

**Continuing Care in Residence forms
adopted by reference under Section 33.8**

CCRC Form 1a (FIN604)--Application for authority to offer continuing care in residence in Texas under Health and Safety Code Section 246.0025(b);

CCRC Form 6a (FIN389)--Instructions for Preparation of CCRC Disclosure Statement for Filing with the Texas Department of Insurance;

CCRC Form 6b (FIN605)--Format for disclosure statement for continuing care in residence;

CCRC Form 9 (FIN392)--Notice of request to release entrance fee escrow funds;

CCRC Form 14a (FIN607)--Provider request for release of continuing care in residence entrance fee escrow funds.

**Application for authority to offer continuing care in residence
services
in Texas under Health and Safety Code Section 246.0025(b)
(CCRC Form 1a)**

Name of provider (and DBA, if applicable)

CCRC Certificate of Authority license number

Date

We are applying for authority to offer continuing care in residence services in Texas in compliance with 28 TAC Section 33.102.

Required items:

1. Proposed form for disclosure statement for continuing care in residence (CCRC Form 6b).
2. Business plan which includes all the following:
 - a. Three-year financial projection with associated assumptions.
 - b. Geographic region proposed for continuing care in residence services.
 - c. Evidence of the actuarial review for entrance fee (and related amortization schedule) and periodic service fee amounts.
 - d. Information about resident qualifications.
 - e. Marketing and advertising activities.
 - f. Information regarding refund procedures applicable before a resident begins receiving continuing care in residence services.
3. Certified copy of assumed name certificate (DBA), if applicable.

If the requested information is already included in the draft disclosure statement, the provider can refer to the business plan portion of the disclosure statement. Questions about this application should be directed to the provider to the attention of:

Name: _____

Email: _____

Phone: _____

We, _____ as _____ and

_____ Corporate officer _____ Title
 _____ as _____ of
 _____ Corporate officer _____ Title

 Provider

certify that we are authorized to execute this verification on the provider's behalf and, to the best of our knowledge and belief, this application for authority includes all items required by the rules governing the provider and is true, accurate, and complete.

_____ s
 Corporate officer's signature

 Corporate officer's signature

To be filled out by a notary public:

State of: _____
 County of: _____

Before me, notary public, on this day personally appeared _____
 Corporate officer's name

known to me to be the person whose name is subscribed to the foregoing document and, being by me first duly sworn, declared that the statements therein contained are true and correct.

(Personalized seal)

 Notary public's signature

State of: _____
 County of: _____

Before me, notary public, on this day personally appeared _____
Corporate officer's name

known to me to be the person whose name is subscribed to the foregoing document and, being by me first duly sworn, declared that the statements therein contained are true and correct.

(Personalized seal)

Notary public's signature

Submit this form and any attachments by [email to CLRFilings@tdi.texas.gov].

**Instructions for preparing a continuing care retirement community disclosure statement
for filing with the Texas Department of Insurance
(CCRC form 6a)**

1. **Texas Department of Insurance (TDI) rules:** Before preparing a disclosure statement, refer to the requirements in the continuing care retirement community (CCRC) rules, 28 TAC Sections 33.103 and 33.301-33.308.
2. **Format for disclosure statement:** When preparing the disclosure statement, use the format shown on CCRC forms 6 (FIN388) and 6b (FIN605). Repeat the text of each subsection of the form and then provide the response. A response may be supplied by reference to a specific named attachment. If any item is inapplicable or the response is in the negative, an appropriate statement to that effect may be made in the place for the response.
3. **Paper size:** The disclosure statement and any attachments, including standard contracts, should be prepared on letter-size pages (8.5" x 11").
4. **Cover page:** The cover page must state, in a prominent location and in bold type, the date of the disclosure statement.

The cover page also must include this notice:

Notice:

State law requires <Name of Provider> to give you this disclosure statement before you sign a contract or pay an entrance fee. The accuracy of this disclosure statement has not been reviewed or approved by any government agency.

See the cover page of CCRC form 6 (FIN388) or form 6b for illustration.

5. **Date of statement:** For proper dating of the disclosure statement, refer to CCRC rule Sections 33.103 or 33.305.
6. **Index:** The disclosure statement must include an index, reference page, or table of contents as illustrated in CCRC form 6 (FIN388) or form 6b (FIN605).
7. **Page numbering:** Each page must be numbered at the bottom. If a page on file is replaced during TDI's review, the new page must have the same number and show a revision date. If two or more pages replace one page, use subnumbers of the original page number. Example: former page 4 replaced by new pages 4.1, 4.2, 4.3, etc.
8. **Filing:** [Submit the disclosure statement and any attachments by email to CLRFilings@tdi.texas.gov.]
9. **Financial statements:** Each page of a financial statement included in the disclosure statement must note in bold type whether it is audited or not. Refer to Sections 33.103, 33.306, and 33.505(e) for requirements concerning financial statements, studies, or forecasts and the type of

financial statements to be included. Each financial document must be submitted electronically, in PDF format.

10. **Promotional material:** If a provider wishes to include any promotional material that is not specifically required to be in the disclosure statement, this material must be placed between the required material and any attachments or exhibits.

Format for disclosure statement for continuing care in residence
(CCRC Form 6b)

FORMAT:

Name of provider

Disclosure statement

Date

Notice to appear conspicuously on first page of disclosure statement:

Notice:

State law requires <Name of Provider> to give you this disclosure statement before you sign a contract or pay an entrance fee. The accuracy of this disclosure statement has not been reviewed or approved by any government agency.

Name, address, and type of legal entity

State the name, business address, and physical address of the provider. State whether the provider is a partnership, corporation, or other type of legal entity. Include the names and business address of each officer, director, trustee, managing or general partner, and any other person who has at least a 10 percent interest in the provider together with a description of that person's interest in or occupation with the partner.

Management other than direct employee of provider

Indicate whether the services will be managed on a day-to-day basis by a person other than an individual directly employed by the provider. If so, provide:

- A description of any business experience in the operation or management of similar services that the person provides.
- The name and address of any professional service, firm, association, trust, partnership, or corporation in which the person or entity has at least a 10 percent interest in the provider and that proposes to provide goods, leases, or services of an aggregate value of at least \$600 in any one year to residents, including a description of the goods, leases or services, and their probable or anticipated cost to the provider, or residents, or a statement that their cost cannot presently be estimated, and:
 - A description of any matter in which the person was convicted of a felony or pleaded no contest to a felony charge or has been held liable or enjoined in a civil action by final judgment, if the felony or civil action involved fraud, embezzlement, fraudulent conversion, or misappropriation of property.

or

- Any matter in which the person is subject to an injunction or restrictive order of court of record, or has had any state or federal license or permit suspended or revoked as a result of an action brought by a governmental agency if the order or action arose out of or was related to any business activity in a health care field, including actions affecting a license to operate a roster care facility, a nursing home, a retirement home, a home for the aged, or a facility subject to Chapter 246, Health and Safety Code or to a similar statute in another state.

Affiliation and IRS tax exemption

State whether the provider is affiliated with a religious, charitable, or other nonprofit organization and describe the extent of that affiliation, if any. If the provider is affiliated with such an organization, explain the extent to which the organization is responsible for the financial and contractual obligation of the provider. Cite any provision of the Internal Revenue Code under which the provider or affiliate claims to be exempt from the payment of income tax.

Entrance fees and service fees

Describe the services provided under a contract for continuing care in residence, including the extent to which medical care is furnished. Clearly describe which services are included for specified basic fees for continuing care and which are made available at an extra charge. Include a description of all fees required of residents, including the entrance fee and any periodic charges, as well as the actuarial review of entrance fee (and related amortization schedule) and service fee amounts.

Provider's policies

- Explain when a resident is permitted to continue to receive provider's services, if the resident experiences financial difficulties.
- State the conditions under which a contract for continuing care in residence may be canceled by the provider.
- State the conditions, if any, under which all or part of the entrance fee is refundable before a resident begins receiving continuing care in residence services, on cancellation of the contract by the provider or by the resident, or in the event of the death of the resident before or while receiving continuing care.
- State how the provider may adjust periodic charges or other recurring fees and any limitations on those adjustments.

Information regarding resident qualifications

Describe the health and financial criteria required for acceptance as a resident and for continuation as a resident, including the effect of any change in an individual's health or financial condition between the date of the contract for continuing care in residence and the date the individual agrees to begin receiving continuing care in residence.

Provider reserve funding

Describe any provisions made or to be made to provide reserve funding or security to enable the provider to fully perform its obligations under a contract to provide continuing care in residence, including the establishment and location of entrance fee escrow accounts, trusts, or reserve funds together with the way those funds will be invested, and the name and experience of any individual responsible for investment decisions. Include the actuarial review for entrance fee, entrance fee amortization schedule, and service fee amounts.

Financial statements

Include audited financial statements of the provider, including a balance sheet as of the end of the most recent fiscal year, statement of cash flow, and the provider's income statements for the three most recent fiscal years. If the provider does not have three years of financial statements available, state that fact and include all available audited financial statements.

Other information

The disclosure statement must include any other material information reasonably necessary to enable a potential resident or reasonably prudent person to make an informed decision about whether to enter into a continuing care contract with the provider.

Required standard contract language

Attach a copy of the standard contract form used by the provider as an exhibit to the disclosure statement. The standard contract form must comply with 28 Texas Administrative Code Section 33.105.

Refund before receiving services

The standard contract for continuing care in residence must contain a provision for refund of entrance fee, less a reasonable service charge complying with 28 Texas Administrative Code Section 33.401(e), should the resident die or no longer meet resident qualifications.

Submit this form and any attachments by [email to CLRFilings@tdi.texas.gov].

Notice of request to release entrance fee escrow funds

(CCRC Form 9)

Any person acting as an escrow agent for a provider under Sections 246.071 – 246.076 of Chapter 246 of the Health and Safety Code and the rules adopted by the Texas Department of Insurance must give written notice to [of] the Texas Department of Insurance of a provider’s request for release of funds held in escrow within three days of such request.

An escrow agent for a provider must not release continuing care in residence entrance fee escrow funds without prior approval from the Texas Department of Insurance under 28 Texas Administrative Code Section 33.104.

I, _____ as an officer/representative of the escrow agent,
Full legal name

_____ for _____
Escrow agent Provider

am aware of the requirements of Sections 246.071 - 246.076 of Chapter 246[-] of the Health and Safety Code and of the rules adopted by the Texas Department of Insurance in 28 Texas Administrative Code Chapter 33.

I hereby attest that _____ has met all the requirements for the release of entrance fee
Provider
 escrow account funds.

For continuing care at a facility:

[Therefore,] I intend to release said funds on _____
Date

For continuing care in residence:

I understand that I cannot release continuing care in residence entrance fee escrow funds without TDI approval.

Signed: _____

Dated: _____

Name of provider: _____

Name of facility: _____

Location of facility:

Street address

City

State

ZIP

Escrow agent's business address:

Street address

City

State

ZIP

This request for release of funds received on: _____

Date

Amount of requested release: \$ _____

Balance of escrow account before release: \$ _____

Submit this form and any attachments by [email to CLRFilings@tdi.texas.gov].

**Provider request for release of
continuing care in residence entrance fee escrow funds**
(CCRC Form 14a)

Has the provider attached a list of resident names receiving care in residence who have escrow entrance fees subject to this request, with the amount requested for each resident? Yes No

Does the requested amount comply with the amortization schedule(s) in the continuing care in residence contract(s)? Yes No

Do the provider's assets exceed the actuarial present value of the expected cost of performing all remaining obligations to all residents under continuing care contracts? Yes No

Does the provider's operating ratio exceed 100 percent and the current ratio exceed 150 percent? Yes No

1. Provider's operating ratio (divide cash operating revenues by cash operating expenses):

a. Cash operating revenues:

b. Cash operating expenses:

c. Operating ratio (1.a. divided by 1.b.):

2. Provider's current ratio (divide current assets, including current portion of restricted funds, by current liabilities):

a. Current assets (including current portion of restricted funds):

b. Current liabilities:

c. Current ratio (2.a. divided by 2.b.):

I confirm that:

- I am authorized to file this request on behalf of:

Name of provider:

Address of provider:

-
- All statements, supporting forms, schedules, documents, and exhibits submitted in this request for release of entrance fee escrow funds are true and correct.

Signature of provider's representative

Printed name of provider' representative

To be filled out by a notary public:

State of: _____

County of: _____

Before me, notary public, on this day personally appeared _____

Provider's representative's name

known to me to be the person whose name is subscribed to the foregoing document and, being by me first duly sworn, declared that the statements therein contained are true and correct.

(Personalized seal)

Notary public's signature

Submit this form and any attachments by [email to CLRFilings@tdi.texas.gov].

Texas Department of Insurance approval requires satisfying all conditions listed in
28 Texas Administrative Code Section 33.104(c).