Tab 1: Executive Summary

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## Our Understanding of the Required Services

The Office requires an actuarial peer review of the methodologies, thought processes, judgments and assumptions employed by the National Council on Compensation Insurance<sup>1</sup> (NCCI) to calculate workers compensation rates in Florida. The review will include an analysis of the data and processes employed in evaluating and pricing the effect of proposed legislation, new laws, and the impact of court decisions (case law) affecting the workers compensation system in Florida. The latter is especially important in this review because of two important court decisions in 2016:

- April 28, 2016: The Castellanos decision declared Section 440.34 of Florida Statutes unconstitutional. The anticipated impact is the elimination of statutory caps on attorney fees and a return to hourly rates. The overall impact was estimated to be a 14.5%<sup>2</sup> increase to workers compensation rate level in Florida. Note that this estimated impact is a “first year” impact, with the understanding that without legislative redress, the longer term impact is potentially higher, perhaps materially.
- June 9, 2016: The Westphal decision declared the 104 week duration cap on temporary total disability benefits unconstitutional. The decision reinstated the 260 week duration cap in effect prior to the legislation that introduced the 104 week cap. The overall impact was estimated to be a 2.2% increase to workers compensation rate level in Florida.

The current year’s filing for workers compensation rates and rating values effective January 1, 2020 will be based on experience periods that reflect the impact of these court cases, which will act to increase costs. However, there are other, longer term phenomena that have been affecting workers compensation rate level in most, if not all, jurisdictions:

- Loss development, an integral part of the actuarial process for developing workers compensation rates, has been declining over time on a paid basis and on a case incurred basis. This acts to decrease costs.
- Lost time claim frequency continues to decline, though at rates somewhat lower (that is, not as steeply) as in past years.

These and any other issues that could be affecting workers compensation experience must be considered during the process of developing workers compensation rates.

<sup>1</sup> The NCCI is the licensed workers compensation statistical data gathering agent in Florida and is responsible for calculating and filing workers compensation rates and rating values in Florida on behalf of its member insurance companies.

<sup>2</sup> My understanding is that the initial filed increase was 15.0% and that the Office approved 14.5%.

More generally, the Office will require, at a minimum, a review of the following:

1. Calculation of the Statewide Rate Level Change

This includes, but would not necessarily be limited to, an examination of the database (paid versus paid plus case reserves or other), loss development methodology and selections, experience periods, trend calculations (frequency, severity, and loss ratio/pure premium), premium development calculations, premium on-level adjustments, benefit on-level adjustments, expense provisions, profit and contingencies provisions, impact of experience rating off-balance, and the impact of single large claims. We will examine data (from NCCI's financial call) for non-characteristic behavior and/or values. Note that data will NOT be audited; rather, data will be reviewed for reasonableness.

2. Calculation of the Rate Level Change for the five Industry Groups.

The 500+ employee classifications each fall into one of five industry groups. The rate level change for each industry group is determined by comparing actual loss experience to expected loss experience. This may be viewed as an "experience modification" for each industry group. To the extent that an individual industry group performs better or worse than expected, it receives a smaller or larger portion of the statewide rate level change, respectively. The pattern of behavior of these comparisons for each industry group over time will be examined to ensure that the calculation is unbiased and reasonable. Additionally, the behavior of underlying data over time will be examined for reasonableness.

3. Calculation of Rates for Individual Classifications

This is the last step in the ratemaking process. Unit Statistical Plan data is used to measure actual loss experience for each individual classification. This step involves a large number of adjustments (loss development, trend, etc.) to underlying data. To the extent that the volume of loss experience in a specific classification is insufficient for a credible calculation, national experience, as well as the current classification rate, are used to supplement available data. The final step is to ensure that the average rate change across all classifications in a specific industry group balances to the industry group change calculated in the prior step. Resulting class rates will be examined for changes over time relative to overall statewide rate level. Underlying data will be examined for material changes between applications. The impact of swing limitations on volatility of rates for individual classifications will be examined as well.

4. Rating Values

The calculation and reasonableness of various rating values will be examined. These include, but would not necessarily be limited to, the following:

- Expected Loss Rates: Used to calculate experience modifications.
- D-Ratios: Used to calculate experience modifications.
- Split Point for Experience Rating: Important parameter for experience rating.  
(Note: *Policyholders who elect any of the premium reduction programs listed below are entitled to a premium credit.*)
- Premium Reduction Percentages for Deductible Policies
- Premium Reduction Percentages for Coinsurance
- Premium Reduction Percentages for Deductible with Coinsurance

- Excess Loss Factors and Excess Loss and Allocated Expense Factors: These factors are generally used for policyholders who elect to be retrospectively rated and by the insurance industry for pricing premium credits for policyholders who elect large deductible plans. However, the excess loss ratios (and the excess loss and allocated expense ratios) that are the key components underlying these factors are also used in class ratemaking. This latter item was part of the general class ratemaking changes implemented by NCCI circa 2010. Therefore, the review of these ratios is important not only for larger employers who choose retrospective rating or large deductible plans, but also for ALL employers in Florida, regardless of size, because these ratios are part of the class ratemaking process.
- Legislative Changes: Examine the calculation of the impact legislative changes (as applicable), benefit-level adjustments, and legislative proposals (as applicable). The court decisions referenced earlier are discussed later in this proposal.

#### 5. Other Responsibilities

- The review of items 1 through 4 listed above (and any other element of the NCCI ratemaking process examined) will be conducted in accordance with accepted actuarial practice and applicable standards established by the Casualty Actuarial Society and/or the American Academy of Actuaries.
- A report will be generated that presents, in detail, the objectives and approach of the project. The report will document data, reports, spreadsheets, papers, assumptions, methods, and any other element used during the course of the review. Compliance with applicable actuarial standards will be specifically noted in the report.
- A final report will be presented to the Office no later than January 10, 2020.
- Teleconferences requested by the Office will be attended.
- If necessary, expert witness testimony or other desired actuarial consulting services will be provided, under separate contract.

Key deadlines will be met: A draft report will be delivered on or prior to December 16, 2019. A final report will be delivered no later than January 10, 2020.

## Summary of Overall Approach

The overall approach will be to address the rate application and supporting material in the following steps that follow the outline provided in the prior section:

Step 1: Review the Statewide Rate Level Change

Step 2: Review the Distribution of the Statewide Rate to Major Industry Groups

Step 3: Review the Calculation of Rates for Individual Classifications

Step 4: Interaction with the Office and Production of a Draft Report by December 16, 2019

Step 5: Interaction with Stakeholders and Production of a Final Report

Stakeholders, for the purpose of this proposal, include NCCI and the Office. Oliver Wyman's expectation is that NCCI will thoroughly review the draft report and provide comments on its concerns. This is a critical step because there may be extraneous circumstances or supporting documentation surrounding a specific issue identified in the draft report that may not have been presented to Oliver Wyman during the course of the project. Oliver Wyman will have an obligation to review this material and, if necessary, modify the report. Additionally, the Office may have concerns, comments, or recommendations regarding specific points or language in the draft report. The final report will reflect all concerns of both stakeholders, with modifications to the draft report, if justified. The final report will be published no later than January 10, 2020.

Calculations, judgments, and assumptions will be thoroughly reviewed. A key element of the review will be an assessment as to whether there are a series of judgments and assumptions made by NCCI over time that potentially create a bias in the ratemaking process. An equally important element of the review will be an examination of changes to methods, judgments, or assumptions over time, the impact of these changes, and an assessment of the justification of these changes.

## Summary of Capabilities

This project will be managed by Mr. Scott J. Lefkowitz, FCAS, MAAA, FCA. Mr. Lefkowitz is a Partner of Oliver Wyman and manages the Melville, NY Oliver Wyman office. Mr. Lefkowitz is well regarded as an expert on workers compensation issues and devotes a large portion of his time to addressing actuarial issues related to workers compensation insurance in general, and workers compensation ratemaking in particular. Mr. Lefkowitz currently reviews workers compensation filings and related issues on behalf of regulators in Vermont, Virginia, and Pennsylvania, and has provided similar services to regulators in other states, including, but not limited to, Colorado, Washington State, New Hampshire, Rhode Island, and Maine. Mr. Lefkowitz has completed the requested services for the Office in 2005, 2007, 2013, and 2015. Ms. Robin Fitzgerald, FCAS, MAAA will peer review the work products produced by Mr. Lefkowitz for the purpose of this assignment. Ms. Fitzgerald assists Mr. Lefkowitz on many of Mr. Lefkowitz's workers compensation projects, including rate reviews for regulators. More detailed information on Mr. Lefkowitz and Ms. Fitzgerald is provided later in this proposal.

## Tab 2: Management Plan

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### **Administration and Management**

The organizational structure of this project will be straightforward. Mr. Lefkowitz will manage and conduct the project. The nature of this project demands that the bulk of the consulting services be provided by the project manager. Tasks related to data entry and or manipulation that would be required to test assumptions, test arithmetic, test alternative recommendations, produce graphics, etc., may be delegated to lower level technical personnel under the direct supervision of Mr. Lefkowitz. Additionally, Ms. Fitzgerald will be the peer reviewer and will review approaches, tests, and conclusions by Mr. Lefkowitz during the course of the assignment, rather than at the end of the assignment. The advantage of this approach is that any concerns or observations on the part of Ms. Fitzgerald can then be addressed well before a draft report is produced. This will avoid circumstances such as a key observation that potentially could involve substantial rework if such an observation is offered at the end of a project. In this respect, Mr. Lefkowitz and Ms. Fitzgerald will act as a team during the course of the assignment, with Mr. Lefkowitz doing the bulk of the work, and Ms. Fitzgerald providing commentary on Mr. Lefkowitz's work products during the course of the assignment.

### **Experience**

#### SPECIFIC EXPERIENCE

The following is a detailed listing of four clients where services provided are directly applicable to this assignment.

#### **Office of Insurance Regulation**

State of Florida  
200 East Gains Street  
Larson Building, Room 212-F  
Tallahassee, FL 32399

Contact: Cyndi Cooper

Scott Lefkowitz provided these services in 2005, 2007, 2013 and 2015

#### **Services to Client:**

Peer Review of NCCI Ratemaking Process

**Division of Insurance**

State of Colorado  
1560 Broadway, Suite 580  
Denver, CO 80202

Contact: Oliver Wyman's primary contact left the Division.

Services provided from 1999 through 2016.

**Services to Client:**

Annual recommendations of revised workers compensation advisory loss costs and rating values in Colorado.

- Thorough review of the annual submission by the NCCI, including all aspects of the application as listed in the previous section under Our Understanding of the Required Services.
- Thorough review of loss experience individually for Pinnacle Assurance (the Colorado State Workers Compensation Fund) and Private Carriers.
- Request and review additional data as needed.
- Address any specific issues of concern identified by the Division.
- Examine and opine on the appropriateness of conclusions proposed by NCCI.
- Present alternative recommendations, as required.
- Present findings in a report to the Division.
- Present findings at a formal hearing.
- Assist the Division in other matters related to the proceedings.

**Office of Small Business Advocate**

300 North Second Street, Suite 202  
Harrisburg, PA 17101

Contact: Theresa Wagner  
Executive Director  
Small Business Advocate  
(717) 783-2525

Services provided continuously since 1999

**Services to Client:**

- Thorough review of the annual submission by the Pennsylvania Compensation Rating Bureau (PCRB). The PCRB is the NCCI equivalent in Pennsylvania and is an independent rating bureau. Methods and approaches are similar to NCCI. The review includes all aspects of the application as listed in the previous section under Our Understanding of the Required Services.
- Thorough review of the annual submission by the Coal Mine Compensation Rating Bureau (CMCRB). The CMCRB is the NCCI equivalent in Pennsylvania for coal mining employee classifications only. In this sense, Pennsylvania differs from other

states where industrial classifications and coal mining classifications are examined in the same application. In Pennsylvania, the PCRB addresses industrial classifications, and the CMCRB addresses coal mining classifications. Methods and approaches are unique due to the nature of the data and the limited number of employee classifications for the coal mining industry. The review includes many, but not all, of the aspects listed in the previous section under Our Understanding of the Required Services, however the review also includes a number of items not applicable to the review of an NCCI rate application. The following are applicable to each application:

- Request and review additional data as needed.
- Address any specific issues of concern identified by the Small Business Advocate.
- Examine and opine on the appropriateness of conclusions.
- Present alternative recommendations, as required.
- Present findings in a report.
- Assist in other matters as required.

### **State Corporation Commission**

Bureau of Insurance  
Commonwealth of Virginia  
1300 East Main Street  
Richmond, VA 23219

Contact: Eric Lowe  
Policy Advisor  
(804) 371-9628

Services provided from 2000 through 2011, and 2016 to date.

#### Services to Client:

Oliver Wyman provided extensive actuarial consulting services to the Bureau of Insurance. Below is a brief list of assignments.

- Thorough review of the annual submission by the NCCI, including all aspects of the application as listed in the previous section under Our Understanding of the Required Services.
- Thorough review of other NCCI filings.
- Thorough review of individual insurer workers compensation applications.
- Address any specific issues of concern identified by the Bureau.

### **GENERAL EXPERIENCE**

During the course of his career, Mr. Lefkowitz has reviewed workers compensation rate applications on behalf of regulators in numerous jurisdictions. Mr. Lefkowitz completed an actuarial study of the workers compensation system on behalf of the Department of Labor, State of Vermont, in 2004 and a comparable study of the workers compensation system in the State of Oregon in 2001 on behalf of the State Legislative Audits Committee. Mr. Lefkowitz currently provides annual actuarial reserve studies of the State Accident Insurance Fund, the workers compensation state fund in Oregon, on behalf of the State

Audits Division. Mr. Lefkowitz completed a review of the workers compensation retrospective rating system on behalf of the Department of Labor and Industries (L&I), State of Washington, in 2010. In 2012, Mr. Lefkowitz assisted L&I with implementing key recommendations of that review. In 2015, Mr. Lefkowitz assisted L&I with the update of the actuarial tables and parameters. Mr. Lefkowitz conducted a detailed reserve review of the unpaid claim cost of the New York Special Disability Fund and the New York Reopened Claim Fund on behalf of the NY Workers Compensation Board. Mr. Lefkowitz is currently engaged by the NY Workers Compensation Board to assist with the disposal of the unpaid claim cost of both of these funds.

In addition to the experience listed above, Mr. Lefkowitz has a broad body of general experience as respects the actuarial analysis of workers compensation exposures. Mr. Lefkowitz's client base includes a diverse group of public and private employers with unique workers compensation exposures. The exposures include the Federal Coal Mine Health and Safety Act (black lung), the United States Longshore and Harbor Workers Act, the Federal Employees Compensation Act, presumptive benefits under the Nevada State Act, as well as unique state jurisdictions such as New York and California. Mr. Lefkowitz has provided expert witness testimony on behalf of regulators on workers compensation issues; and has also assisted private firms with civil litigation support and expert witness work, reserve analyses, cash flow analyses, rate of return analysis, and pricing and reserving for occupational diseases. Mr. Lefkowitz has designed algorithms for valuing latent exposure to black lung claims filed under the Federal Coal Mine Health and Safety Act. These algorithms and approaches are currently used for the benefit of Mr. Lefkowitz's coal mining clients. Mr. Lefkowitz's experience is not limited to the United States. Mr. Lefkowitz has also addressed workers' compensation actuarial issues in the Republic of South Africa and the Republic of Panama.

In addition to client work, Mr. Lefkowitz currently researches unique aspects of workers compensation exposures. This includes specific state systems, such as New York, Florida, California, etc., as well as specific exposures, such as the Longshore Act, Federal Coal Mine Health and Safety Act (Coal Worker Pneumoconiosis, aka Black Lung). Mr. Lefkowitz completed a large research assignment on behalf of the Canadian Institute of Actuaries on occupational disease in 2014, and is currently researching latent disease emergence associated with workforce aging.

During prior assignments for the Office in 2005, 2007, 2013 and 2015, Mr. Lefkowitz demonstrated a thorough understanding of NCCI's data systems as well as the ability to apply that understanding in a manner to fully investigate NCCI's treatment of data and actuarial processes. These are the strengths that Mr. Lefkowitz would offer to this assignment. Mr. Lefkowitz is familiar with current NCCI approaches and methodologies, as well as changes to those methodologies. Equally, if not more important, Mr. Lefkowitz has thoroughly researched the impact of the 2016 court decisions in Florida and will leverage that expertise to opine on the appropriateness of NCCI's approaches used to forecast the impact of these decisions on workers compensation costs in Florida. Mr. Lefkowitz has also researched the decline in loss development over time as well as the continuing decline to lost time claim frequency.



Mr. Lefkowitz will be assisted in this project by Ms. Robin Fitzgerald, FCAS, MAAA, FCA. Ms. Fitzgerald is a Principal of Oliver Wyman and is currently project manager for a variety of Oliver Wyman clients. Ms. Fitzgerald, upon joining Oliver Wyman in 2002, assisted Mr. Lefkowitz with all regulatory reviews of workers compensation rate applications. In particular, Ms. Fitzgerald currently assists Mr. Lefkowitz with reviews of workers compensation filings in Virginia and Vermont.

Both Mr. Lefkowitz and Ms. Fitzgerald are very much aware of the intense scrutiny to which findings and written reports may be subjected, and understand the need for effective, careful communication. While direct government contacts may have an excellent understanding of actuarial principles and related terms of art, the general public, and, more importantly, policymakers in government generally do not. The reports generated for the Office will present findings and recommendations in clear, non-technical language that individuals who are unfamiliar with actuarial science will understand.

## Key Personnel

The following individuals, and a detailed description of their roles, will participate in this project:

**Project Manager:** Mr. Scott J. Lefkowitz

Mr. Scott J. Lefkowitz, FCAS, MAAA, FCA will be the managing consultant for this project. Mr. Lefkowitz will conduct and manage the review, and will be directly responsible for overseeing all contractual requirements and ensuring that all work is completed professionally and in a timely manner. Mr. Lefkowitz will also be the key contact person available to respond to all questions by the Office, and will participate in all meetings. Mr. Lefkowitz will also be the primary consultant, will conduct the bulk of the analysis, and will prepare all reports and other documentation. Mr. Lefkowitz will be the key professional on this assignment.

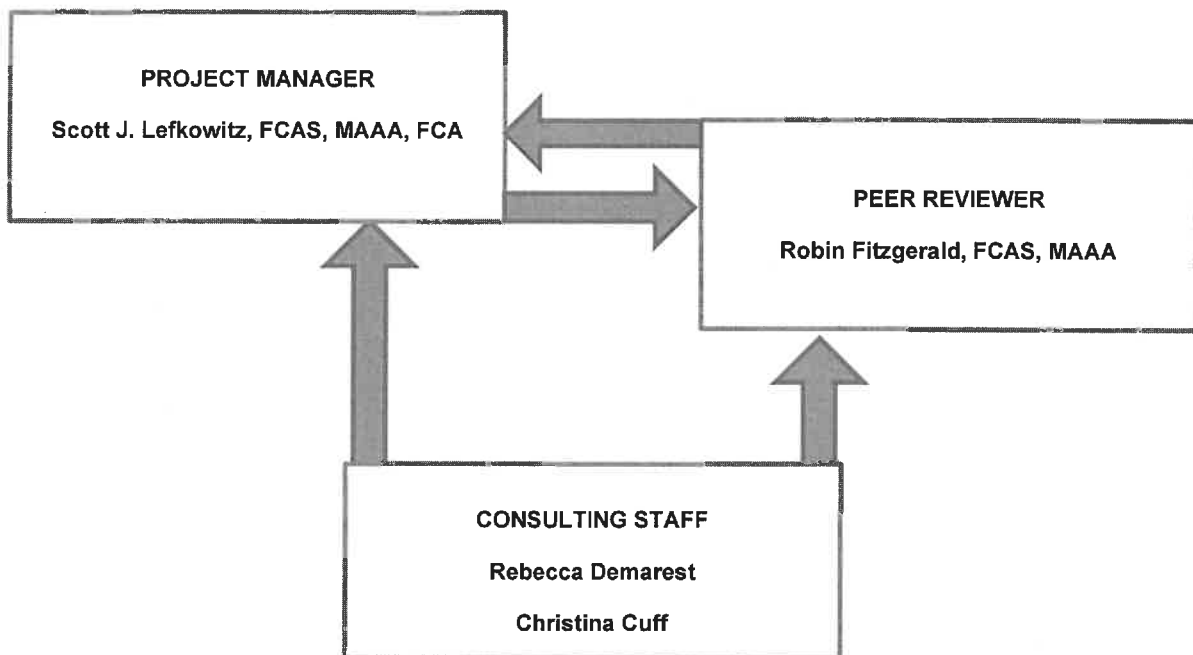
**Peer Reviewer:** Ms. Robin Fitzgerald, FCAS, MAAA

Ms. Robin Fitzgerald, FCAS, MAAA will be the peer reviewer for this assignment. A peer review is a thorough examination of the work product for quality of analysis, appropriateness of conclusions, and clarity of presentation. All peer reviews are performed by a credentialed actuary who has not directly participated in the production of that particular work product. This ensures that the review is independent and unbiased. Due to the nature of this assignment, the peer review process, in addition to including a review of the draft and final reports, will include a concurrent component where at key points in the examination, Ms. Fitzgerald will review specific calculations, documentation, and conclusions made by Mr. Lefkowitz. This will ensure that end of project peer reviews of the draft and final reports do not identify material issues or concerns that might require a re-evaluation of conclusions late in the project. While these circumstances are rare, they represent a potential issue that is eliminated by a review process during the course of the assignment, rather than only at the end.

**Technical Analysts**

Ms. Rebecca Demarest will provide technical support on an as needed basis. To the extent that data entry, spreadsheet construction, graphics, or any other technical work that might be required, Ms. Demarest will serve as a resource for Mr. Lefkowitz. Technical resources will also be responsible for what we refer to as a “red dot” review. A red dot review is a systemic checking of arithmetic and data. A random selection of data inputs and arithmetic calculations are checked for accuracy. The calculation of key parameters is also examined for accuracy. Generally, a technician who has not participated in the production of that particular work product performs the red dot review to ensure that the review is independent and unbiased. So, if Ms. Demarest does data entry and technical work, another technician will technically review Ms. Demarest’s work. Ms. Christina Cuff will review Ms. Demarest’s work, as required.

The following graphic illustrates relationships within the proposed project team.



A resume for each proposed team member as well as documentation of CAS membership, as applicable, follows.

Note that no member of this project team has worked for NCCI either as an employee or consultant within the past five years.

Every member of this project team is a salaried employee of Oliver Wyman.

Our consulting philosophy is formed around the concepts of teamwork, partnership, service, and quality, both in the coordination of our efforts within our firm and in our dealings with our clients. The core project team will include two Fellows of the Casualty

Actuarial Society supported by qualified, experienced technical analysts. The depth of our professional talent facilitates our ability to make staffing adjustments when necessary that provide long-term benefits to our clients while allowing for uninterrupted, quality service. The strength and qualifications of our staff enable us to provide an analysis that is both prompt and thorough. Oliver Wyman delivers quality, timely products, as promised. We offer our clients superior service and quality, including state-of-the-art practices. Oliver Wyman conducts internal professional development programs and utilizes Casualty Actuarial Society seminars to ensure that all of our staff is aware of the latest regulatory requirements and actuarial techniques.

## Scott J. Lefkowitz, FCAS, MAAA, FCA



**Scott J. Lefkowitz**  
Partner

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[scott.lefkowitz@oliverwyman.com](mailto:scott.lefkowitz@oliverwyman.com)

### Professional History

- Oliver Wyman (1993–present)
- National Council on Compensation Insurance (1989–1993)
- Milliman and Robertson (1987–1989)

### Professional Memberships

- Fellow of the Casualty Actuarial Society (1998)
- Member American Academy of Actuaries (1993)
- Fellow of the Conference of Consulting Actuaries (2001)

### Education

- University of Massachusetts, Master of Science Degree in Electrical Engineering
- State University of New York, Bachelor of Science Degree in Physics

Scott J. Lefkowitz is a Partner of Oliver Wyman Actuarial Consulting, Inc. and leads the Melville, New York office. Scott is experienced in most lines of property/casualty insurance, specializing in commercial casualty exposures that include, but are not limited to, workers compensation, automobile liability, general liability and products liability. In addition to managing his own group of clients Scott is responsible for managing a team of consulting professionals out of the Melville office. Scott is a Fellow of the Casualty Actuarial Society, a member of the American Academy of Actuaries, and a Fellow of the Conference of Consulting Actuaries.

### Professional Experience

Scott has over 32 years of actuarial experience in the insurance and risk management industry. Prior to joining Oliver Wyman, Scott was an Actuarial Manager at the National Council on Compensation Insurance. His responsibilities included all aspects of workers compensation ratemaking, as well as research and development. Since joining Oliver Wyman in 1993, Scott has provided a broad range of actuarial consulting services to property and casualty insurance companies, investors, brokerage firms, government entities, self-insured corporations, self-insured groups, and state insurance departments. The services provided include:

Reserve analyses and opinions	Risk program analyses
Financial viability analysis	Captive feasibility studies
Profitability studies	Litigation support
Risk funding studies	Expert witness testimony
Research studies	Rate analysis and program design

Scott devotes a large portion of his time to researching and addressing actuarial issues related to workers compensation exposures. Mr. Lefkowitz has conducted specific studies or provided consulting services specific to jurisdictions that include NY, CA, FL, NH, VT, ME, RI, MA, NJ, KY, PA, CO, WA, VA, and others. Scott is also experienced and knowledgeable with federal jurisdictions that include the Longshore and Harbor Workers Act, the Coal Mine Health and Safety Act, the Federal Employees Compensation Act, and the Federal Employees Liability Act (or Jones Act). Scott conducted an exhaustive study on occupational disease on behalf of the Canadian Institute of Actuaries in 2014 and has researched a variety of workers compensation exposures including presumptive benefits for public safety officers, coal workers pneumoconiosis, mechanisms for providing benefits to injured employees of uninsured employers, impact of improving mortality on workers compensation costs, and other topics. Scott writes extensively and a partial list of his publications is provided below.

### Publications

- A Review of Current Workers Compensation Costs in New York
- New York State Workers Compensation Board Assessments
- Workers Compensation Claim Costs and Trends (various states)
- Coal Worker Pneumoconiosis under United States Federal Law
- Implications of Unconstitutionality of Florida's Attorney Fee Schedule
- Report to the Canadian Institute of Actuaries on Occupational Disease

### Speaking Engagements and Professional Activities

- Scott has spoken and continues to speak at various actuarial and risk management seminars
- Scott has served and currently serves on a number of committees of the Casualty Actuarial Society

## Robin V. Fitzgerald, FCAS, MAAA, ACIA



**Robin V. Fitzgerald**  
Senior Consultant

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Tel 631 577 0632

[www.oliverwyman.com](http://www.oliverwyman.com)

[robin.fitzgerald@oliverwyman.com](mailto:robin.fitzgerald@oliverwyman.com)

### Professional History

- Oliver Wyman (2012–present)
- AutoOne Insurance Company (2005–2012)
- Oliver Wyman (2002–2005)
- American International Group (1994–2002)

### Professional Memberships

- Fellow of the Casualty Actuarial Society (2004)
- American Academy of Actuaries (2001)
- Associate of the Canadian Institute of Actuaries (2019)

### Education

- Binghamton University, B.A., Mathematics and Literature/Rhetoric

Robin V. Fitzgerald is a Senior Consultant in the Melville, New York office of Oliver Wyman Actuarial Consulting, Inc. She specializes in all lines of property/casualty insurance. Her primary responsibilities include providing actuarial consulting services to a variety of self-insured, insurance, and regulatory organizations.

Robin is a Fellow of the Casualty Actuarial Society, a member of the American Academy of Actuaries, and an Associate of the Canadian Institute of Actuaries.

### Professional Experience

Robin has 25 years of property and casualty actuarial experience. Prior to re-joining Oliver Wyman in 2012, she was Vice President, Actuarial for AutoOne Insurance (a division of OneBeacon that specialized in assigned risk and non-standard auto insurance).

From 2002 through 2005, Robin was a senior level consultant with Oliver Wyman, where she provided a wide variety of actuarial services to insurance regulators, insurance companies, and self-insured organizations.

Robin's actuarial career began in the corporate actuarial department of AIG, where she held positions of increasing responsibility supporting the corporate function and various domestic profit centers.

Robin's work experience and service to clients include:

- Pricing: rate indications, rating plan design
- Reserving
- Predictive model reviews
- Strategic planning/forecasting
- M&A activity
- Data warehouse design
- Enhancements to policy and claim systems
- Litigation support, including expert witness testimony
- Cash flow analyses
- Funding studies
- Tort reform impact analyses
- Rate filing reviews for insurance regulators in US and Canada
- Risk focused examinations
- Evaluation of reinsurance options

## Rebecca M. Demarest



**Rebecca Demarest**  
Analyst

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#### Professional History

- Oliver Wyman (2019)
- Pension Associates (2019)

#### Education

- Bryant University, B.S. in Actuarial Mathematics, *summa cum laude*

Rebecca Demarest is an Actuarial Analyst in the Melville, New York office of Oliver Wyman Actuarial Consulting, Inc. She graduated from Bryant University with a Bachelor of Science degree in Actuarial Mathematics.

Rebecca is actively pursuing the examinations leading to the designation Associate of the Casualty Actuarial Society.

Rebecca currently assists in providing actuarial consulting services to a variety of Oliver Wyman clients including industrial firms, insurance regulators, public entities, and insurance companies.

#### Professional Experience

Since joining Oliver Wyman in 2019, Rebecca has assisted with loss reserve analyses, loss cost studies, self-insured funding studies, and loss projections.

Prior to joining Oliver Wyman, Rebecca was employed by Pension Associates, where she worked as a consultant. She assisted in providing clients with yearly contributions for defined benefit and defined contribution plans, creating proposals for new plans, and filling annual forms with the IRS regarding the funding status of plans.

## Christina L. Cuff



**Christina Cuff**  
Consultant

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Fax 212 948 1449

[www.oliverwyman.com](http://www.oliverwyman.com)

[christina.cuff@oliverwyman.com](mailto:christina.cuff@oliverwyman.com)

#### Professional History

- Oliver Wyman (2005–present)

#### Education

- Long Island University,  
B.S. in Education *magna cum laude*

Christina Cuff is an Actuarial Consultant in the Melville, New York office of Oliver Wyman Actuarial Consulting, Inc. She has been with Oliver Wyman since April 2005.

Christina is pursuing the examinations leading to the designation Associate of the Casualty Actuarial Society.

#### Professional Experience

Christina specializes in loss reserve analyses and loss projections for self-insured risks. She also performs analyses for public entities as well as captive insurance companies. She has experience in workers compensation and a variety of other property/casualty exposures. Her primary responsibilities are to provide actuarial consulting services to a variety of insurance and self-insured organizations.

#### The services provided include

- Property and casualty liability reserving and pricing – actuarial reviews of liabilities and loss forecasts for self-insured and insurance organizations
- Excess insurance and ceded reinsurance consulting – reviews of high excess layer losses
- Cash flow analyses, including the application of discount factors
- Simulation modeling – calculation of confidence levels
- Market Analysis for public entities

## Proof of F.C.A.S.

Proof of Mr. Lefkowitz's F.C.A.S. qualification as listed on the Casualty Actuarial Society's website is provided below.

CAS Member Details Result

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## CASUALTY ACTUARIAL SOCIETY

### ACTUARY PROFILE

[← Back to Search Results](#)

Mr. Scott J. Lefkowitz, ACAS,FCAS  
FCAS 1998

Partner

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UNITED STATES

Phone: (631)577-0548

Fax: (212)948-1521

E-mail: [scott.lefkowitz@oliverwyman.com](mailto:scott.lefkowitz@oliverwyman.com)

**Continuing Education Requirement Compliance:**

2012 - Have complied

2013 - Have complied

2014 - Have complied

2015 - Have complied

2016 - Have complied

2017 - Have complied

2018 - Have complied

2019 - Have complied

*Looking for historical member information? Visit the [CAS Online Community](#).*

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Association Web Design and Development by Matrix Group International, Inc.



## Proof of F.C.A.S.

Proof of Ms. Fitzgerald's F.C.A.S. qualification as listed on the Casualty Actuarial Society's website is provided below.

CAS Member Details Result

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## CASUALTY ACTUARIAL SOCIETY

### ACTUARY PROFILE

[Back to Search Results](#)

Ms. Robin V. Fitzgerald, FCAS  
FCAS 2004

Oliver Wyman Actuarial Consulting  
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**Continuing Education Requirement Compliance:**

2012 - Have complied  
2013 - Have complied  
2014 - Have complied  
2015 - Have complied  
2016 - Have complied  
2017 - Have complied  
2018 - Have complied  
2019 - Have complied

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**Terms of Use**

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4350 N. Fairfax Drive, Suite 250, Arlington, VA 22203 | phone: (703) 276-3100 ♦ fax: (703) 276-3108

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## Tab 3: Work Plan / Technical Approach

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### General Approach

The following are major elements of the NCCI ratemaking process that will be addressed, at a minimum:

- Data Collection and Checking Procedures
- Data Excluded from the Application
- Calculation of the Statewide Rate Level Change
- Distribution of the Statewide Rate Level Change to the Major Industry Groups
- Calculation of Rates for Individual Classifications
- Calculation of Rating Values
- Calculation of Excess Loss Factors and Excess Loss and Allocated Expense Factors
- State Hazard Group Relativities
- Benefit Impact Calculations
- Legislative Impact Calculations
- Experience Rating Parameters and Related Issues
- Contracting Classification Premium Adjustment Programs (as applicable)
- Examination of Rates for Federal Classifications (“F-Classes”)

Each element in the above list represents a task. This list is preliminary and will be adjusted as necessary during the course of the review. Additionally, some tasks will be partitioned into sub-tasks, as required. For example, statewide ratemaking issues will likely be partitioned into loss experience, expense issues, and profit issues. Additional partitioning into further logical units may be required. Note that our expectation is that any combination of the above tasks could be reviewed concurrently. Mr. Lefkowitz will decide on the order of the examination based on when specific documentation is provided by NCCI. In situations where additional data is requested, and one specific task is put on hold, then other tasks may be addressed. In this sense, the review will be as efficient as possible.

Mr. Lefkowitz will provide the bulk of the consulting time on this project. Therefore, except for peer review time provided by Ms. Fitzgerald, Mr. Lefkowitz will be the sole consultant. If necessary, tasks will be delegated to Ms. Fitzgerald, and Mr. Lefkowitz will act as peer reviewer. While this is not anticipated, it is an available option that may be implemented to ensure project completion should Mr. Lefkowitz become unavailable at any point during the project due to illness, family/personal issues, etc. This is a key advantage to having two qualified, experienced consultants such as Mr. Lefkowitz and Ms. Fitzgerald on the project team.

For each task, the following very general approach will be taken. The degree to which time is invested on each item in the list below will depend on the specific task being examined.

1. Identification of data and methodology used.
2. Appropriateness of data and methodology used.
  - Is methodology a commonly applied actuarial technique?
  - Is it appropriate in the circumstances of its use by NCCI?
  - Does it meet Actuarial Standards of Practice?
  - Is data appropriate for the methodologies employed?
3. Identification of consistency of methodology used.
  - What changes to methodology were made in the past, and why?
  - What was the impact of the change in the methodology?
4. What additional methodologies were available?
  - Comparison to NCCI applications in other states
  - Comparison to approaches in non-NCCI jurisdictions
5. Is there evidence of bias in the ratemaking process?
6. Appropriateness of Judgments and Assumptions
  - Did NCCI conduct analyses to support key judgments and assumptions?
  - Were these analyses based on the most recently available data?
  - Are judgments and assumptions supported by available data?
  - Is there a pattern of bias in judgments and assumptions?

Each task represents an analysis of the portion of the rate application and is composed of one or more methodologies to which the general approach above will be applied. The general method may be applied to several approaches on a combined basis, or individually to each approach, based on our judgment. Our decisions with respect to the level of detail to which to apply the general approach will depend on the relative impact a particular method or judgment might have on a class rate or aggregate rate level. Our expectation is that we will identify specific critical areas of the ratemaking process and opine on those areas.

Analysis of the completeness and accuracy of data is beyond the scope of this analysis. However, to the extent that data which we examine exhibits anomalous behavior, we will examine what, if any, investigations NCCI conducted to ensure the integrity of the data. We will comment on data completeness, accuracy, and other issues, as warranted by our analysis.

Particular attention will be paid to consistency of methodology over time, and any changes to methodology. Annual changes to methodology and approaches may create a perception of bias, that is, a perception that methodologies and approaches are selected based on the result they generate.

During the prior review our work products were delivered in a timely fashion and all deadlines were met. The draft report will be delivered on or before December 16, 2019 and the final report will be delivered on or before January 10, 2020.

Finally, Mr. Lefkowitz understands that the Office has limited time and resources. Mr. Lefkowitz's experience in conducting these reviews for the Office specifically, and reviewing NCCI rate applications generally, will minimize the amount of time and resources expended by the Office during the course of this project.

## List of Deliverables

1. Status Briefings (Teleconferences)
2. Peer review and analysis in accordance with accepted actuarial practice and standards established by the Casualty Actuarial Society and/or the American Society of Actuaries
3. Draft report which:
  - A. Outlines objective and approach of the project.
  - B. Documents the data used, materials reviewed, assumptions and methodologies employed during the project including any reference to any Actuarial Standards of Practice.
  - C. Provides details of findings and recommendations, if any.
4. The Office of Insurance Regulation will receive the Final Report which is consistent with the format and content described above.
5. Expert Witness Testimony during any session of the Florida Legislature as required (which will be provided pursuant to a separate contract in the event these services are required).

## Allocation of Hours by Level

As noted earlier, Mr. Lefkowitz will be the primary actuarial consultant for this project, and will conduct the bulk of the analysis. Ms. Fitzgerald will peer review Mr. Lefkowitz's work. The following chart is presented as an approximate estimate of the effort required to deliver the required work products. Generally, the actual hours invested in prior assignments exceeded the estimates provided in the response to the RFQ.

<u>Level</u>	<u>Activities</u>	<u>Hours</u>
Mr. Lefkowitz, FCAS	Client Management	1
Mr. Lefkowitz, FCAS	Project Management	2
Mr. Lefkowitz, FCAS	Actuarial Analysis	45
Mr. Lefkowitz, FCAS	Report Preparation	10
Ms. Fitzgerald, FCAS	Peer Review	7
	<b>TOTAL</b>	<b>65</b>

## Outline of Expected Report Components

The following is the Table of Contents from Oliver Wyman's prior report to the Office, and is intended to serve as the outline of the expected report components, as well as the relative length of the report. The report is prepared in 12 point font, single spaced.

ACTUARIAL PEER REVIEW  
WORKERS COMPENSATION RATEMAKING PROCESSES  
NATIONAL COUNCIL ON COMPENSATION INSURANCE

OFFICE OF INSURANCE REGULATION  
STATE OF FLORIDA

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Note that for the current assignment, sections devoted to both Westphal and Castellanos will be included in the Discussion section.

# Tab 4: Forms

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## Cost/Price Response

### OFFICE OF INSURANCE REGULATION

#### Price Proposal for Actuarial Consulting Services of the National Council on Compensation Insurance

#### Actuarial Consulting Services for Peer Review and analysis of the Ratemaking Process of the National Council on Compensation Insurance

#### Attachment 3

Payments will be payable for completion of the Deliverables. Acceptance of the respective deliverable requires that the Contractor meet its respective targets as described in the Statement of Work. Contractor will be paid upon the completion of the agreed upon Deliverables as outlined.

Payable Deliverable	Amount*
Final Report	\$ 12,500

\*Proposed Price must be less than \$35,000

## Disclosure of Independence and Relationship

Oliver Wyman is not aware of any relationship that exists that would constitute a conflict of interest with respect to the contract that would be entered into as a result of this RFQ. Oliver Wyman's standard operating procedure for handling potential conflicts of interest follows:

1. Any situation where Oliver Wyman would serve two or more clients who are counterparties in a transaction, negotiation (including regulatory filings and reviews) or legal action presents a potential conflict of interest that needs to be resolved or avoided.
2. A consultant should be certain that no potential conflict would exist before making an unqualified offer to perform work.
3. To establish that no potential conflict exists, inquiries should be made of all Oliver Wyman Actuarial Consulting locations that could reasonably be expected to be acting for a party in the transaction, negotiation or legal action.
4. Before offering to do work in a potential conflict of interest situation, the approvals of the following are required, in sequence:
  - (a) The Actuarial Practice Leader
  - (b) A peer reviewer (different from the consultant acting for the other client),
  - (c) The consultant acting for the other client,
  - (d) The other client (in writing),
  - (e) The prospective client (in writing).
5. The approvals from the client and prospective client should be obtained after disclosure of the potential conflict, without disclosure of confidential information. If the mere fact of our retention by the client is itself confidential, then the information relayed to the prospective client should be limited to a statement that others at Oliver Wyman Actuarial Consulting are working on a confidential matter that may be adverse to the potential client's interest (assuming that the existing client would not be identifiable by virtue of such a statement).
6. Members of each client team should preserve the confidentiality of the project being undertaken for their respective clients. Privileged, confidential and non-public information relating to any matter involving a client should not be disclosed under any circumstances to a member of the other client's team.

Oliver Wyman understands that if the contract is awarded to an entity that is regulated by the Office with respect to services requested in this RFQ, such entity must divest itself of its status as a regulated entity. Additionally, we are aware that the Commission will not execute a contract with an entity if full compliance with Chapter 112, Part III, Florida Statutes, cannot be assured.

## **Proof of Insurance**

The following are Oliver Wyman's certificates for Liability Insurance and Professional Liability.





**CERTIFICATE OF LIABILITY INSURANCE**

DATE (MM/DD/YYYY)  
10/04/2019

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

**IMPORTANT:** If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

<b>PRODUCER</b> Marsh USA, Inc 1166 Avenue of the Americas New York, NY 10036 Attn: New York.Certs@marsh.com Fax: 212-948-0500	<b>CONTACT NAME:</b> PHONE (A/C, H/L, EXT): E-MAIL: ADDRESS:		<b>FAX (A/C, No):</b>
	<b>INSURER(S) AFFORDING COVERAGE</b>		
<b>INSURED</b> Oliver Wyman, Inc 1166 Avenue of the Americas New York, NY 10036	INSURER A : National Union Fire Insurance Co. of Pittsburgh PA	19445	NAIC #
	INSURER B : Illinois National Ins Co	2381*	
	INSURER C : New Hampshire Ins Company	23841	
	INSURER D : American Home Assurance Company	1938	
	INSURER E :		
	INSURER F :		

**COVERAGES**      **CERTIFICATE NUMBER:** NYC-009439323-22      **REVISION NUMBER:** 15

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDRESS (IND, WYD)	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	X COMMERCIAL GENERAL LIABILITY CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO. <input type="checkbox"/> LOB OTHER:		GL 6862446	09/30/2019	09/30/2020	EACH OCCURRENCE \$ 2,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 2,000,000 MED EXP (Any one person) \$ 25,000 PERSONAL & ADV INJURY \$ 2,000,000 GENERAL AGGREGATE \$ 4,000,000 PRODUCTS - COMP/OP AGG \$ 4,000,000
A	AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS HIRED AUTOS ONLY <input type="checkbox"/> NON-OWNED AUTOS ONLY		CA 4993296	09/30/2019	09/30/2020	COMBINED SINGLE LIMIT (Ea accident) \$ 5,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
A	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR EXCESS LIAB    CLAIMS-MADE DED    RETENTION \$		28295255	09/30/2019	09/30/2020	EACH OCCURRENCE \$ 5,000,000 AGGREGATE \$ 5,000,000
C	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY		WC 017515901 (AOS)	09/30/2019	09/30/2020	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTHER
D	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory In NH)	Y/N	WC 017515903 (CA)	09/30/2019	09/30/2020	E.L. EACH ACCIDENT \$ 2,000,000
B	If yes, describe under DESCRIPTION OF OPERATIONS below	N/A	WC 017515904 (FL)	09/30/2019	09/30/2020	E.L. DISEASE - EA EMPLOYEE \$ 2,000,000
C	Workers Compensation Continued		WC 017515902	09/30/2019	09/30/2020	E.L. DISEASE - POLICY LIMIT \$ 2,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)  
Evidence of Insurance

<b>CERTIFICATE HOLDER</b> Oliver Wyman, Inc 1166 Avenue of the Americas New York, NY 10036	<b>CANCELLATION</b> SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.  AUTHORIZED REPRESENTATIVE of Marsh USA Inc. Daniel Rivera <i>Daniel P. Rivera</i>
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**EPSILON (US) INSURANCE COMPANY**  
48 South Service Road, Melville, N.Y. 11747

CERTIFICATE OF INSURANCE

\*\*\*\*\*

NAMED INSURED: Marsh & McLennan Companies, Inc.

ADDITIONAL INSURED: Oliver Wyman, Inc.  
1166 Avenue of the Americas  
New York, NY 10036

INSURER: Epsilon (US) Insurance Company

POLICY NUMBER: 09301920

POLICY PERIOD: September 30, 2019 – September 30, 2020

LIMIT OF LIABILITY: \$50,000,000 per claim

TYPE OF INSURANCE: Professional Liability  
\*\*\*\*\*

CERTIFICATE HOLDER: Marsh & McLennan Companies, Inc.  
and any of its Subsidiaries  
1166 Avenue of the Americas  
New York, NY 10036

Should the above described policy be cancelled before the expiration date thereof, the Insurer will endeavor to mail 30 days written notice to the certificate holder named above, but failure to mail such notice shall impose no obligation or liability of any kind upon the Insured, the Insurer, their manager, agents or representatives.

  
\_\_\_\_\_

Epsilon (US) Insurance Company  
Authorized Representative

Date: September 30, 2019  
PLEASE REFER ALL INQUIRIES TO MARSH & MCLENNAN COMPANIES, INC., RISK  
MANAGEMENT DEPT., 1166 AVENUE OF THE AMERICAS, NEW YORK. NEW YORK  
10036

## Request for Modifications

*The following are suggestions for modifications to the materials provided by the Florida Office of Insurance Regulation (the "Client") in connection with the Request for Informal Quote relating to actuarial Consulting Services for Peer Review and Analysis of the Ratemaking Process of the National Council on Compensation Insurance. Oliver Wyman Actuarial Consulting, Inc. ("We" or the "Consultant") is willing to discuss and consider alternatives that are mutually acceptable to Consultant and Client.*

CLAUSE NO.	PROVISION	SUGGESTED CLARIFICATION
19	Insurance	We suggest clarifying that the Client will be included as an additional insured for its vicarious liability resulting from the Consultant's provision of services under the Contract and so endorsed on the policy. Consultant is covered under a comprehensive insurance program designed by Marsh & McLennan Companies, Inc. ("MMC"), its ultimate parent company, and additional insured status under the Consultant's CGL policy is provided on a blanket coverage basis. As such, clients cannot be "named" additional insureds.
15	Limitation of Liability	We suggest that the liability cap be mutual, applying to both Client and Consultant. In addition, we suggest that Consultant and Client not be liable for any indirect, special, punitive, consequential or incidental damages, including loss of profits.
29	Guarantee of Parent Corporation	We suggest removing this section, as MMC does not provide parent guarantees.
Addendum B	Data Security Requirements	If selected, this section is subject to review by the information security department of our operating company, as well as that of our parent, MMC, which manages certain of our systems.

### Additional Terms

We suggest including provisions substantially similar to the following:

"Jury Waiver. Each party, on behalf of itself and its affiliates, to the fullest extent permitted by law, knowingly, voluntarily, and intentionally waives its right to a trial by jury in any action or other legal proceeding arising out of or relating to this Agreement or the services provided hereunder. The foregoing waiver applies to any action or legal proceeding, whether sounding in contract, tort or otherwise. Each party, on behalf of

itself and its affiliates, also agrees not to include any employee, officer or director of the other party or its affiliates as a party in any such action or proceeding.”



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**Florida Workers' Compensation Joint Underwriting Association, Inc. (FWCJUA)**  
**Board of Governors**  
***Appointments for Consideration***

**Background Summary**

- The operation of the FWCJUA, a non-profit entity, is subject to the supervision of a nine-member Board of Governors.
- Eight board members are appointed by and serve at the pleasure of the Financial Services Commission pursuant to section 627.311(5), Florida Statutes. These include three at-large members, two domestic insurer representatives, two foreign insurer representatives, and one representative from the largest property and casualty insurance agents' association in Florida (this is the Florida Association of Insurance Agents).
- The ninth board member is the insurance consumer advocate appointed by the Chief Financial Officer, or his designee, under section 627.0613, Florida Statutes.
- Each Board member serves a term of four years, with the most recent term expiring on June 30, 2019.

**FWCJUA Board Nominees for Consideration for Each Open Board Seat  
(Office Recommendations)**

**Domestic Insurer Seat 1** Rick Piedra, FCCI Insurance Group

**Domestic Insurer Seat 2** Debra Cerre-Ruedisili, JD, Florida Citrus, Business & Industries

**Foreign Insurer Seat 1** \*James P. Ward, The Hartford Insurance Company

**Foreign Insurer Seat 2** \*Rob Deviere, ICW Group Insurance Companies

**FAIA Seat** \*Robert T. Moore, Corporate Insurance Advisors, LLC

**At Large Seat 1** \*Charlie Clary, DAG Architects

**At Large Seat 2** \*Claude Revels, Claude Revels & Associates, LLC

**At Large Seat 3** \*Cynthia Howard, C3WCS Consulting, LLC

\*Names are current board members up for re-appointment.