

By the Committee on Banking and Insurance; and Senator Fasano

597-04833-10

20102030c1

1 A bill to be entitled
2 An act relating to continuing care facilities;
3 amending s. 651.011, F.S.; revising definitions
4 relating to ch. 651, F.S.; amending s. 651.012, F.S.;
5 conforming cross-references; amending s. 651.022,
6 F.S.; increasing the threshold amount for businesses
7 that must be identified in an application for a
8 provisional certificate of authority; adding wait-list
9 contracts to the forms that must be submitted with the
10 application; amending s. 651.0235, F.S.; conforming
11 provisions to changes made by the act; amending s.
12 651.026, F.S.; revising the financial information that
13 must be submitted annually for each certified
14 facility; requiring the annual report to reflect any
15 changes in accounting principle terminology; amending
16 s. 651.033, F.S.; authorizing a provider to assess a
17 separate, nonrefundable fee for processing an
18 application for continuing care; amending s. 651.035,
19 F.S.; clarifying that the amounts maintained in escrow
20 relating to taxes refer to property taxes; deleting an
21 obsolete provision; amending s. 651.055, F.S.;
22 providing that a resident is deemed to be occupying a
23 unit upon the payment of certain fees; providing a
24 timeframe for rescinding a contract; increasing the
25 application processing fee; conforming provisions to
26 changes made by the act; amending s. 651.081, F.S.;
27 renaming residents' organizations as residents'
28 councils; requiring the provider to provide a newly
29 elected chair of a council with a copy of ch. 651,

597-04833-10

20102030c1

30 F.S., and related rules; amending s. 651.083, F.S.;

31 clarifying that a resident has a right to receive

32 residents' council memos and announcements;

33 prohibiting a provider from restricting a resident's

34 access to the council; amending s. 651.085, F.S.;

35 requiring the provider to provide the reasons for

36 increasing the maintenance fee to the chair of the

37 residents' council; allowing a designated

38 representative to represent the provider at meetings;

39 amending s. 651.091, F.S.; specifying that a

40 management company or operator is an agent of the

41 provider for the purposes of disclosing certain

42 information to residents; expanding the list of items

43 that must be provided to the chair of the residents'

44 council; requiring the provider to provide a copy of

45 s. 651.071, F.S., relating to receivership or

46 liquidation, to all prospective residents; amending s.

47 651.105, F.S.; increasing the amount of time that the

48 Office of Insurance Regulation has to inspect a

49 facility; requiring the office to determine if all

50 disclosures have been made to the chair of the

51 residents' council; amending ss. 651.114 and 651.1151,

52 F.S.; conforming provisions to changes made by the

53 act; amending s. 651.121, F.S.; conforming provisions

54 to changes made by the act; requiring the chair of the

55 Continuing Care Advisory Council to report the

56 council's findings and recommendations to the Governor

57 and the Commissioner of Insurance Regulation;

58 requiring the office to provide certain information to

597-04833-10

20102030c1

59 the council; repealing s. 651.133, F.S., relating to
60 provisional certificates under prior law; amending s.
61 628.4615, F.S.; conforming cross-references; providing
62 an effective date.

63
64 Be It Enacted by the Legislature of the State of Florida:

65
66 Section 1. Section 651.011, Florida Statutes, is reordered
67 and amended to read:

68 651.011 Definitions.—For the purposes of this chapter, the
69 term:

70 (3)~~(1)~~ “Continuing Care Advisory Council” or “advisory
71 council” means the ~~Continuing Care Advisory~~ council established
72 in ~~by~~ s. 651.121.

73 (2) “Continuing care” or “care” means, furnishing pursuant
74 to a contract, furnishing shelter and ~~either~~ nursing care or
75 personal services as defined in s. 429.02, whether such nursing
76 care or personal services are provided in the facility or in
77 another setting designated by the contract for continuing care,
78 to an individual not related by consanguinity or affinity to the
79 provider furnishing such care, upon payment of an entrance fee.
80 Other personal services provided must ~~shall~~ be designated in the
81 continuing care contract. Contracts to provide continuing care
82 include agreements to provide care for any duration, including
83 contracts that are terminable by either party.

84 (4)~~(3)~~ “Entrance fee” means an initial or deferred payment
85 of a sum of money or property made as full or partial payment to
86 assure the resident a place in a facility. An accommodation fee,
87 admission fee, or other fee of similar form and application are

597-04833-10

20102030c1

88 ~~shall be~~ considered to be an entrance fee.

89 (5)~~(4)~~ "Facility" means a place that provides ~~in which it~~
90 ~~is undertaken to provide~~ continuing care.

91 (8)~~(5)~~ "Licensed" means that the provider has obtained a
92 certificate of authority from the department.

93 (9)~~(6)~~ "Provider" means the owner or operator, whether a
94 natural person, partnership or other unincorporated association,
95 however organized, trust, or corporation, of an institution,
96 building, residence, or other place, whether operated for profit
97 or not, which owner or operator provides ~~undertakes to provide~~
98 continuing care for a fixed or variable fee, or for any other
99 remuneration of any type, whether fixed or variable, for the
100 period of care, payable in a lump sum or lump sum and monthly
101 maintenance charges or in installments, but does not mean an ~~any~~
102 entity that has existed and continuously operated a facility
103 located on at least ~~no less than~~ 63 acres in this state
104 providing residential lodging to members and their spouses for
105 at least 66 years on or before July 1, 1989, and ~~such facility~~
106 has the residential capacity of 500 persons, is directly or
107 indirectly owned or operated by a nationally recognized
108 fraternal organization, is not open to the public, and accepts
109 only its members and their spouses as residents ~~at such a~~
110 ~~facility~~.

111 (10)~~(7)~~ "Records" means the permanent financial, directory,
112 and personnel information and data maintained by a provider
113 pursuant to this chapter.

114 (11)~~(8)~~ "Resident" means a purchaser of, ~~or~~ a nominee of,
115 or a subscriber to, a continuing care agreement. Such ~~an~~
116 agreement does ~~may not be construed to~~ give the resident a part

597-04833-10

20102030c1

117 ownership of the facility in which the resident is to reside,
118 unless expressly provided for in the agreement.

119 (6)~~(9)~~ "Generally accepted accounting principles" means
120 those accounting principles and practices adopted by the
121 Financial Accounting Standards Board and the American Institute
122 of Certified Public Accountants, including Statement of Position
123 90-8 with respect to any full year to which the statement
124 applies.

125 (7)~~(10)~~ "Insolvency" means the condition in which the
126 provider is unable to pay its obligations as they come due in
127 the normal course of business.

128 (1)~~(11)~~ "Advertising" means the dissemination of ~~any~~
129 written, visual, or electronic information by a provider, or any
130 person affiliated with or controlled by a provider, to potential
131 residents or their representatives for the purpose of inducing
132 such persons to subscribe to or enter into a contract to reside
133 in a continuing care community that is subject to this chapter
134 ~~covered by this act.~~

135 Section 2. Section 651.012, Florida Statutes, is amended to
136 read:

137 651.012 Exempted facility; written disclosure of
138 exemption.—Any facility exempted under ss. 632.637(1)(e) and
139 651.011(9) ~~651.011(6)~~ must provide written disclosure of such
140 exemption to each person admitted to the facility after October
141 1, 1996. This disclosure must be written using language likely
142 to be understood by the person and must briefly explain the
143 exemption provisions of ss. 632.637(1)(e) and 651.011(6).

144 Section 3. Paragraph (b) of subsection (2) of section
145 651.022, Florida Statutes, is amended, paragraph (g) is added to

597-04833-10

20102030c1

146 that subsection, and paragraphs (i) and (j) of subsection (3) of
147 that section are amended, to read:

148 651.022 Provisional certificate of authority; application.-

149 (2) The application for a provisional certificate of
150 authority shall be on a form prescribed by the commission and
151 shall contain the following information:

152 (b) The full names, residences, and business addresses of:

153 1. The proprietor, if the applicant or provider is an
154 individual.

155 2. Every partner or member, if the applicant or provider is
156 a partnership or other unincorporated association, however
157 organized, having fewer than 50 partners or members, together
158 with the business name and address of the partnership or other
159 organization.

160 3. The principal partners or members, if the applicant or
161 provider is a partnership or other unincorporated association,
162 however organized, having 50 or more partners or members,
163 together with the business name and business address of the
164 partnership or other organization. If such unincorporated
165 organization has officers and a board of directors, the full
166 name and business address of each officer and director may be
167 set forth in lieu of the full name and business address of its
168 principal members.

169 4. The corporation and each officer and director thereof,
170 if the applicant or provider is a corporation.

171 5. Every trustee and officer, if the applicant or provider
172 is a trust.

173 6. The manager, whether an individual, corporation,
174 partnership, or association.

597-04833-10

20102030c1

175 7. Any stockholder holding at least a 10 percent ~~10 percent~~
176 interest in the operations of the facility in which the care is
177 to be offered.

178 8. Any person whose name is required to be provided in the
179 application under ~~the provisions of~~ this paragraph and who owns
180 any interest in or receives any remuneration from, ~~either~~
181 directly or indirectly, any professional service firm,
182 association, trust, partnership, or corporation providing goods,
183 leases, or services to the facility for which the application is
184 made, with a real or anticipated value of \$10,000 ~~\$500~~ or more,
185 and the name and address of the professional service firm,
186 association, trust, partnership, or corporation in which such
187 interest is held. The applicant shall describe such goods,
188 leases, or services and the probable cost to the facility or
189 provider and shall describe why such goods, leases, or services
190 should not be purchased from an independent entity.

191 9. Any person, corporation, partnership, association, or
192 trust owning land or property leased to the facility, along with
193 a copy of the lease agreement.

194 10. Any affiliated parent or subsidiary corporation or
195 partnership.

196 (g) The forms of the continuing care residency contracts,
197 reservation contracts, escrow agreements, and wait list
198 contracts, if applicable, which are proposed to be used by the
199 provider in the furnishing of care. If the office finds that the
200 continuing care contracts and escrow agreements comply with ss.
201 651.023(1)(c), 651.033, and 651.055, it shall approve them.
202 Thereafter, no other form of contract or agreement may be used
203 by the provider until it has been submitted to the office and

597-04833-10

20102030c1

204 approved.

205 (3) In addition to the information required in subsection
206 (2), an applicant for a provisional certificate of authority
207 shall submit a market feasibility study. The market feasibility
208 study shall include at least the following information:

209 ~~(i) The application for a provisional certificate of~~
210 ~~authority shall be accompanied by the forms of the continuing~~
211 ~~care residency and reservation contracts and escrow agreements~~
212 ~~proposed to be used by the provider in the furnishing of care.~~
213 ~~If the office finds that the continuing care contracts and~~
214 ~~escrow agreements comply with ss. 651.023(1)(c), 651.033, and~~
215 ~~651.055, it shall approve them. Thereafter, no other form of~~
216 ~~contract or agreement may be used by the provider until it has~~
217 ~~been submitted to the office and approved.~~

218 (i)-(j) The name of the person who prepared the feasibility
219 study and the experience of such person in preparing similar
220 studies or otherwise consulting in the field of continuing care.

221 Section 4. Subsection (2) of section 651.0235, Florida
222 Statutes, is amended to read:

223 651.0235 Validity of provisional certificates of authority
224 and certificates of authority.—

225 (2) If the provider fails to meet the requirements of this
226 chapter for a provisional certificate of authority or a
227 certificate of authority, the office may notify the provider of
228 any deficiencies and require the provider to correct such
229 deficiencies within a period to be determined by the office. If
230 such deficiencies are not corrected within 20 days after the
231 notice to the provider, or within less time at the discretion of
232 the office, the office shall notify the Continuing Care Advisory

597-04833-10

20102030c1

233 Council, which may assist the facility in formulating a remedial
234 plan to be submitted to the office within ~~no later than~~ 60 days
235 after ~~from~~ the date of notification. The time period for
236 correcting the ~~granted to correct~~ deficiencies may be extended
237 upon submission of a plan for corrective action approved by the
238 office. If such deficiencies have not been cleared by the
239 expiration of such time period, as extended, the office shall
240 petition for a delinquency proceeding or pursue such other
241 relief as ~~is~~ provided ~~for~~ under this chapter, as the
242 circumstances may require.

243 Section 5. Subsection (2) of section 651.026, Florida
244 Statutes, is amended to read:

245 651.026 Annual reports.—

246 (2) The annual report shall be in such form as the
247 commission prescribes and shall contain at least the following:

248 (a) Any change in status with respect to the information
249 required to be filed under s. 651.022(2).

250 (b) Financial statements audited by an independent
251 certified public accountant, which must ~~shall~~ contain, for two
252 or more periods if the facility has been in existence that long,
253 all of the following:

254 1. An accountant's opinion and, in accordance with
255 generally accepted accounting principles:

- 256 a. A balance sheet;
257 b. A statement of income and expenses;
258 c. A statement of equity or fund balances; and
259 d. A statement of changes in cash flows. ~~;~~ and

260 2. Notes to the financial statements considered customary
261 or necessary for ~~to~~ full disclosure or adequate understanding of

597-04833-10

20102030c1

262 the financial statements, financial condition, and operation.

263 (c) The following financial information:

264 1. A detailed listing of the assets maintained in the
265 liquid reserve as required under ~~in~~ s. 651.035 and in accordance
266 with part II of chapter 625;

267 2. A schedule giving additional information relating to
268 property, plant, and equipment having an original cost of at
269 least \$25,000, so as to show in reasonable detail with respect
270 to each separate facility original costs, accumulated
271 depreciation, net book value, appraised value or insurable value
272 and date thereof, insurance coverage, encumbrances, and net
273 equity of appraised or insured value over encumbrances. Any
274 property not used in continuing care must ~~shall~~ be shown
275 separately from property used in continuing care;

276 3. The level of participation in Medicare or Medicaid
277 programs, or both;

278 4. A statement of all fees required of residents,
279 including, but not limited to, a statement of the entrance fee
280 charged, the monthly service charges, the proposed application
281 of the proceeds of the entrance fee by the provider, and the
282 plan by which the amount of the entrance fee is determined if
283 the entrance fee is not the same in all cases; and

284 5. Any change or increase in fees if ~~when~~ the provider
285 changes ~~either~~ the scope of, or the rates for, care or services,
286 regardless of whether the change involves the basic rate or only
287 those services available at additional costs to the resident.

288 6. ~~a.~~ If the provider has more than one certificated
289 facility, or has operations that are not licensed under this
290 chapter, it shall submit a balance sheet, statement of income

597-04833-10

20102030c1

291 and expenses, statement of equity or fund balances, and
292 statement of cash flows ~~statement of operations~~ for each
293 facility licensed under this chapter as supplemental information
294 to the audited financial statements required under paragraph (b)
295 ~~as part of the annual report.~~

296 ~~b. If the provider has operations that are not Florida~~
297 ~~certificated facilities, the provider shall also submit as~~
298 ~~supplemental information to the audited financial statements,~~
299 ~~balance sheets, statements of changes in equity, and statements~~
300 ~~of cash flows for each Florida certificated facility.~~

301 (d) Such other reasonable data, financial statements, and
302 pertinent information as the commission or office may require
303 with respect to the provider or the facility, or its directors,
304 trustees, members, branches, subsidiaries, or affiliates, to
305 determine the financial status of the facility and the
306 management capabilities of its managers and owners.

307 (e) Each facility shall file with the office annually,
308 together with the annual report required by this section, a
309 computation of its minimum liquid reserve calculated in
310 accordance with s. 651.035 on a form prescribed by the
311 commission.

312 (f) If, due to a change in generally accepted accounting
313 principles, the balance sheet, statement of income and expenses,
314 statement of equity or fund balances, or statement of cash flows
315 is known by any other name or title, the annual report must
316 contain financial statements using the changed names or titles
317 that most closely correspond to a balance sheet, statement of
318 income and expenses, statement of equity or fund balances, and
319 statement of changes in cash flows.

597-04833-10

20102030c1

320 Section 6. Paragraph (d) of subsection (1) of section
321 651.033, Florida Statutes, is amended, and paragraph (d) is
322 added to subsection (3) of that section, to read:

323 651.033 Escrow accounts.—

324 (1) When funds are required to be deposited in an escrow
325 account pursuant to s. 651.022, s. 651.023, s. 651.035, or s.
326 651.055:

327 (d) All funds deposited in an escrow account, if invested,
328 shall be invested as set forth in part II of chapter 625;
329 however, such investment may ~~shall~~ not diminish the funds held
330 in escrow below the amount required by this chapter. ~~All~~ Funds
331 deposited in an escrow account are ~~shall~~ not be subject to ~~any~~
332 charges by the escrow agent except escrow agent fees associated
333 with administering the accounts, or subject to any liens,
334 judgments, garnishments, creditor's claims, or other
335 encumbrances against the provider or facility except as provided
336 in s. 651.035(1) ~~651.035(2)~~.

337 (3) In addition, when entrance fees are required to be
338 deposited in an escrow account pursuant to s. 651.022, s.
339 651.023, or s. 651.055:

340 (d) A provider may assess a nonrefundable fee, which is
341 separate from the entrance fee, for processing a prospective
342 resident's application for continuing care.

343 Section 7. Section 651.035, Florida Statutes, is amended to
344 read:

345 651.035 Minimum liquid reserve requirements.—

346 (1) A provider shall maintain in escrow a minimum liquid
347 reserve consisting of the following reserves, as applicable:
348 ~~reserves specified in subsection (2).~~

597-04833-10

20102030c1

349 ~~(2)~~(a) Each ~~A~~ provider shall maintain in escrow as a debt
350 service reserve ~~an amount equal to~~ the aggregate amount of all
351 principal and interest payments due during the fiscal year on
352 any mortgage loan or other long-term financing of the facility,
353 including property taxes as recorded in the audited financial
354 statements required under s. 651.026. The amount must ~~shall~~
355 include any leasehold payments and all costs related to such
356 payments. If principal payments are not due during the fiscal
357 year, the provider shall maintain in escrow as a minimum liquid
358 reserve an amount equal to interest payments due during the next
359 12 months on any mortgage loan or other long-term financing of
360 the facility, including property taxes.

361 (b) A provider that ~~which~~ has outstanding indebtedness that
362 ~~which~~ requires ~~what is normally referred to as~~ a "debt service
363 reserve" to be held in escrow pursuant to a trust indenture or
364 mortgage lien on the facility and for which the debt service
365 reserve may only be used to pay principal and interest payments
366 on the debt that ~~which~~ the debtor is obligated to pay, and which
367 may include property taxes and insurance, may include such debt
368 service reserve in computing the ~~its computation of its~~ minimum
369 liquid reserve needed to satisfy this subsection if, ~~provided~~
370 ~~that~~ the provider furnishes to the office a copy of the
371 agreement under which such debt service is held, together with a
372 statement of the amount being held in escrow for the debt
373 service reserve, certified by the lender or trustee and the
374 provider to be correct. The trustee shall provide the office
375 with any information concerning the debt service reserve account
376 upon request of the provider or the office.

377 (c) Each provider shall maintain in escrow an operating

597-04833-10

20102030c1

378 reserve ~~in an amount~~ equal to 30 percent of the total operating
379 expenses projected in the feasibility study required by s.
380 651.023 for the first 12 months of operation. Thereafter, each
381 provider shall maintain in escrow an operating reserve ~~in an~~
382 ~~amount~~ equal to 15 percent of the total operating expenses in
383 the annual report filed pursuant to s. 651.026. If ~~Where~~ a
384 provider has been in operation for more than 12 months, the
385 total annual operating expenses shall be determined by averaging
386 the total annual operating expenses reported to the office by
387 the number of annual reports filed with the office within the
388 ~~immediate~~ preceding 3-year period subject to adjustment if ~~in~~
389 ~~the event~~ there is a change in the number of facilities owned.
390 For purposes of this subsection, total annual operating expenses
391 ~~shall~~ include all expenses of the facility except: depreciation
392 and amortization; interest and property taxes included in
393 paragraph (a) subsection (1); extraordinary expenses that ~~which~~
394 are adequately explained and documented in accordance with
395 generally accepted accounting principles; liability insurance
396 premiums in excess of those paid in calendar year 1999; and
397 changes in the obligation to provide future services to current
398 residents. For providers initially licensed during or after
399 calendar year 1999, liability insurance shall be included in the
400 total operating expenses in an amount not to exceed the premium
401 paid during the first 12 months of facility operation. Beginning
402 January 1, 1993, the operating reserves required under this
403 subsection shall be in an unencumbered account held in escrow
404 for the benefit of the residents. Such funds may not be
405 encumbered or subject to any liens or charges by the escrow
406 agent or judgments, garnishments, or creditors' claims against

597-04833-10

20102030c1

407 the provider or facility. However, if a facility had a lien,
408 mortgage, trust indenture, or similar debt instrument in place
409 before ~~prior to~~ January 1, 1993, which encumbered all or any
410 part of the reserves required by this subsection and such funds
411 were used to meet the requirements of this subsection, then such
412 arrangement may be continued, unless a refinancing or
413 acquisition has occurred, and the provider shall be in
414 compliance with this subsection.

415 (d) Each provider shall maintain in escrow a renewal and
416 replacement reserve ~~in an amount~~ equal to 15 percent of the
417 total accumulated depreciation based on the audited financial
418 statement required to be filed pursuant to s. 651.026, not to
419 exceed 15 percent of the facility's average operating expenses
420 for the past 3 fiscal years based on the audited financial
421 statements for each of those ~~such~~ years. For a provider who is
422 an operator of a facility but is not the owner and depreciation
423 is not included as part of the provider's financial statement,
424 the renewal and replacement reserve required by this paragraph
425 must ~~shall~~ equal 15 percent of the total operating expenses of
426 the provider, as described in this section. Each provider
427 licensed before ~~prior to~~ October 1, 1983, shall ~~be required to~~
428 fully fund the renewal and replacement reserve by October 1,
429 2003, by multiplying the difference between the former escrow
430 requirement and the present escrow requirement by the number of
431 years the facility has been in operation after October 1, 1983.

432 ~~(3) In lieu of fulfilling the escrow requirements provided~~
433 ~~in subsections (1) and (2), each facility licensed prior to~~
434 ~~October 1, 1983, shall be required to maintain in escrow the~~
435 ~~minimum liquid reserve that would have been required under this~~

597-04833-10

20102030c1

436 ~~section as it existed on October 1, 1982, plus 5 percent of the~~
437 ~~difference between the former escrow requirement and the present~~
438 ~~escrow requirement multiplied by the number of years the~~
439 ~~facility has been in operation after October 1, 1983. Beginning~~
440 ~~October 1, 2003, the escrow requirements provided in subsections~~
441 ~~(1) and (2) shall apply in full to facilities licensed before~~
442 ~~October 1, 1983.~~

443 (2)~~(4)~~(a) In facilities where not all residents are under
444 continuing care contracts, the reserve requirements of
445 subsection (1) ~~(2)~~ shall be computed only with respect to the
446 proportional share of operating expenses which are ~~that is~~
447 applicable to residents as defined in s. 651.011. For purposes
448 of this calculation, the proportional share shall be based upon
449 the ratio of residents under continuing care contracts to those
450 residents who do not hold such contracts.

451 (b) In facilities that ~~which~~ have voluntarily and
452 permanently discontinued marketing continuing care contracts,
453 the office may allow a reduced debt service reserve as required
454 in subsection (1) based upon the ratio of residents under
455 continuing care contracts to those residents who do not hold
456 such contracts if the office finds that such reduction is not
457 inconsistent with the security protections intended by this
458 chapter. In making this determination, the office may consider
459 such factors as the financial condition of the facility, the
460 provisions of the outstanding continuing care contracts, the
461 ratio of residents under continuing care agreements to those
462 residents who do not hold a continuing care contract, current
463 occupancy rates, previous sales and marketing efforts, life
464 expectancy of the remaining contract holders, and the written

597-04833-10

20102030c1

465 policies of the board of directors of the provider or a similar
466 board.

467 (3)~~(5)~~ When principal and interest payments are paid to
468 a trust that ~~which~~ is beneficially held by the residents as
469 described in s. 651.023(5), the office may waive all or any
470 portion of the escrow requirements for mortgage principal and
471 interest contained in subsection (1) if the office finds that
472 such waiver is not inconsistent with the security protections
473 intended by this chapter.

474 (4)~~(6)~~ The office, upon approval of a plan for fulfilling
475 the requirements of this section and upon demonstration by the
476 facility of an annual increase in liquid reserves, may extend
477 the time for compliance.

478 (5)~~(7)~~~~(a)~~ A provider may satisfy the minimum liquid reserve
479 requirements of this section by acquiring from a financial
480 institution, as specified in paragraph (b), a clean,
481 unconditional irrevocable letter of credit ~~in an amount~~ equal to
482 the requirements of this section.

483 (a) The letter of credit must ~~shall~~ be issued by a
484 financial institution participating in the State of Florida
485 Treasury Certificate of Deposit Program, and must be approved by
486 ~~the letter of credit shall be subject to the approval of the~~
487 office before ~~prior to~~ issuance and before ~~prior to~~ any renewal
488 or modification thereof. At a minimum, the letter of credit must
489 ~~shall~~ provide for:

490 1. Ninety days' prior written notice to both the provider
491 and the office of the financial institution's determination not
492 to renew or extend the term of the letter of credit.

493 2. Unless otherwise arranged by the provider to the

597-04833-10

20102030c1

494 satisfaction of the office, deposit by the financial institution
495 of ~~such~~ letter of credit funds in an account designated by the
496 office no later than 30 days before ~~prior to~~ the expiration of
497 the letter of credit.

498 3. Deposit by the financial institution of ~~such~~ letter of
499 credit funds in an account designated by the office within ~~no~~
500 ~~later than~~ 4 business days following written instructions from
501 the office that, in the sole judgment of the office, funding of
502 the minimum liquid reserve is required.

503 (b) The terms of the ~~such~~ letter of credit must ~~shall~~ be
504 approved by the office and the long-term debt of the financial
505 institution providing such letter of credit must ~~shall~~ be rated
506 in one of their top three long-term debt rating categories by
507 either Moody's Investors Service, Standard & Poor's Corporation,
508 or a recognized securities rating agency acceptable to the
509 office.

510 (c) The letter of credit must ~~shall~~ name the office as
511 beneficiary.

512 (d) Notwithstanding any other provision of this section, a
513 provider using ~~utilizing~~ a letter of credit pursuant to this
514 subsection shall, at all times, have and maintain in escrow an
515 operating cash reserve equal to 2 months' operating expenses as
516 determined pursuant to s. 651.026.

517 (e) If ~~In the event~~ the issuing financial institution no
518 longer participates in the State of Florida Treasury Certificate
519 of Deposit Program, such financial institution shall deposit as
520 collateral with the department eligible securities, as
521 prescribed by s. 625.52, having a market value equal to or
522 greater than 100 percent of the stated amount of the letter of

597-04833-10

20102030c1

523 credit.

524 ~~(6)-(8)-(a)~~ Each fiscal year, a provider may withdraw up to
525 33 percent of the total renewal and replacement reserve
526 available. The reserve available is equal to the market value of
527 the invested reserves at the end of the provider's prior fiscal
528 year. The withdrawal must ~~is to~~ be used for capital items or
529 major repairs, ~~and~~

530 (a) Before any funds are eligible for withdrawal, the
531 provider must obtain written permission from the office by
532 submitting the following ~~information~~:

533 1. The amount of the withdrawal and the intended use of the
534 proceeds.

535 2. A board resolution and sworn affidavit signed by two
536 officers or general partners of the provider which indicates
537 approval of the withdrawal and use of the funds.

538 3. Proof that the provider has met all funding requirements
539 for the operating, debt service, and renewal and replacement
540 reserves computed for the previous fiscal year.

541 4. Anticipated payment schedule for refunding the renewal
542 and replacement reserve fund.

543 (b) Within 30 days after the withdrawal of funds ~~from the~~
544 ~~renewal and replacement reserve fund~~, the provider must begin
545 refunding the reserve account in equal monthly payments that
546 ~~which~~ allow for a complete funding of the ~~such~~ withdrawal within
547 36 months. If the payment schedule required under subparagraph
548 (a)4. has changed, the provider must update the office with the
549 new payment schedule. If the provider fails to make a required
550 monthly payment or the payment is late, the provider must notify
551 the office within 5 days after the due date of the payment. No

597-04833-10

20102030c1

552 additional withdrawals from the renewal and replacement reserve
553 will be allowed until all scheduled payments are current.

554 Section 8. Paragraphs (d) and (g) of subsection (1) and
555 subsections (2) and (5) of section 651.055, Florida Statutes,
556 are amended to read:

557 651.055 Contracts; right to rescind.—

558 (1) Each continuing care contract and each addendum to such
559 contract shall be submitted to and approved by the office prior
560 to its use in this state. Thereafter, no other form of contract
561 shall be used by the provider unless it has been submitted to
562 and approved by the office. Each contract shall:

563 (d) Describe the health and financial conditions required
564 for a person to be accepted as a resident and to continue as a
565 resident, once accepted, including the effect of any change in
566 the health or financial condition of the a person between the
567 date of submitting an application for admission to the facility
568 and entering into a continuing care contract and the date of
569 taking occupancy in a unit. If a prospective resident signs a
570 contract but postpones moving into the facility, the individual
571 is deemed to be occupying a unit at the facility when he or she
572 pays the entrance fee or any portion of the fee, other than a
573 reservation deposit, and begins making monthly maintenance fee
574 payments. Such resident may rescind the contract and receive a
575 full refund of any funds paid, without penalty or forfeiture,
576 within 7 days after executing the contract as specified in
577 subsection (2).

578 (g) Provide that the contract may be canceled by ~~upon the~~
579 giving at least 30 days' ~~of~~ written notice of cancellation ~~of at~~
580 ~~least 30 days~~ by the provider, the resident, or the person who

597-04833-10

20102030c1

581 provided the transfer of property or funds for the care of such
582 resident; however, if a contract is canceled because there has
583 been a good faith determination that a resident is a danger to
584 himself or herself or others, only such notice as is reasonable
585 under the circumstances is ~~shall be~~ required.

586 1. The contract must also ~~shall further~~ provide in clear
587 and understandable language, in print no smaller than the
588 largest type used in the body of the contract, the terms
589 governing the refund of any portion of the entrance fee.

590 2. For a resident whose contract with the facility provides
591 that the resident does not receive a transferable membership or
592 ownership right in the facility, and who has occupied his or her
593 unit, the refund shall be calculated on a pro rata basis with
594 the facility retaining up to ~~no more than~~ 2 percent per month of
595 occupancy by the resident and up to a 5 percent ~~no more than a~~
596 ~~4 percent fee for processing~~ fee. Such refund must ~~shall~~ be paid
597 within ~~no later than~~ 120 days after the giving the ~~of~~ notice of
598 intention to cancel.

599 3. In addition to a processing fee, if the contract
600 provides for the facility to retain up to ~~no more than~~ 1 percent
601 per month of occupancy by the resident, it may provide that such
602 refund will be paid from the proceeds of the next entrance fees
603 received by the provider for units for which there are no prior
604 claims by any resident until paid in full or, if the provider
605 has discontinued marketing continuing care contracts, within 200
606 days after the date of notice.

607 4. Unless ~~the provisions of~~ subsection (5) applies ~~apply~~,
608 for any prospective resident, regardless of whether or not such
609 a resident receives a transferable membership or ownership right

597-04833-10

20102030c1

610 in the facility, who cancels the contract before ~~prior to~~
611 occupancy of the unit, ~~the refund shall be~~ the entire amount
612 paid toward the entrance fee shall be refunded, less a
613 processing fee of up to 5 percent ~~not to exceed 4 percent~~ of the
614 entire entrance fee; however, the ~~but in no event shall such~~
615 processing fee may not exceed the amount paid by the prospective
616 resident. Such refund must ~~shall~~ be paid within ~~no later than~~ 60
617 days after ~~the~~ giving the ~~of~~ notice of intention to cancel. For
618 a resident who has occupied his or her unit and who has received
619 a transferable membership or ownership right in the facility,
620 the foregoing refund provisions do ~~shall~~ not apply but are ~~shall~~
621 ~~be~~ deemed satisfied by the acquisition or receipt of a
622 transferable membership or an ownership right in the facility.
623 The provider may ~~shall~~ not charge any fee for the transfer of
624 membership or sale of an ownership right.

625 (2) A resident has the right to rescind a continuing care
626 contract and receive a full refund of any funds paid, without
627 penalty or forfeiture, within 7 days after executing the
628 contract. A resident may ~~shall~~ not be required to move into the
629 facility designated in the contract before the expiration of the
630 7-day period. During the 7-day period, the resident's funds must
631 be held in an escrow account unless otherwise requested by the
632 resident pursuant to s. 651.033(3)(c).

633 (5) Except for a resident who postpones moving into the
634 facility but is deemed to have occupied a unit as described in
635 paragraph (1)(d), if a prospective resident dies before
636 occupying the facility or, through illness, injury, or
637 incapacity, is precluded from becoming a resident under the
638 terms of the continuing care contract, the contract is

597-04833-10

20102030c1

639 automatically canceled, and the prospective resident or his or
640 her ~~the resident's~~ legal representative shall receive a full
641 refund of all moneys paid to the facility, except those costs
642 specifically incurred by the facility at the request of the
643 prospective resident and set forth in writing in a separate
644 addendum, signed by both parties, to the contract.

645 Section 9. Section 651.081, Florida Statutes, is amended to
646 read:

647 651.081 ~~Continuing care facilities~~ Residents' council
648 ~~organizations.~~

649 (1) Residents living in a facility holding a valid
650 certificate of authority under this chapter have the right of
651 self-organization, the right to be represented by an individual
652 of their own choosing, and the right to engage in concerted
653 activities for the purpose of keeping informed on the operation
654 of the facility that ~~which~~ is caring for them or for the purpose
655 of other mutual aid or protection.

656 (2) A residents' council ~~organization~~ created for the
657 purpose of representing residents on matters set forth in s.
658 651.085 may be established through an election in which the
659 residents, as defined in s. 651.011 ~~this chapter~~, vote by
660 ballot, ~~either~~ physically or by proxy. If the election is to be
661 held during a meeting, a notice of the organizational meeting
662 must be provided to all residents of the community at least 10
663 business days before the meeting. Notice may be given through
664 internal mailboxes, communitywide newsletters, bulletin boards,
665 in-house television stations, and other similar means of
666 communication. An election ~~for~~ creating a residents' council
667 ~~organization~~ is valid if at least 40 percent of the total

597-04833-10

20102030c1

668 resident population participates in the election and a majority
669 of the participants vote affirmatively for the council
670 ~~organization~~. The initial residents' council organization
671 created under this section is valid for at least 12 months. A
672 residents' organization formalized by ~~If the facility has a~~
673 ~~residents' association, residents' council, or similarly~~
674 ~~organized body with~~ bylaws and elected officials, ~~such~~
675 ~~organization~~ must be recognized as the residents' council
676 ~~organization~~ under this section and s. 651.085. Within 30 days
677 after the election of a newly elected president or chair of the
678 residents' council, the provider shall give the president or
679 chair a copy of this chapter and rules adopted thereunder, or
680 direct him or her to the appropriate public website to obtain
681 this information. ~~There shall be~~ Only one residents' council may
682 ~~organization to~~ represent residents before the governing body of
683 the provider as described in s. 651.085(2).

684 Section 10. Paragraphs (c) and (f) of subsection (1) of
685 section 651.083, Florida Statutes, are amended, present
686 subsection (5) of that section is redesignated as subsection
687 (6), and a new subsection (5) is added to that section, to read:

688 651.083 Residents' rights.—

689 (1) No resident of any facility shall be deprived of any
690 civil or legal rights, benefits, or privileges guaranteed by
691 law, by the State Constitution, or by the United States
692 Constitution solely by reason of status as a resident of a
693 facility. Each resident of a facility has the right to:

694 (c) Unrestricted private communication, including receiving
695 and sending unopened correspondence. This includes the right to
696 receive memos or announcements from or approved for distribution

597-04833-10

20102030c1

697 by the residents' council.

698 (f) Present grievances and recommend changes in policies,
699 procedures, and services to the staff of the facility, governing
700 officials, or any other person without restraint, interference,
701 coercion, discrimination, or reprisal. This right includes
702 access to ombudsman volunteers and advocates and the right to be
703 a member of, and active in, and to associate with, advocacy or
704 special interest groups or associations.

705 (5) The provider may not restrict a resident's access to
706 the residents' council.

707 Section 11. Subsections (1) and (2) of section 651.085,
708 Florida Statutes, are amended to read:

709 651.085 Quarterly meetings between residents and the
710 governing body of the provider; resident representation before
711 the governing body of the provider.—

712 (1) The governing body of a provider, or the designated
713 representative of the provider, shall hold quarterly meetings
714 with the residents of the continuing care facility for the
715 purpose of free discussion of subjects including, but not
716 limited to, income, expenditures, and financial trends and
717 problems as they apply to the facility, as well as a discussion
718 on proposed changes in policies, programs, and services. At
719 quarterly meetings where monthly maintenance fee increases are
720 discussed, a summary of the reasons for raising the fee as
721 specified in subsection (4) must be provided in writing to the
722 president or chair of the residents' council. Upon request of
723 the residents' council organization, a member of the governing
724 body of the provider, such as a board member, a general partner,
725 or a principal owner, or designated representative shall attend

597-04833-10

20102030c1

726 such meetings. Residents are ~~shall be~~ entitled to at least 7
727 days' advance notice of each quarterly meeting. An agenda and
728 any materials that will be distributed by the governing body or
729 representative of the provider shall be posted in a conspicuous
730 place at the facility and shall be available upon request to
731 residents of the facility. The office shall request verification
732 from a facility that quarterly meetings are held and open to all
733 residents if ~~when~~ it receives a complaint from the residents'
734 council that a facility is not in compliance with ~~the provisions~~
735 ~~of~~ this subsection. In addition, a facility shall report to the
736 office in the annual report required under s. 651.026 the dates
737 on which quarterly meetings were held during the reporting
738 period.

739 (2) A residents' council ~~organization~~ formed pursuant to s.
740 651.081, members of which are elected by the residents, may
741 designate a resident to represent them before the governing body
742 of the provider or organize a meeting or ballot election of the
743 residents ~~of the facility~~ to determine whether to elect a
744 resident to represent them before the governing body of the
745 provider. If a residents' council ~~organization as described in~~
746 ~~s. 651.081~~ does not exist, any resident may organize a meeting
747 or ballot election of the residents of the facility to determine
748 whether to elect a resident to represent them before the
749 governing body and, if applicable, elect the representative. The
750 residents' council ~~organization~~, or the resident that organizes
751 a meeting or ballot election to elect a representative, shall
752 give all residents ~~of the facility~~ notice at least 10 business
753 days before the meeting or election. Notice may be given through
754 internal mailboxes, communitywide newsletters, bulletin boards,

597-04833-10

20102030c1

755 in-house television stations, and other similar means of
756 communication. An election of the representative is valid if at
757 least 40 percent of the total resident population participates
758 in the election and a majority of the participants vote
759 affirmatively for the representative. The initial designated
760 representative elected under this section shall be elected to
761 serve ~~for a period of~~ at least 12 months.

762 Section 12. Section 651.091, Florida Statutes, is amended
763 to read:

764 651.091 Availability, distribution, and posting of reports
765 and records; requirement of full disclosure.—

766 (1) Each continuing care facility shall maintain as public
767 information, available upon request, records of all cost and
768 inspection reports pertaining to that facility which ~~that~~ have
769 been filed with or issued by any governmental agency. A copy of
770 each ~~such~~ report shall be retained ~~in such records~~ for at least
771 ~~not less than~~ 5 years after ~~from~~ the date the report is filed or
772 issued. Each facility shall also maintain as public information,
773 available upon request, all annual statements that have been
774 filed with the office. For purposes of this section, a
775 management company or operator is considered an agent of the
776 provider.

777 (2) Every continuing care facility shall:

778 (a) Display the certificate of authority in a conspicuous
779 place inside the facility.

780 (b) Post in a prominent position in the facility which is
781 ~~so as to be~~ accessible to all residents and ~~to~~ the general
782 public a concise summary of the last examination report issued
783 by the office, with references to the page numbers of the full

597-04833-10

20102030c1

784 report noting any deficiencies found by the office, and the
785 actions taken by the provider to rectify such deficiencies,
786 indicating in such summary where the full report may be
787 inspected in the facility.

788 (c) Post in a prominent position in the facility which is
789 ~~so as to be~~ accessible to all residents and ~~to~~ the general
790 public a summary of the latest annual statement, indicating in
791 the summary where the full annual statement may be inspected in
792 the facility. A listing of any proposed changes in policies,
793 programs, and services must ~~shall~~ also be posted.

794 (d) Distribute a copy of the full annual statement to the
795 president or chair of the residents' council within 30 days
796 after ~~the~~ filing ~~of~~ the annual report with the office, and
797 designate a staff person to provide explanation thereof.

798 (e) Notify the residents' council of any plans filed with
799 the office to obtain new financing, additional financing, or
800 refinancing for the facility and of any applications to the
801 office for any expansion of the facility.

802 (f) Deliver to the president or chair of the residents'
803 council a summary of entrance fees collected and refunds made
804 during the time period covered in the annual report and the
805 refund balances due at the end of the report period.

806 (g) Deliver to the president or chair of the residents'
807 council a copy of each quarterly statement within 30 days after
808 the quarterly statement is filed with the office if the facility
809 is required to file quarterly.

810 (h) Upon request, deliver to the president or chair of the
811 residents' council a copy of any newly approved continuing care
812 contract within 30 days after approval by the office.

597-04833-10

20102030c1

813 (3) Before entering into a contract to furnish continuing
814 care, the provider undertaking to furnish the care, or the agent
815 of the provider, shall make full disclosure, and provide copies
816 of the disclosure documents to the prospective resident or his
817 or her legal representative, of the following information:

818 (a) The contract to furnish continuing care.

819 (b) The summary listed in paragraph (2) (b).

820 (c) All ownership interests and lease agreements, including
821 information specified in s. 651.022(2) (b) 8.

822 (d) In keeping with the intent of this subsection relating
823 to disclosure, the provider shall make available for review,
824 master plans approved by the provider's governing board and any
825 plans for expansion or phased development, to the extent that
826 the availability of such plans will not put at risk real estate,
827 financing, acquisition, negotiations, or other implementation of
828 operational plans and thus jeopardize the success of
829 negotiations, operations, and development.

830 (e) Copies of the rules and regulations of the facility and
831 an explanation of the responsibilities of the resident.

832 (f) The policy of the facility with respect to admission to
833 and discharge from the various levels of health care offered by
834 the facility.

835 (g) The amount and location of any reserve funds required
836 by this chapter, and the name of the person or entity having a
837 claim to such funds in the event of a bankruptcy, foreclosure,
838 or rehabilitation proceeding.

839 (h) A copy of s. 651.071.

840 (i) ~~(h)~~ A copy of the resident's rights as described in s.
841 651.083.

597-04833-10

20102030c1

842 (4) A true and complete copy of the full disclosure
843 document to be used must ~~shall~~ be filed with the office before
844 ~~prior to its~~ use. A resident or prospective resident or his or
845 her legal representative may ~~shall be permitted to~~ inspect the
846 full reports referred to in paragraph (2)(b); the charter or
847 other agreement or instrument required to be filed with the
848 office pursuant to s. 651.022(2), together with all amendments
849 thereto; and the bylaws of the corporation or association, if
850 any. Upon request, copies of the reports and information shall
851 be provided to the individual requesting them if the individual
852 agrees to pay a reasonable charge to cover copying costs.

853 Section 13. Subsection (1) of section 651.105, Florida
854 Statutes, is amended, and subsection (5) is added to that
855 section, to read:

856 651.105 Examination and inspections.—

857 (1) The office may at any time, and shall at least once
858 every 5 ~~3~~ years, examine the business of any applicant for a
859 certificate of authority and any provider engaged in the
860 execution of care contracts or engaged in the performance of
861 obligations under such contracts, in the same manner as is
862 provided for the examination of insurance companies pursuant to
863 s. 624.316. Such examinations shall be made by a representative
864 or examiner designated by the office, whose compensation will be
865 fixed by the office pursuant to s. 624.320. Routine examinations
866 may be made by having the necessary documents submitted to the
867 office; and, for this purpose, financial documents and records
868 conforming to commonly accepted accounting principles and
869 practices, as required under s. 651.026, are ~~will be~~ deemed
870 adequate. The final written report of each ~~such~~ examination must

597-04833-10

20102030c1

871 shall be filed with the office and, when so filed, constitutes
872 ~~will constitute~~ a public record. Any provider being examined
873 shall, upon request, give reasonable and timely access to all of
874 its records. The representative or examiner designated by the
875 office may at any time examine the records and affairs and
876 inspect the physical property of any provider, whether in
877 connection with a formal examination or not.

878 (5) At the time of the routine examination, the office
879 shall determine if all disclosures required under this chapter
880 have been made to the president or chair of the residents'
881 council.

882 Section 14. Subsections (1) through (4) of section 651.114,
883 Florida Statutes, are amended to read:

884 651.114 Delinquency proceedings; remedial rights.—

885 (1) Upon determination by the office that a provider is not
886 in compliance with this chapter, the office may notify the chair
887 of the Continuing Care Advisory Council, who may assist the
888 office in formulating a corrective action plan.

889 (2) A provider shall make available to the advisory
890 council, within no later than 30 days after being requested to
891 do so by the ~~advisory~~ council, a plan for obtaining compliance
892 or solvency.

893 (3) Within ~~The council shall, no later than~~ 30 days after
894 notification, the advisory council shall:

895 (a) Consider and evaluate the plan submitted by the
896 provider.

897 (b) Discuss the problem and solutions with the provider.

898 (c) Conduct such other business as is necessary.

899 (d) Report its findings and recommendations to the office,

597-04833-10

20102030c1

900 which may require additional modification of the plan.

901 (4) ~~(a)~~ After receiving ~~Upon~~ approval of a plan by the
902 office, the provider shall submit ~~monthly~~ a progress report
903 monthly to the advisory council or the office, or both, in a
904 manner prescribed by the office.

905 ~~(b)~~ ~~After a period of~~ 3 months, or at any earlier time
906 deemed necessary, the council shall evaluate the progress by the
907 provider and shall advise the office of its findings.

908 Section 15. Subsection (3) of section 651.1151, Florida
909 Statutes, is amended to read:

910 651.1151 Administrative, vendor, and management contracts.—

911 (3) Any contract with an affiliate, an entity controlled by
912 the provider, or an entity controlled by an affiliate of the
913 provider for administrative, vendor, or management services
914 entered into or renewed after October 1, 1991, must include
915 ~~shall contain~~ a provision that the contract will ~~shall~~ be
916 canceled upon issuance of an order by the office pursuant to
917 this section. A copy of the current management services
918 contract, pursuant to this section, if any, must be on file in
919 the marketing office or other area accessible ~~area~~ to residents
920 and the appropriate residents' council ~~resident organizations~~.

921 Section 16. Section 651.121, Florida Statutes, is amended
922 to read:

923 651.121 Continuing Care Advisory Council.—

924 (1) The Continuing Care Advisory Council to the office is
925 created to consist of 10 members who are residents of this state
926 appointed by the Governor and geographically representative of
927 this state. Three members shall be administrators of facilities
928 that ~~which~~ hold valid certificates of authority under this

597-04833-10

20102030c1

929 chapter and shall have been actively engaged in the offering of
930 continuing care agreements in this state for 5 years before
931 appointment. The remaining members ~~shall~~ include:

932 (a) A representative of the business community whose
933 expertise is in the area of management.

934 (b) A representative of the financial community who is not
935 a facility owner or administrator.

936 (c) A certified public accountant.

937 (d) An attorney.

938 (e) Three residents who hold continuing care agreements
939 with a facility certified in this state.

940 (2) The term of office for each member shall be 3 years, or
941 until the member's successor has been appointed and qualifies.

942 (3) The council members shall serve without pay, but shall
943 be reimbursed for per diem and travel expenses by the office in
944 accordance with s. 112.061.

945 (4) Each prospective council member shall submit to the
946 appointing officer a statement detailing any financial interest
947 of 10 percent or more in one or more continuing care facilities,
948 including, but not limited to, ownership interest in a facility,
949 property leased to a facility, and ownership in any company
950 providing goods or services to a facility. This statement shall
951 include the name and address of each facility involved and the
952 extent and character of the financial interest of the applicant.
953 Upon appointment of the council member, this statement shall
954 become a public document.

955 (5) The council shall:

956 (a) Meet at least once a year and, at such annual meeting,
957 elect a chair from their number and elect or appoint a vice

597-04833-10

20102030c1

958 chair ~~secretary~~, each of whom shall hold office for 1 year and
959 thereafter until a successor is elected and qualified.

960 (b) Hold other meetings at such times and places as the
961 office or the chair of the council may direct.

962 (c) Keep a record of its proceedings. The books and records
963 of the council shall be prima facie evidence of all matters
964 reported therein and, except for proceedings conducted under s.
965 651.018, shall be open to inspection at all times.

966 (d) Act in an advisory capacity to the office on matters
967 pertaining to the operation and regulation of continuing care
968 facilities.

969 (e) Recommend to the office needed changes in statutes and
970 rules.

971 (f) Upon the request of the office, assist, with any
972 corrective action, rehabilitation or cessation of business plan
973 of a provider.

974 (6) A provider shall furnish to the council, no later than
975 14 business days after being requested to do so by the council,
976 all documents and information reasonably requested by the
977 council.

978 (7) The council chair shall report annually the council's
979 findings and recommendations concerning continuing care
980 facilities to the Executive Office of the Governor and the
981 Commissioner of Insurance Regulation.

982 (8) At the council's annual meeting, the office shall
983 provide members with a summary and comparison of data on
984 continuing care facilities submitted in the most recent two
985 annual reports and a summary of the number, type, and status of
986 complaints related to continuing care facilities which were

597-04833-10

20102030c1

987 filed with the Division of Consumer Services in the Department
988 of Financial Services during the preceding fiscal year.

989 (9) The office shall notify the council by written
990 memorandum or electronic means of proposed rule changes and
991 scheduled rule workshops and hearings related to the
992 administration of this chapter.

993 Section 17. Section 651.133, Florida Statutes, is repealed.

994 Section 18. Subsection (1) of section 628.4615, Florida
995 Statutes, is amended to read:

996 628.4615 Specialty insurers; acquisition of controlling
997 stock, ownership interest, assets, or control; merger or
998 consolidation.—

999 (1) For the purposes of this section, the term "specialty
1000 insurer" means any person holding a license or certificate of
1001 authority as:

1002 (a) A motor vehicle service agreement company authorized to
1003 issue motor vehicle service agreements as those terms are
1004 defined in s. 634.011;

1005 (b) A home warranty association authorized to issue "home
1006 warranties" as those terms are defined in s. 634.301(3) and (4);

1007 (c) A service warranty association authorized to issue
1008 "service warranties" as those terms are defined in s.
1009 634.401(13) and (14);

1010 (d) A prepaid limited health service organization
1011 authorized to issue prepaid limited health service contracts, as
1012 those terms are defined in chapter 636;

1013 (e) An authorized health maintenance organization operating
1014 pursuant to s. 641.21;

1015 (f) An authorized prepaid health clinic operating pursuant

597-04833-10

20102030c1

1016 to s. 641.405;

1017 (g) A legal expense insurance corporation authorized to
1018 engage in a legal expense insurance business pursuant to s.
1019 642.021;

1020 (h) A provider that ~~which~~ is licensed to operate a facility
1021 that ~~which~~ undertakes to provide continuing care as those terms
1022 are defined in s. 651.011(2), (4), (5), and (6);

1023 (i) A multiple-employer welfare arrangement operating
1024 pursuant to ss. 624.436-624.446;

1025 (j) A premium finance company authorized to finance
1026 insurance premiums pursuant to s. 627.828; or

1027 (k) A corporation authorized to accept donor annuity
1028 agreements pursuant to s. 627.481.

1029 Section 19. This act shall take effect July 1, 2010.