

**REPORT ON EXAMINATION**

**OF**

**EPISCOPAL CHURCH HOME AND AFFILIATES**

**LIFE CARE COMMUNITY, INC.**

**D/B/A**

**CANTERBURY WOODS**

**AS OF**

**DECEMBER 31, 2009**

**DATE OF REPORT**

**MAY 24, 2011**

**EXAMINER**

**TOMMY KONG**

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STATE OF NEW YORK  
INSURANCE DEPARTMENT  
25 BEAVER STREET  
NEW YORK, NEW YORK 10004

Andrew M. Cuomo  
Governor

James J. Wrynn  
Superintendent

May 24, 2011

Honorable James J. Wrynn  
Superintendent of Insurance  
Albany, New York 12257

Sir:

Pursuant to the requirements of the New York Insurance Law, and acting in accordance with the instructions contained in Appointment Number 30531, dated January 22, 2010, attached hereto, I have made an examination of the Episcopal Church Home and Affiliates Life Care Community, Inc. d/b/a Canterbury Woods, a not-for-profit Continuing Care Retirement Community licensed pursuant to the provisions of Article 46 of the New York Public Health Law, as of December 31, 2009, and respectfully submit the following report thereon.

The examination was conducted at the home office of the Episcopal Church Home and Affiliates Life Care Community, Inc. d/b/a Canterbury Woods located at 705 Renaissance Drive, Williamsville, New York.

Wherever the designations the “Community” or “Canterbury Woods” appear herein, without qualification, they should be understood to indicate the Episcopal Church Home and Affiliates Life Care Community, Inc. d/b/a Canterbury Woods.

Wherever the designation the “Department” appears herein, without qualification, it should be understood to indicate the New York State Insurance Department.

### **1. SCOPE OF THE EXAMINATION**

The previous examination was conducted as of December 31, 2006. This examination covered the three-year period from January 1, 2007 through December 31, 2009. Transactions occurring subsequent to this period were reviewed where deemed appropriate by the examiner.

Representatives of the New York State Insurance Department and the New York State Department of Health conducted a site survey of the Community’s facility on June 22, 2010, pursuant to Section 4614(1) of the New York Public Health Law.

The examination comprised a verification of the assets and liabilities of the Community as of December 31, 2009, in accordance with generally accepted accounting principles (“GAAP”), as modified by the Department pursuant to Department Regulation No. 140 (11 NYCRR 350), a review of income and disbursements deemed necessary to accomplish such verification, and utilized, to the extent considered appropriate, work performed by the Community’s independent certified public accountants and independent actuary. It is noted that the balance sheet included herein was reported as of December 31, 2008, on a statutory actuarial basis, pursuant to Department Regulation No. 140 (11 NYCRR 350).

A review was also made of the following items:

- Community documents
- Compliance with By-Laws
- Occupancy levels
- Financial documents
- Board of Directors' minutes of meetings

This report on examination is confined to financial statements and comments on those matters which involve departures from laws, regulations or rules, or which are deemed to require explanation or description.

A review was also made to ascertain what actions were taken by the Community with regard to the twelve comments and recommendations contained in the prior report on examination. Of the twelve, the Community has complied with eight, partially complied with one and failed to comply with three.

## **2. DESCRIPTION OF THE COMMUNITY**

The Community was formed on December 26, 1995, and began operating on June 1, 1999. Canterbury Woods is a Continuing Care Retirement Community ("CCRC") as defined in Article 46 of the New York Public Health Law. The Community received a Certificate of Authority from the New York State Continuing Care Retirement Community Council and commenced operations on June 1, 1999.

The Community is a New York State not-for-profit organization which was formed to build, own and operate a continuing care retirement community. The Community currently consists of two hundred forty-three (243) independent living units and an eighty (80) bed health center consisting of thirty-two (32) enriched housing units and forty-eight (48) skilled nursing beds. Within the 243 independent living units, there are forty (40) individual cottage-style homes called Lexington Village. The Community is a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code.

The Community provides residents with a continuum of services, including: independent living, enriched housing and skilled nursing home care. As a condition precedent to providing these services, the Community enters into a lifecare contract with each prospective resident that sets forth the responsibilities of both parties. For the right to occupy, use the living accommodations and utilize the services of the Community, each resident is required to pay an entrance fee and monthly service fee based on the size and type of living unit and the number of occupants.

Entrance fees are due in two installments. Ten percent of the entrance fee is due when the lifecare contract is signed, while the remainder is to be paid upon the earlier of: (1) the date the resident occupies the facility; or (2) 60 days from the date the contract is executed.

Entrance fees include a residential component and a lifecare component. During the first 90 days after the resident pays the entrance fee in full, all amounts collected by the Community are fully refundable if the resident terminates the contract for any reason. After the 90-day period, the entrance fee refund will be reduced by a 4% processing fee. For each of the next three months, the refund will be reduced by 2% per month. After the first six months, the remaining 90% of the residential component of the entrance fee will be refundable for the duration of the contract term. The refund of the lifecare component will be further reduced by 2% per month for each additional month of residency until the 51<sup>st</sup> month, after which there will be no refund.

A. Management and Controls

Pursuant to the Community's charter and By-Laws, management of the Community is to be vested in a Board of Directors comprised of no less than seven (7) and no more than sixteen (16) members. As of December 31, 2009, the Community's Board of Directors was comprised of fifteen (15) members as follows:

<u>Name</u>	<u>Principal Affiliation</u>
John F. Donovan Buffalo, New York	Partner, Phillips Lytle LLP
Rev. J. Michael Garrison* Buffalo, New York	Bishop of the Diocese, Episcopal Diocese of Western New York
Howard F. Gondree, Esq. Buffalo, New York	Controller, Episcopal Diocese of Western New York

<u>Name</u>	<u>Principal Affiliation</u>
Carol H. Grieco Williamsville, New York	Secretary, Episcopal Church Home and Affiliates Life Care Community, Inc. d/b/a Canterbury Woods
Frederic K. Houston Buffalo, New York	Partner, Hamilton Houston Lownie Architects, PC
Thomas D. Lunt Orchard Park, New York	Vice Chairman of the Board, Episcopal Church Home and Affiliates Life Care Community, Inc. d/b/a Canterbury Woods
Charles R. Maloney Buffalo, New York	Treasurer, Episcopal Church Home and Affiliates Life Care Community, Inc. d/b/a Canterbury Woods
Joan Mangano* Buffalo, New York	Retired
H. Ernst Montgomery II Tonawanda, New York	Chairman of the Board, Episcopal Church Home and Affiliates Life Care Community, Inc. d/b/a Canterbury Woods
Mary Lou Rath Williamsville, New York	Retired / Former New York State Senator
Robert Scheig, M.D. Buffalo, New York	Retired
Leonard Sikora* Williamsville, New York	President, Resident Representation Council
Gretchen L. Smith Buffalo, New York	Director, Episcopal Church Home and Affiliates, Inc.
Joseph A. Speth Amherst, New York	Deputy Superintendent of Highways, Amherst Highway Department
Richard K. Welte Williamsville, New York	Director of Education, Northtown Automotive Companies

Note: \* designates ex-officio board member.



Pursuant to its By-Laws, the Community's Board is required to hold at least four (4) meetings each year; one (1) of which is to be designated as the annual meeting, per Article IV, paragraph 1, of the Community's By-Laws. A review of the Community's Board minutes of the meetings revealed that the Community did not designate an annual Board of Directors' meeting during the examination period.

Article IV, paragraph 1, of the Community's By-Laws states in part:

“At least four (4) other meetings of the Board shall be held in each year; one of these meetings will be designated as the Annual Meeting.”

It is recommended that the Community designate an annual Board of Directors' meeting to comply with Article IV, paragraph 1 of the Community's By-Laws.

A similar recommendation was made in the previous report on examination.

The Community reported in its filed 2009 annual statement a Board member whose term begins in 2010.

It is recommended that the Community report in its filed annual statements only those Board members who are actually on the Board of Directors as of the filing date of the annual statement.

A review of the minutes of the meetings by the Board of Directors during the examination period revealed that the meetings were generally attended by the members, except for five directors. Each of these five directors failed to attend at least one-half of the meetings they were eligible to attend during the examination period.

Members of the board have a fiduciary responsibility and must evince an ongoing interest in the affairs of the Community. It is essential that Board members attend meetings consistently and set forth their views on relevant matters so that the Board may reach appropriate decisions. Individuals who fail to attend at least one-half of the regular meetings do not fulfill such criteria.

It is recommended that the members of the Board of Directors attend at least one-half of the regular Board meetings. Board members who are unable or unwilling to attend meetings consistently should resign or be replaced.

The Community's Chief Executive Officer, the designated representative of the Community's Board of Directors, met with representatives of the Community's Residents' Council at least four times a year and held a general meeting with all of the Community's representatives at least once a year in compliance with Section 4612(2) of the New York Public Health Law.

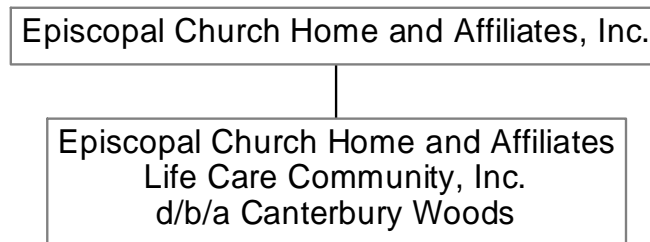
The principal officers of the Community as of December 31, 2009, were as follows:

<u>Name</u>	<u>Title</u>
H. Ernst Montgomery II	Chairman of the Board
Thomas D. Lunt	Vice Chairman of the Board
Robert L. Wallace	Chief Executive Officer
James J. Juliano	Chief Financial Officer
Charles R. Maloney	Treasurer
Carol Grieco	Secretary

Note: On November 30, 2010, Mary Lou Rath replaced H. Ernst Montgomery as Board Chair.

B. Holding Company System

The structure of the Community's holding company system as of the examination date was as follows:



The Community is a Type B corporation as defined by Sections 201 and 601(a) of the New York Not-for-Profit Corporation Law. The sole member of the Community is Episcopal Church Home and Affiliates, Inc. ("ECH&A"). The Community is controlled by ECH&A through By-Law requirements. ECH&A must approve any amendments to the By-Laws or Articles of Incorporation.

Based upon a management agreement, effective April 6, 1999, approved by the New York State Department of Health, which was entered into between the Community and Episcopal Community Health Care, Inc. (“EHC”), the Community appointed EHC as Manager of the Community; providing oversight and management services of the Community’s operations/administration, quality improvement, human resources, finance and accounting, and marketing and public relations. In May 2001, ECH&A replaced EHC as the new Manager to the Community without amending the management agreement to reflect the change. On May 26, 2004, the management agreement was amended where EHC assigned the management agreement to ECH&A, which assumed the role of manager of the Community.

C. Occupancy Rates

The following reflects the occupancy rates at each year-end of the examination period for each of the facilities within the Community:

	<u>2007</u>	<u>2008</u>	<u>2009</u>
Independent living units	89.7%	92.2%	91.8%
Enriched housing/Adult care units	84.4%	90.6%	93.8%
Skilled nursing facility	100%	83.3%	91.7%

The occupancy rate of the independent living units was relatively stable during the examination period. The occupancy rate for the enriched housing/adult care units increased from 2007 to 2009 due to internal demand. The skilled nursing facility occupancy rate decreased to 83.3% in 2008, but in 2009 it increased to 91.7%. This

increase, according to the Community's management was attributed to the normal fluctuation in the continuum of care to the residents of the Community.

D. Investments

The Community does not maintain custodial agreements for the safeguarding of its investments that are held in the depository accounts of banking institutions. The Department is cognizant of the fact that certain of the Community's investments are held with an existing bank trustee approved pursuant to Canterbury Woods' bond indenture issued with the Industrial Development Agency ("Agency"). Therefore, the Community is limited in its ability to retroactively amend the bank trustee documents that were set up under the initial bond financing arrangement with the Agency.

However, for its other investments that are not held in bank trustee accounts established pursuant to the bond indenture, and where the Community's investments are held via regular depository agreements directly with the banks, the Community does not have the same restrictions. Therefore, relative to the Community's non-bank trustee accounts, the Community should enter into custodial agreements that contain, at a minimum, the following protective covenants and provisions, as indicative of prudent business practices:

1. The bank shall have in force, for its own protection, Bankers Blanket Bond Insurance of the broadest form available for commercial banks and will continue to maintain such insurance. The bank will give the Community a 60-day written notice of any material change in the form or amount of such insurance or termination of this coverage.
2. The bank will at all times give the securities held by the bank thereunder the same care the bank gives its own property of a similar nature.

3. The bank shall furnish the Community, at least quarterly, with a list of such securities showing a complete description of each issue, which shall include the number of shares or par value of bonds so held at the end of each quarter.
4. The bank shall maintain records sufficient to verify information the Community is required to report in the Annual Statement blanks of the Insurance and Health Departments of the State of New York.
5. The bank shall furnish the Community with the appropriate affidavits in the form as may be acceptable to the bank and the New York Insurance Department in order for the securities referred to in such affidavits to be recognized as assets of the Community.
6. Access shall be during the bank's regular hours. Those persons who shall be entitled to examine, on the bank's premises, securities held by the bank and the bank's records related to those securities, shall be specified. An authorized officer shall furnish the bank with written instructions to that effect.
7. Written instructions hereunder shall be signed by any two of the Community's authorized officers specified in a separate list for this purpose which will be furnished to the bank from time to time signed by the treasurer or an equivalent officer and certified under the corporate seal by the secretary or an assistant secretary.
8. In connection with any situation involving registration of securities in the name of a nominee of a bank custodian, the custodian agreement should empower the bank to take such action.
9. Opportunity to secure the most recent report on the review of the custodian's system of internal control, pertaining to custodial record keeping, issued by internal or independent auditors.

It is recommended that, with regard to the Community's investments that are not held pursuant to a bond indenture with the Industrial Development Agency, the Community establish custodial agreements with the financial institutions holding its investments and include the enumerated protective covenants and provisions in those agreements.

This recommendation was included in the last two reports on examination.

E. Disaster Recovery/Business Continuity Plans

As of the December 31, 2009, the Community maintained a disaster recovery plan which provides for the essential maintenance of services to the Community's residents in the event of a disaster. Also, the Community maintains a business continuity plan which is essential to the maintenance of continuity of services to the Community's residents in the event of a disaster.

F. Disclosure Statement

Section 4606(14)(b) of the New York Public Health Law states in part:

“...The standard information sheet... shall include but not be limited to the following information: ...the name, address, and telephone number of the operator and a contact person employed by the operator;”

The Community did not list a contact person in its 2009 standard information sheet included with the 2009 disclosure statement.

It is recommended that the Community list a contact person in its standard information sheet, as required by Section 4606(14)(b) of the New York Public Health Law.

On page 6 of the Community's 2009 disclosure statement under Financial Statements, it is stated that the Community:

*“...will prepare annual financial statements, have those statements examined and certified by independent public accountants, make them available to Residents upon request, and make the most recently available financial statement an addendum to this Disclosure Statement.”*

A sample of three residents' signed disclosure statements was reviewed and found not to have the financial statement attached as an addendum. When brought to the attention of the Community, the Community acknowledged that the financial statements were not included as an addendum to the Community's 2009 and 2010 disclosure statements, even though it's stated within the disclosure statements that such addendum is attached.

Section 4606(10) of the New York Public Health Law states in part:

“Prior to the execution of a contract, or before the transfer of any money, other than a refundable... or non-refundable priority reservation... fee, to an operator by or on behalf of a prospective resident, whichever occurs first, the operator shall deliver to the person with whom the contract is to be entered into or the person's legal representative... an initial disclosure statement which contains the following: ...most recent financial statement of the provider prepared in accordance with generally accepted accounting principles applied on a consistent basis and certified by an independent certified, or public accountant, including a balance sheet as of the end of the provider's last fiscal year and income statements for the last two fiscal years, or such shorter period of time as the provider has been in operation...”

It is recommended that a copy of the most recent audited and certified financial statement, which includes the balance sheet and the last two income statements, be included as an addendum to the Community's disclosure statement, as stated in the Community's disclosure statement and as required by Section 4606(10) of the New York Public Health Law.



G. Information System Controls

The Community maintains an access control policy which requires that all workstations have password protected screen savers, set to activate automatically after 60 minutes of inactivity. Automatic log-off after 60 minutes of inactivity is too long and does not provide sufficient protection of electronic protected health information and other sensitive data.

It is recommended that the Community change its controls procedures to provide for the automatic log-off of the Community's workstations from the current 60 minutes of inactivity to 5 minutes or less of inactivity. It is further recommended that such change be included within the Community's access controls policy.

### 3. FINANCIAL STATEMENTS

#### A. Balance Sheet

The following shows the assets, liabilities and surplus as determined by this examination as of December 31, 2008. It is the same as the actuarial balance sheet reported by the Community presented on a statutory actuarial basis pursuant to Department Regulation No. 140 (11 NYCRR 350):

<u>Assets</u>	<u>Examination</u>	<u>Community</u>
Cash and invested assets	\$ 38,958,648	\$ 38,958,648
Accounts receivable and prepaid expenses	1,324,082	1,324,082
Land	3,075,925	3,075,925
Land improvements	1,266,097	1,266,097
Building	54,224,605	54,224,605
Property, plant and equipment – net	12,982,051	12,982,051
Deferred financing costs	2,184,047	2,184,047
Deferred marketing costs	<u>636,611</u>	<u>636,611</u>
Total assets	\$ <u>114,652,066</u>	\$ <u>114,652,066</u>
 <u>Liabilities</u>		
IDA bonds	\$ 39,400,000	\$ 39,400,000
Financial institutions	138,768	138,768
Actuarial reserve	<u>73,152,692</u>	<u>73,152,692</u>
Total liabilities	\$ 112,691,460	\$ 112,691,460
Total net surplus	\$ 1,960,606	\$ 1,960,606
Total liabilities and net surplus	\$ <u>114,652,066</u>	\$ <u>114,652,066</u>
Ratio of net surplus to total liabilities	<u>1.7%</u>	<u>1.7%</u>

**Note:** It should be noted that the asset values herein are reported on a statutory actuarial basis. As such, the values differ from the certified financial statements prepared by the Community's certified public accountants.

B. Statement of Revenue, Expenses and Change in Actuarial Surplus

The statement of revenue and expenses is presented on a GAAP basis for the three-year examination period January 1, 2007 through December 31, 2009. The Community's actuarial surplus increased \$5,391,978 during the three-year examination period January 1, 2007 through December 31, 2009.

Revenue

Monthly maintenance fess	\$ 31,267,385	
Revenue from related organizations	59,215	
Earned entrance fees (net of refunds)	4,366,569	
Patient revenue from nonresidents	7,370,780	
Interest and dividend income	4,973,570	
Aggregate write-ins for other operating revenue	<u>732,496</u>	
Total revenue		\$ 48,770,015

Expenses

Interest expense	\$ 7,172,285	
Facility and dining expenses	14,954,985	
Health expenses	7,547,153	
Administration expenses	7,861,017	
Depreciation and amortization charges	11,327,868	
Change in provision for uncollectible accounts	(8,584)	
Real estate taxes	2,061,722	
NYS health facilities assessment	438,701	
Aggregate write-ins for other operating expenses	<u>66,176</u>	
Total expenses		\$ <u>51,421,323</u>
Net loss		\$ <u>(2,651,308)</u>

Change in Actuarial Surplus

Surplus, per report on examination, as of December 31, 2005			\$(3,431,372)
	<u>Gains in Surplus</u>	<u>Losses in Surplus</u>	
Net loss		\$2,651,308	
Net realized and unrealized capital gains	\$1,311,611		
Aggregate write-ins for other changes in net assets	686,317		
Statutory adjustment as per examination	<u>6,045,358</u>	<u>0</u>	
Net increase in surplus			\$ <u>5,391,978</u>
Surplus, per report on examination, as of December 31, 2008			\$ <u>1,960,606</u>

#### **4. COMPLIANCE WITH PRIOR REPORT ON EXAMINATION**

The prior report on examination as of December 31, 2006, contained the following twelve (12) comments and recommendations (page numbers refer to the prior report on examination):

<b><u>ITEM NO.</u></b>	<b><u>PAGE NO.</u></b>
<u>Actuarial Surplus</u>	
1. The Community's required actuarial surplus as determined using generally accepted actuarial standards and applying statutory requirements, was impaired by the amount of \$3,431,372 as of December 31, 2005. The Community is currently operating under a Plan of Restoration (Plan) that was accepted by the New York Insurance Department on August 7, 2006.	1,3,17,20
<p>It is recommended that the Community continue to operate under its Plan of Restoration, as approved by the New York Insurance Department on August 7, 2006, in order to bring its surplus to the minimum required level.</p> <p><i>The Community has complied with this recommendation.</i></p>	
<u>Management</u>	
2. It is recommended that the Community ensure that directors serving on Canterbury Woods' board of directors are elected annually by the sole member in compliance with Article II, paragraph 2 of the Community's by-laws.	6
<p><i>The Community has complied with this recommendation.</i></p>	
3. It is recommended that the Community maintain copies of the minutes of the annual meetings of the sole member relative to the election of the Community's board of directors. If no such meetings were held by the sole member, the Community should maintain copies of signed consents by ECH & A evidencing the sole member's approval and election of the Community's board of directors pursuant to Article II, paragraph 7 of the Community's By-Laws.	6
<p><i>The Community has complied with this recommendation.</i></p>	

**ITEM NO.****PAGE NO.**

4. It is recommended that the Community's board of directors hold its annual meeting during the month of April as stipulated in its by-laws. If the annual meeting is held in a different month, the minutes of the board of directors should clearly indicate that such meeting has been designated as the Community's annual meeting. 6

*The Community has partially complied with this recommendation. A similar recommendation is included within this report on examination.*

5. It is recommended that the Community report in its filed annual statement only those board members who are actually on the board of directors as of the filing date of the annual statement. 7

*The Community has not complied with this recommendation. A similar recommendation is included within this report on examination.*

6. It is again recommended that the members of the board of directors attend at least one-half of the regular board meetings. Board members who are unable or unwilling to attend meetings consistently, should resign or be replaced. 7

*The Community has not complied with this recommendation. A similar recommendation is included within this report on examination.*

**Holding Company System**

7. It is again recommended that the Community implement a written management agreement with its provider of services, Episcopal Church Home and Affiliates, Inc. (its parent). 10

*The Community has complied with this recommendation.*

8. It is recommended that the Community report its incurred management fees in Report # 2 of its filed annual statement. 11

*The Community has complied with this recommendation.*

**ITEM NO.****PAGE NO.**Bank Custodial Agreements

9. It is recommended that, with regard to the Community's investments which are not held pursuant to a bond indenture with the Industrial Development Agency, the Community establish custodial agreements with the financial institutions that safeguard its investments and include the enumerated protective covenants and provisions in those agreements. 13

*The Community has not complied with this recommendation. A similar recommendation is included within this report on examination.*

Accounts and Records

10. It is recommended that the Community fully investigate and provide details to this Department relative to the credit balance reported at December, 31, 2006 within its petty cash fund including the amount of funds held within the ATM which was not reflected within the Community's general ledger and the resultant disposition of such funds. 15

*The Community has complied with this recommendation.*

11. It is recommended that the Community maintain and have available upon request supporting work papers that reconcile the account balances reported in the Community's filed Annual Statement to its trial balance. 15

*The Community has complied with this recommendation.*

12. It is recommended that the Community maintain accounting documentation that reconcile the account items reported in its CPA audited financial statement to the trial balance and annual statement accounts. 16

*The Community has complied with this recommendation.*

## **5. SUMMARY OF COMMENTS AND RECOMMENDATIONS**

<b><u>ITEM</u></b>	<b><u>PAGE NO.</u></b>
A. <u>Management</u>	
i. It is recommended that the Community designate an annual Board of Directors' meeting to comply with Article IV, paragraph 1 of the Community's By-Laws.	7
ii. It is recommended that the Community report in its filed annual statements only those Board members who are actually on the Board of Directors as of the filing date of the annual statement.	7
iii. It is recommended that the members of the Board of Directors attend at least one-half of the regular Board meetings. Board members who are unable or unwilling to attend meetings consistently should resign or be replaced.	8
B. <u>Investments</u>	
It is recommended that, with regard to the Community's investments that are not held pursuant to a bond indenture with the Industrial Development Agency, the Community establish custodial agreements with the financial institutions holding its investments and include the enumerated protective covenants and provisions in those agreements.	12
C. <u>Disclosure Statement</u>	
i. It is recommended that the Community list a contact person in its standard information sheet, as required by Section 4606(14)(b) of the New York Public Health Law.	13
ii. It is recommended that a copy of the most recent audited and certified financial statement, which includes the balance sheet and the last two income statements, be included as an addendum to the Community's disclosure statement, as stated in the Community's disclosure statement and as required by Section 4606(10) of the New York Public Health Law.	14



**ITEM****PAGE NO.**D. Information System Controls

It is recommended that the Community change its controls procedures to provide for the automatic log-off of the Community's workstations from the current 60 minutes of inactivity to 5 minutes or less of inactivity. It is further recommended that such change be included within the Community's access controls policy.

15

Appointment No. 30531

**STATE OF NEW YORK  
INSURANCE DEPARTMENT**

I, **James J. Wrynn**, Superintendent of Insurance of the State of New York, pursuant to the provisions of the Insurance Law, do hereby appoint:

**Tommy Kong**

as a proper person to examine into the affairs of the

**Episcopal Church Home & Affiliates Life Care Community, Inc.  
d/b/a Canterbury Woods**

and to make a report to me in writing of the condition of the said

**CCRC**

with such other information as he shall deem requisite.

In Witness Whereof, I have hereunto subscribed by name and affixed the official Seal of this Department, at the City of New York.

this 22<sup>th</sup> day of June, 2010



James J. Wrynn  
Superintendent of Insurance

