

MINUTES OF THE House COMMITTEE ON Insurance

The meeting was called to order by Rep. Rex B. Hoy at _____
Chairperson

3:30 ~~xxx~~ a.m./p.m. on Thursday, February 21, 1985 in room 521-S of the Capitol.

All members were present except:
Rep. King - excused

Committee staff present:
Melinda Hansen - Legislative Research
Emalene Correll - Legislative Research
Gordon Self - Revisor's Office
Helen Carlson, Secretary

Conferees appearing before the committee:

Proponents:

Rep. David Miller
Mr. John Yeager, Clearview City, Ks. (AARP)
Mr. Noel Hord, Clearview City, Ks. (AARP)
Mr. Basil Covey, Topeka, Ks., Kansas Retired Teachers Assn.
Dr. Ronald Harper, Topeka, Ks., Kansas Department on Aging

Opponents:

Mr. John Grace, Topeka, Ks., Kansas Assn. of Homes for the Aging

HB 2251 - Continuing Care Agreements. Rep. David Miller stated the House Insurance Committee extensively considered this bill last year, amended it and recommended it for passage. It did pass the House, but died in the Senate C.F.I. Committee. He said HB 2251 would impose certain registration and disclosure requirements on those individuals offering care contracts in Kansas. A copy of his testimony is attached hereto. (Attachment I)

Mr. Yeager, a Clearview City resident, testified before the Committee as to some of the mishandling of financial affairs at the Retirement Community. He presented copies of letters, contracts, and other documents to back up his comments. They are attached hereto. (Attachment II)

Mr. Noel Hord told of a class action suit that had been filed against the Retirement Community because a person had paid \$16,000 to move in and when she moved out they kept \$12,000 and their literature says you get 76% of your down payment back. He cited another person that stayed only 11 months and it cost her \$10,000 to move in and \$692.00 a month and she is trying to recover some of her down payment.

Mr. Covey said he is in favor of some type of regulations for these homes that gives stability and continuity, and would like to see HB 2251 implemented.

Dr. Harper said KDOA supports HB 2251. He said the bill is designed to provide consumer protection for senior citizens entering into continuing care contracts, a commonly used mechanism for financing retirement living. A copy of his testimony is attached hereto. (Attachment III)

Mr. John Grace spoke in opposition to HB 2251 saying they believe the older person has protection under current law and this bill is not needed. His testimony is attached hereto. (Attachment IV).

Rep. Littlejohn asked if Clearview City was the only place with problems such as these and Mr. Harper said it was not and that he would contact Dr. Hartman, Chairman of the State Legislative Committee, and get a list of other homes and communities with similar problems.

The Chairman said final action would be taken on House Bills 2166, 2168, 2171 and 2172, and asked Ms. Hansen to briefly review the bills.

HB 2166 - Unearned premiums and reserves of certain insurance policies.

Rep. Littlejohn moved to report HB 2166 favorably for passage. Rep. Cribbs seconded. Motion carried.

HB 2168 - Fraudulent Insurance Act.

Rep. Blumenthal moved to report HB 2168 favorably for passage. Rep. Lowther seconded. Motion carried.

HB 2171 - Reinsurance of risks of and by Kansas Insurance Companies.

Rep. Neufeld moved to report HB 2172 favorably for passage. Rep. Bryant seconded. Motion carried.

HB 2172 - Annual premium surcharge.

Rep. Lowther moved to report HB 2172 favorably for passage. Rep. Graeber seconded. Motion carried.

Mr. Brock presented Legislative Proposal No. 11 to the Committee and asked that it be introduced as a Committee Bill. He called it a solvency enhancement bill, saying it would give the Commissioner authority, after notice and hearing, to take such action as necessary to rectify existing conditions when a company's financial condition might be hazardous to the insuring public if operation is continued.

Rep. Blumenthal made a motion, seconded by Rep. Gjerstad, that the above proposal be introduced as a Committee Bill and returned to Committee for study. Motion carried.

Meeting adjourned at 4:50 PM

Rex B Hryg

DAVID G. MILLER
 REPRESENTATIVE, FORTY-THIRD DISTRICT
 DOUGLAS AND JOHNSON COUNTIES
 1312 FIR
 EUDORA, KANSAS 66025



TOPEKA

HOUSE OF
 REPRESENTATIVES

COMMITTEE ASSIGNMENTS
 VICE CHAIRMAN COMMERCIAL AND FINANCIAL
 INSTITUTIONS
 MEMBER LEGISLATIVE JUDICIAL AND
 CONGRESSIONAL APPORTIONMENT
 WAYS AND MEANS

Mr. Chairman, thank you for this hearing on the continuing care contract act.

As you know, this committee extensively considered this measure last year, amended the original proposal and recommended it for passage. And the House overwhelmingly passed it last year. However, it died in the Senate C.F.I. Committee. I am hopeful that we can do better this year.

Under a continuing care contract a resident of a continuing care facility enjoys the right to reside in the facility for an extended period of time, assuming that the resident abides by the facility's rules and regulations, including the payment of required fees. Contracts for continuing care offer elderly persons the security of knowing they will have a place to live and the services they require for years to come.

H.B. 2251 would impose certain registration and disclosure requirements on those individuals offering care contracts in Kansas. Under the bill, the Office of the Insurance Commissioner is the state agency charged with the responsibility of regulating the use of such contracts.

My interest in the measure is due in large part to the unstable situation which developed at Clearview City, a continuing care facility located in western Johnson County, when the proprietor of that facility died. The uncertainty as the continued operation of the facility highlighted many of the problems which could develop with continuing care arrangements. H.B. 2251 would require disclosure that will hopefully help protect the investment of older citizens in continuing care arrangements.

Brief of Bill

H.B. 2251 imposes certain regulations regarding the offering and issuance of continuing care agreements.

Section 1 defines terms used in the bill. "Continuing care agreement" is defined to mean an agreement by a provider to furnish to an individual for the payment of an entrance fee or periodic charges, or both, living accommodations or meals, and related services, or both, in a home possibly but not necessarily together with health-related services, or any combination of such services, which is effective for the life of the individual or for a period in excess of one year.

(Attachment I)

Brief of Bill continued:

Section 2 prohibits any provider from employing any device to defraud, making an untrue statement of material fact, omitting a material fact, or operating fraud or deception upon any individual when soliciting or entering into an agreement.

Section 3 requires continuing care providers to register with the Commissioner of Insurance. The registration application must be accompanied by the disclosure statements required under sections 4, 5, and 7.

Section 4 requires that the provider deliver and obtain a receipt for the delivery of an initial disclosure statement to a prospective resident prior to the acceptance of any application or entrance fee or the execution of a contract. Information that must be contained in the initial disclosure statement includes: the name and business address of the provider; the names and duties of corporate officers, directors, trustees, or parties; the business experience, ownerships, and certain criminal convictions and civil actions involving such persons, including the manager; the method of choosing and compensating the manager; religious, charitable, or nonprofit affiliations; a description of fees and financial obligations; health and financial requirements for the acceptance of residents; and financial statements.

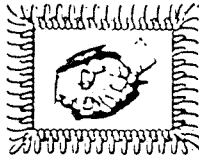
Section 5 requires the filing of an annual disclosure statement which updates the information contained in the initial disclosure statement required under Section 4.

Section 6 prohibits false or misleading filings with the Commissioner.

Section 7 provides a seven-day "cooling off" period during which a purchaser may rescind a contract without penalty.

Section 8 through 14 provide for enforcement of the Act by the Insurance Commissioner. Section 8 provides that the registrations shall remain in effect until revoked, after notice and hearing, for violations. Section 9 allows residents to recover any fees paid, less reasonable expenses, if the provider fails to deliver the required disclosure statements or otherwise violates the Act; such actions would have to be commenced within three years after occurrence of the violation. Section 10 provides for administration by the Commissioner. Section 11 permits the Commissioner to issue cease and desist orders and to seek any equitable relief for violations of the Act. Section 12 grants rule and regulation authority. Section 13 provides for fines of up to \$5,000 upon conviction of willful violation. Section 14 requires a \$250 fee for initial registration and \$100 for renewals.

The Act would take effect July 1, 1985.



The Good Neighbor Christian Foundation.

Clearview City Retirement Community

Clearview City, Kansas 66019

Johnson County

432-7477 585-1451

August 29, 1978

Dear Resident,

This is a letter I have been putting off writing for months. And in fact, I kept hoping I would not have to do it at all. It has been a long time since we have had to adjust the monthly service fee, and we still intend to keep costs down as much as possible. But, as you surely know, basic operating expenses have been going up and up, especially the utility and energy expenses. We have tried to absorb these increases for as long as possible. At this time, however, we have come to the point where we must reluctantly ask for a modest increase as we continue to pledge that we will maintain the highest quality and standards for good living at Clearview City.

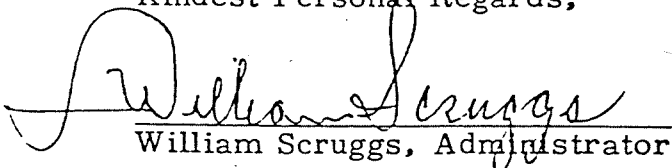
Since all our costs are based on the square footage of each home, the smaller homes, of course, pay less than the larger units.

This small increase of 2¢ per foot per month on your Holiday will only be \$19.80 effective October 1, 1978.

We appreciate your understanding in this matter and look forward to your long and happy years at Clearview City.

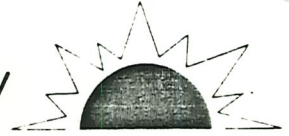
One final word: I want you to know that in the spirit of Christian understanding and help, I am always ready to visit with you and to help you in any way I can if this should prove to be an unbearable burden or hardship.

Kindest Personal Regards,


William Scruggs, Administrator

(Attachment II)

CLEARVIEW CITY



An Active Retirement Community West of Kansas City on Highway 10 in Johnson County • Clearview City, Kan. 66019 • 913-432-7477

12-31-80

Mr. & Mrs. ~~Harry Stark~~
Box 207

Dear Resident:

As we are all aware, inflation is on the increase which includes the drastically rising costs in energy. Our utilities alone increased some 30% the first ten months of 1980.

Here at Clearview City we have endeavored to control our costs as much as possible. Unfortunately, we are now faced with the necessity of raising service fees to meet the increase in operation costs.

The increased insulation which we started last February has helped. We shall continue our insulation program. The conservativeness of some of our residents has helped. Therefore, the increase will be very modest.

The increase on your Meadowlark A will be \$ 107⁰⁰, effective February 1st, 1981.

Your understanding in this matter is greatly appreciated and, as always, my door is always open. I am ready to help you in any way I can should this prove to be a hardship.

Kindest Personal Regards,

William J. Scruggs
Administrator

WJS/vdg

(Attachment II)

CLEARVIEW CITY



An Active Retirement Community West of Kansas City on Highway 10 in Johnson County • Clearview City, Kan. 66019 • 913-432-7477

2/16/82

Dear Resident,

As mentioned at the general meeting of all residents, January 20th, regarding service fee increases as I stated at the time I was not in favor of an increase at this time, unless conditions or circumstances beyond my control, dictated otherwise. This very thing has happened, our utilities have sky rocketed. Our gas bill alone for January was over \$22000.00, a 65% increase. Our electric has been estimated at \$8000.00 for same period. An increase of some 30% over same period last year. After much discussion with the Gas Co., we discover that this particular utility from Greely Gas has increased 65% in past year. It goes without saying the Foundation is not able to handle this burden alone, and therefore I am compelled to pass along a small share of this burden along to you in the form of a service fee increase, effective March 1, 1982.

The service fee increase for your particular unit is \$22.24
Beginning March 1, 1982.

Sincerely,

William J. Scruggs
Administrator



SECURITY NATIONAL BANK
of Kansas City

One Security Plaza • Kansas City, Kansas 66117
Telephone (913) 621-8430

TRUST DIVISION

May 31, 1984

Dear Residents of Clearview City:

Security National Bank, as Administrator of the Paul Hansen Estate, has engaged the services of Mr. Don Black of Research Health Services Management Group, a division of Research Health Services, to take over the management of Clearview City. This organization is connected with Research Hospital in Kansas City and is involved in the development and management of hospitals, nursing homes, retirement communities and health service facilities throughout the area. We believe their expertise in these unique areas makes them particularly well-suited to manage and to further the development and growth of Clearview City.

Mr. Black would like to have the opportunity to meet as many of you as possible. To facilitate this, he and I will be in the clubhouse on Tuesday, June 5th from 1 p.m. to 3 p.m. Please join us for coffee and donuts at that time.

Sincerely,

Patricia Parthe
Asst. Vice President
and Trust Officer

dko

(Attachment II)

CLEARVIEW CITY RESIDENTS' COUNCIL

Meeting November 13, 1984

Page 2

Don Black addressed the subject of long-term rental units. Units rented will be studios or small apartments which do not sell easily and renters will not be under 55 years of age.

Recommendation made to provide a six or eight-bed residence into which an ill resident, living alone, could move for a few days' care. This will be presented to Management. *Rep. Submitted*

Individual Representatives offered the following concerns:

- Reduction in rate when one person passes away
- Temporary repair of lanes with gravel
- Condition of backyards and patios
- Security patrol of lakes
- Children in swimming pool
- Brush pile back of school
- Items needing repair around homes
- Too many small rules and regulations
- Tree trimming
- Painting
- Sewers
- Condition of Lake Shore Drive and sidewalks

Don Black addressed the above and other items. The grocery store will re-open probably the first of the year; if trees are damaging apartments, Clearview City will bear expense of removal, otherwise it will be at residents' expense after permission received; convalescent home for ill residents will be considered; no major street repair before spring; will provide paint to those able to paint exterior of building; sewer work must wait until warmer weather; no inside painting for some time unless residents wish Management to incur expense of hiring additional workers.

KP&L and Greeley Gas Co. will take over the utilities over the next two to three years, totally replacing the electrical system. Work will be done in ten phases and as each phase is completed, the residents in that area will start paying utility bills and will receive a corresponding decrease in monthly fees. The decrease will be figured on a square footage basis. Sodium lights will replace old street lights as they burn out, which should provide good illumination for neighborhoods.

The meeting adjourned shortly after 11:00 a.m. The next meeting will be held December 4 at 9:30 a.m. in the Ballroom.

LIFE OCCUPANCY AGREEMENT

This Agreement is hereby made between The Good Neighbor Christian Foundation at Clearview City, (hereinafter called "the Foundation") and John & Vi Yager, (hereinafter called "the Occupant").

This 22nd day of December, 19 77

RECITALS: The Occupant, having made application for residency in the Foundation, and the Foundation having accepted said application, jointly, agree that the Occupant shall be provided with residency, subject to the terms and conditions set forth herein. A copy of said application for residency is attached hereto and by this reference made a part hereof. The Occupant hereby represents that he/she has voluntarily entered into this Agreement, and that the date of execution thereof shall not be the date of entrance into the Foundation, unless otherwise so specified. Furthermore, the Occupant and his/her heirs, successors and assigns specifically covenant and agree to hold the Foundation harmless from any and all liability. In consideration of the terms and conditions set forth herein, the parties hereto covenant and agree as follows:

SECTION I SERVICE AND FACILITIES PROVIDED

The Foundation shall provide for the use, benefit, and enjoyment of the Occupant the following geriatric services and facilities:

A. LODGING. Occupancy in Apartment: 217 Lane A

subject to provision under Sections III, IV, V and VII of this Occupancy Agreement, plus the following furnishings: Range & Refrigerator

B. TAXES AND INSURANCE. The Foundation will pay any and all real estate and personal property taxes and fire and extended insurance on property of the Foundation used by the Occupant.

C. MAINTENANCE. The Foundation will maintain the premises including painting and repairs of said apartment and exterior of the entire building as needed.

D. MEDICAL CARE. The Foundation will designate a member in good standing of the American and Kansas Medical Associations as staff physician who will be available for providing medical care to the Occupant, at Occupant's expense, on a fee for service basis. The Occupant will be at liberty to engage the services of the staff physician, or any other physician of his choice; at the Occupant's own expense.

E. UTILITIES. The utilities reasonably required (water, light, heat and air conditioning, but not including telephone service) in connection with occupancy of the apartment.

F. TRANSPORTATION. Scheduled shuttle bus to various areas adjacent to the Foundation as determined by the Foundation.

G. OTHER SERVICES. Use of designated facilities and grounds.

SECTION II ENTRANCE ENDOWMENT AND MONTHLY SERVICE FEE

A. ENTRANCE ENDOWMENT. The Occupant shall pay to the Foundation, prior to the Occupant's entry of residence in the Foundation, an Entrance Endowment Fee of \$6950.00 - Six Thousand Nine Hundred Fifty Dollars which amount is based upon the anticipated, estimated costs in providing a life long residency for the Occupant. This Entrance Endowment Fee shall be payable in cash prior to the Occupant's taking possession of residency in the Foundation.

B. NINETY DAY REFUND. If the Occupant wishes to terminate this Agreement within ninety (90) days of its execution or within ninety (90) days of the Occupant's entrance into his/her residency in the Foundation, the provisions of Section IV shall govern the refunding of this Entrance Endowment Fee.

C. MONTHLY SERVICE FEE. The occupant shall pay to the Foundation, on the first day of each month, a Monthly Service Fee, in advance, based on daily services provided to Occupant or Apartment as more fully described in Section I of this Occupancy Agreement. Recognizing the uncertain nature of cost and expense of goods and services, said Monthly Service Fee must necessarily be flexible. The current Monthly Service Fee is \$ 221.40 per month for single occupancy and \$ 221.40 per month for joint occupancy in residential units of the kind in which the Occupant shall reside. However, the Foundation does retain the absolute right to modify or alter the aforementioned Monthly Service Fee.

D. NON-REFUNDABLE OPTIONS. The Occupant agrees to pay to the Foundation the sum of \$ 2565.00 for lodging options as noted in Section VII, Paragraph L. Payments for said options shall be non-refundable and are not subject to the provisions of Section IV or VI.

E. DEFAULT IN PAYMENTS. The Occupant agrees to make payments herein provided for at the time and in the manner specified. If any such payments shall be in default for more than ninety (90) days, the Foundation shall have the right to terminate and cancel this Occupancy Agreement without obligation to make any refunds theretofore paid. It is the declared policy of the Foundation that Occupancy will not be terminated solely by reason of the financial inability of the Occupant to pay the monthly fee, if the Occupant has applied for and established facts which justify special financial consideration and dispensation, and if such application can be granted (within the discretion of the Foundation) without impairing the ability of the Foundation to operate on a sound financial basis. Further, the Occupant agrees not to impair his or her ability to meet financial obligations hereunder by transferring assets after securing occupancy, without consent of the Foundation, other than to meet ordinary and customary living expenses.

SECTION III MOVE TO OUTSIDE INSTITUTION

A. INCAPACITATED OCCUPANTS. In the event the Occupant is affected with a dangerous or contagious disease, in the opinion of the staff physician, or in the event the Occupant becomes mentally or emotionally disturbed to the extent that his or her presence at the Foundation is deemed detrimental to the health or peace of the Occupant or other resident, or in the event that the Occupant becomes incapacitated as determined by the staff physician, the Foundation shall then notify the Occupant and/or the immediate family and make arrangements to transfer the Occupant to an appropriate facility where proper medical care can be provided, keeping in mind at all times the welfare and well being of the Occupant. Any facility outside the Foundation will be at the Occupant's expense. If, after thirty (30) days in the care of said appropriate facility, it appears evident that the Occupant shall not be able to return to the Foundation, as a resident, the Foundation shall have the right to find a new Occupant for said vacated residence. If such move occurs within twenty-four (24) months of the date of this Agreement, disposition of the Entrance Endowment Fee will be regulated by Section IV, below.

SECTION IV TERMINATION

A. BY DEATH PRIOR TO OCCUPANCY. In the event the Occupant dies prior to occupancy, the Foundation shall refund, to his or her estate or designee, 76% of all monies theretofore paid to the Foundation.

B. BY VOLUNTARY CANCELLATION PRIOR TO OCCUPANCY. The Occupant has the right to cancel this Agreement at any time prior to Occupancy, and if so cancelled, the Foundation shall refund to the Occupant all monies theretofore paid thereto, less the sum of 24% of the aforementioned Entrance Endowment Fee.

C. BY VOLUNTARY CANCELLATION AFTER OCCUPANCY. In the event the Occupant wishes to have this Agreement terminated after Occupancy, the Foundation will release the Occupant from this Agreement under the following terms:

1. Notice. The Occupant must give the Foundation ninety (90) days written notice of his or her intention to so terminate. The Foundation shall have the right to charge the Occupant the Monthly Service Fee for ninety (90) days, following the date of receipt of termination notice or orderly vacation of premises by the Occupant.

2. Resale. The Foundation, with cooperation of the Occupant, shall endeavor to find a new resident for the residence to be vacated by the Occupant, as soon as written notice has been received.

3. Refunds. Upon the Ninety First (91st) day following the receipt of termination notice or vacation of the premises by Occupant, whichever date occurs later, a portion of the entrance endowment fee may be refunded under the following terms:

a) Any voluntary cancellation by the Occupant after occupancy shall be subject to a minimum of Twenty-Four Percent (24%) forfeiture of the entrance endowment fee.

b) Termination shall be subject to a forfeiture of one percent (1%) of the entrance endowment fee. [For each calendar month following the Occupant's first day of residency and including the Ninety (90) day notice of termination and vacation of occupancy period.]

c) For purposes of computation, an Occupant will be deemed to have resided in the Foundation for one (1) month if he or she has resided therein for fifteen (15) days or more of the calendar month in question.

CERTIFICATION OF RENT PAID FOR 1983

First Name and Initial of Claimant CHARLES B	Last Name TANSLEY	Social Security Number
Number and Street or Rural Route of Rental Property #129 Lane 0 P.O. Box 291		
City CLEARVIEW CITY	State KANSAS	Zip Code 66019

1. Check the type of rental unit which you rented during the year 1983.

- | | | |
|--|--|--|
| <input checked="" type="checkbox"/> Apartment | <input type="checkbox"/> Hotel | <input type="checkbox"/> Low Income Housing |
| <input type="checkbox"/> House | <input type="checkbox"/> Boarding Home | <input type="checkbox"/> Section Eight Housing |
| <input type="checkbox"/> Duplex or Like Facility | <input type="checkbox"/> Mobile Home | <input type="checkbox"/> Other (Explain) |
| <input type="checkbox"/> Nursing Home | <input type="checkbox"/> Mobile Home Lot | |

SEE INSTRUCTIONS ON REVERSE SIDE BEFORE ANSWERING QUESTION NUMBER 2

2. Is the rental property subject to property tax? YES NO

3. Name of Property Owner(s) PAUL I. HANSEN	Owner's Telephone Number 913 432 7477
Owner's Home Address (Number and Street or Rural Route) P.O. Box 631	
City CLEARVIEW CITY	State KANSAS Zip Code 66019

4. Rental period during year: From 1 | 1 | 1983 To 12 | 31 | 1983
Mo. Day Yr Mo. Day Yr

5. Amount of rent per month (If rent per month varies during 1983, indicate amount paid and number of months for each amount) 182.51 1 mo.
\$197.57 11 mos.

6. Total rent paid \$2355.78

7. Does your landlord provide any furnishings, gas, lights, water, trash pick up, or other items?
 YES NO
If YES, complete the reverse side A through M and show total expenses, item M.
If NO, enter zero on line 7 schedule attached MEADOWLARK A \$ 546.44

8. Rent paid for space occupied \$1809.34
(Enter on line 16b, space [P], form 40H)

THE CLAIMANT MUST SIGN THE CERTIFICATION OF RENT BEFORE THE RENT PAID FOR SPACE OCCUPIED CAN BE CONSIDERED IN COMPUTING A HOMESTEAD REFUND.

I declare under the penalties of perjury that to the best of my knowledge this is a true, correct, and complete certification of rent paid.

SIGN HERE William J. Sneyd DATE 3/28/84
SEE INSTRUCTIONS ON REVERSE SIDE

(Attachment II)

CLEARVIEW CITY

An Active Retirement Community West of Kansas City on Highway 10 in Johnson County • Clearview City, Kan. 66019 • 913-432-7477

The following represents the expenses on the Housing Units and the method of computation on the different size units.

Electric	\$ 80,941.13
Water	22,814.00
Gas	58,352.89
Sanitation Expense	11,940.62
Total	<u>\$ 174,048.64</u>

Computation Method: Expenses ÷ By the total square footage of Housing Units = Expenses per square foot per year.

$$\$174,048.64 \div 250,000. \text{ Sq. Ft.} = .6961 \text{ per year}$$

UNITS:	EXPENSES:
Greencrest	\$ 229.71
Redbird	290.97
Appletree	344.57
Bluebird	359.19
Rosebud	363.36
Sunshine	414.88
Appletree II	431.58
Rosebud II	431.58
Meadowlark "B"	494.23
Meadowlark "A"	546.44 ✓
Majesty	634.84
Skyview "A" & "B"	634.84
Holiday	723.94
Supreme	723.94
Chancellor	723.94
Premier	863.86
Holiday "G"	1040.67
Aristocrat	1040.67

Duplex or Like Facility
 Nursing Home

Mobile Home Lot

Boarding Home
 Other (Explain)

SEE INSTRUCTIONS ON REVERSE SIDE BEFORE ANSWERING QUESTION NUMBER 2

2. Is the rental property subject to property tax?

YES

NO

3.

Name of Property Owner(s) Paul I. Hansen		
Owners Home Address (Number and Street or Rural Route) P.O. Box 631		
City Clearview City	State Kansas	Zip Code 66019

4. Rental period during year: From May | 9 | 1980 To Dec | 31 | 1980
Mo. Day Yr. Mo. Day Yr.

5. Amount of rent per month. (If rent per month varies during 1980, indicate amount paid and number of months for each amount.)
\$ 273.97 7 3/4 mo.

6. Total Rent Paid \$ 2123.26

7. Less expenses on reverse side line 7, item L (Schedule attached) Aristocrat \$ 672.10

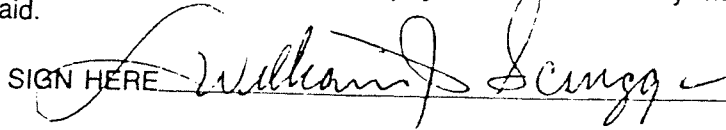
8. Rent paid for space occupied \$ 1451.16

(Enter on line 17b, space [P], form 40H)

THE CLAIMANT MUST SIGN THE CERTIFICATION OF RENT BEFORE THE RENT PAID FOR SPACE OCCUPIED CAN BE CONSIDERED IN COMPUTING A HOMESTEAD REFUND.

I declare under the penalties of perjury that to the best of my knowledge this is a true, correct, and complete certification of rent paid.

SIGN HERE



DATE

2/25/81

SEE INSTRUCTIONS ON REVERSE SIDE



The Village Bell



Published By "The Village" - A Retirement Community, Clearview City, Johnson County, KS

PEACE OF MIND

What Clearview City is all about!

NO INCREASED SERVICE FEE!

Protection against rising costs is Guaranteed by an exclusively designed program.

YES, YOU DO GET YOUR MONEY BACK!

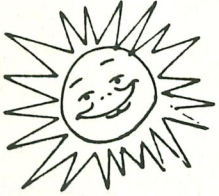
You do not lose your endowment should you decide to leave or even in the event of death.

CLEARVIEW CITY RESIDENTS MORE CONSERVATIVE — THAN MASS POPULATION!

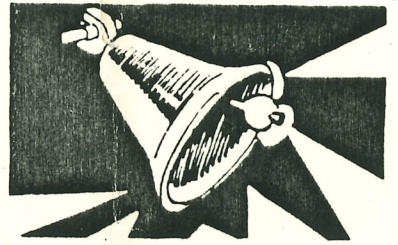
Result! Lower present costs! Tighter control over future costs.

WATCH-DOG POLICY ON RISING COSTS!

Our Board of Advisors is dedicated to the principles of conservatism, with a keen sense to economizing in balance with your retirement income.



The Village Bell



Published By "The Village" - A Retirement Community, Clearview City, Johnson County, KS

July 1978

Clearview City MAKES NEWS

Directors Announce Revolutionary...

NEW

NEST EGG DEPOSIT

76% REFUND

Of Original Deposit!

For Yourself! Your Children! Your Estate! Your Heirs!

You can say, you read about it first in the "Bell", the voice of Clearview City. The "Nest Egg Deposit", designed by Clearview City directors, has not been released for announcement to the Kansas City Star because our directors wanted you to have this great news before anyone else.

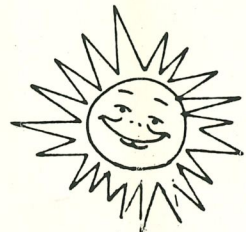
The "Nest Egg Deposit" is revolutionary in concept. Have you ever heard of a plan offering comfortable, secure, fruitful retirement plus a refund? Think of it you can live the good life, in a new one story, ground level garden cottage that has been specially customized for you, with new carpets, even in the kitchen, tile baths, wooden kitchen cabinets, big closets, fireplace and much, much more.

In addition to a comfortable, attractive cottage, you have a great clubhouse with gobs and gobs of activities and always someone to enjoy those things with you. There are fishing lakes, swimming pool, picnic parks plus free scheduled bus transportation, churches, beauty parlors, laundromat and our own post office. Your pets are welcome, too.

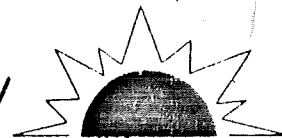
All this plus a refund amounting to 76% of your original deposit! This is our "Nest Egg Deposit". No matter how long you reside in Clearview City, 76% of your original deposit will be refunded to you, to your children, to your estate, to your heirs.



Clearview City, is the only retirement community in Kansas City and in the nation offering you the "Nest Egg Deposit". It has always been our policy to give you more for your dollar. Come out or call for complete details about the new "Nest Egg Deposit".



CLEARVIEW CITY



An Active Retirement Community West of Kansas City on Highway 10 in Johnson County • Clearview City, Kan. 66019 • 913-432-7477

The following represents the expenses on the Housing Units and the method of computation on the different size units.

Electric	\$ 80,941.13
Water	22,814.00
Gas	58,352.89
Sanitation Expense	11,940.62
Total	<u>\$ 174,048.64</u>

Computation Method: Expenses ÷ By the total square footage of Housing Units = Expenses per square foot per year.

$$\$174,048.64 \div 250,000. \text{ Sq. Ft.} = .6961 \text{ per year}$$

UNITS:	EXPENSES:
Greencrest	\$ 229.71
Redbird	290.97
Appletree	344.57
Bluebird	359.19
Rosebud	363.36
Sunshine	414.88
Appletree II	431.58
Rosebud II	431.58
Meadowlark "B"	494.23
Meadowlark "A"	546.44 ✓
Majesty	634.84
Skyview "A" & "B"	634.84
Holiday	723.94
Supreme	723.94
Chancellor	723.94
Premier	863.86
Holiday "G"	1040.67
Aristocrat	1040.67

Questions & Answers

Q WHAT IS CLEARVIEW CITY?

A A community of one story duplex garden homes in Johnson County, Kansas for active adult living. It is an affordable retirement community offering guaranteed refundable endowments for as long as 20 years.

Q WHERE IS CLEARVIEW CITY?

A Clearview City is in beautiful Johnson County, less than 30 minutes west of Kansas City on Highway 10, at the 285 South exit, near 103rd Street.

Q WHAT ACCOMMODATIONS ARE AVAILABLE?

A Homes are available in 1, 2 or 3 bedrooms with or without 1 or 2 car garages. All have a complete kitchen, dining area with individual heating and optional air-conditioning. Each is carpeted with your choice of colors. All homes are 1 level garden cottages. With early reserving you may customize and design your own home.

Q WHAT SERVICES ARE AVAILABLE?

A The growing shopping center has grocery store, mini-shops and post office. There are barber and beauty shops and a laundramat. Medical facilities are only minutes away, and free transportation is furnished several times each week to nearby shopping malls in Johnson County, downtown Kansas City, The Plaza, sports events and other entertainment and activities

Q WHAT ABOUT RECREATION ACTIVITIES?

A THE CLUB HOUSE: Provides space for bingo, dinners, card playing, billiards, dances, library, various meeting rooms, as well as craft centers.

THE SWIMMING POOL AND DECK: Located next to the Club House, provides patio sunning area and swimming for fun and exercise.

CLEARVIEW CITY



(Attachment II)

CRAFT AREAS: A craft area is maintained in the Club House and a special woodworking shop is individually maintained next to the laundramat.

TOURS, SHOPPING AND ENTERTAINMENT: Scheduled free transportation is furnished for shopping in closeby shopping malls, places of interest, sports activities, dinner theatres, and exhibits and other cultural locations.

FISHING AND PICNICS: There are fishing lakes, stocked to excite the fisherman and fisherwoman. Picnic areas for groups, families and residents feature tables and outdoor oven and horseshoe pitching.

COST: It's FREE, except tickets to outside activities, or specially planned events.

Q WHAT ABOUT PETS?

A Pets are welcome at Clearview City, BUT, we do have a leash rule and enforce it. You may fence your backyard if you wish, and "pet posts" are available for leaving pets a short time at the Club House.

Q WHAT ABOUT MEDICAL SERVICES?

A Medical services and several hospitals are only a short distance from Clearview City. Ambulance service is nearby, and there are several physicians in nearby professional centers. Transportation is furnished to the local clinic at near-by DeSota, where our staff physician practices. Prescriptions are also delivered to your door.

Q WHAT ABOUT TRANSPORTATION?

A Clearview City maintains its own transportation fleet providing free scheduled transportation to shopping centers, entertainment, medical and other events - Enjoy going places and we do the driving.

Q WHAT ABOUT COSTS OF LIVING HERE?

A You may lease for life the specific size home you want, an initial GUARANTEED REFUNDABLE endowment and maintenance fee is required, but provides you with your "own" home FOR LIFE, at the most affordable cost in this area. There is a low monthly fee, lower than other comparable programs. Your personal utilities are included in your service fee and are furnished except telephone. Clearview City owns its own electrical distribution system, streets, sewer disposal system, water lines, in fact everything but the natural gas system.

Q WHAT ABOUT FUTURE COSTS?

A Clearview City owns most utility service, and costs should remain within limits set. Naturally, as some costs increase a proportional amount may be added to monthly fees.

Q WHAT IS A REFUNDABLE ENDOWMENT?

A Your endowment is NOT LOST. If you should decide to leave Clearview City, you are guaranteed that you may recall the credit balance of your unused 20-year endowment. You pay ONLY ONE endowment no matter how long you live at Clearview City.

Q ARE CHURCHES NEARBY?

A Clearview City has it's own Village Church which is non-demoninational with services each Sunday, plus our own Methodist Church, other churches are nearby.

Q WHAT GROCERY FACILITIES ARE AVAILABLE?

A Our grocery store is located in the shopping center for daily needs. Several super markets are nearby.

Q IS THERE A COMMUNITY BUILDING?

A Yes. Our Club House has a full kitchen and adjacent party room. It may be reserved for your entertaining needs. There is a Sunday brunch each week, plus pot luck lunches are a regular feature as are the many other planned activities.

Q CAN I GET INVOLVED IN THE COMMUNITY?

A Clearview City is a caring and sharing community, built on goodwill among neighbors. You will find people from all walks of life joining together in fun activities or leisurely enjoying retirement. Whatever pace of lifestyle you desire, involvement in the community is there for you to enjoy. Daily activities are always posted on the community bulletin board.

Q HOW ABOUT A NURSING HOME?

A Clearview City has a planned nursing home medical facility estimated to open in 1982.

TESTIMONY ON HB-2251
TO HOUSE INSURANCE COMMITTEE

By Kansas Department on Aging
February 21, 1985

Bill Brief:

Provides for protection of citizens who enter into continuing care contracts.

Summary Provisions:

1. Defines continuing care agreements.
2. Requires registration and review by the Insurance Commission.
3. Provides full disclosure to the prospective buyer:
 - a. Financial condition
 - b. Fees to be charged
 - c. Affiliations
 - d. Management
 - e. Services to be provided
 - f. Transfer and termination provisions.
4. Provides a 7-day cooling off period.
5. Requires an escrow account to protect contractees' deposits during the cooling off period.

KDOA supports HB-2251. This bill is designed to provide consumer protection for senior citizens entering into continuing care contracts, a commonly used mechanism for financing retirement living. A continuing care home agrees to provide services for a specified period of time, often life, in exchange for a sum of dollars.

Continuing care homes (which are sometimes called life care homes) differ as to the services they offer. When a person enters a continuing care facility, he or she signs a contract that spells out what shelter and services the home will provide for an established time period, usually for the rest of the resident's life. The contract also states the financial and other legal obligations the resident will have to the home for the length of time specified. Most homes offer arrangements whereby residents, upon entering the home, pay a one-time accommodation fee in addition to regular monthly charges.

The number of persons age 65 and over in Kansas is rapidly increasing, both in whole numbers and as a percentage of the total population. To meet this rising age group the number of retirement homes is also expected to increase. It is difficult to have full knowledge about these homes and the contractual arrangements with individuals because there is no central place where providers must register and no requirements for disclosure of information.

Attachment III

Because the older person may be committing his or her entire assets to the continuing care agreement, safeguards are essential. HB-2251 provides those safeguards:

1. Full disclosure including affiliation, identity and solvency of owners, management, etc.
2. Registration and oversight by the insurance commissioner.
3. A 7 day cooling off period allows the potential resident time to reconsider.

KDOA endorses this bill to prevent the very real possibility of serious problems for older people in the future.



The Organization of
Nonprofit Homes and
Services for the Elderly

Kansas Association of Homes for the Aging
One Townsite Plaza
Fifth and Kansas Avenue
Topeka, Kansas 66603

913-233-7443

TESTIMONY BEFORE THE HOUSE INSURANCE COMMITTEE
ON THURSDAY, FEBRUARY 21, 1985

Regarding House Bill 2251
Testimony Given by: John R. Grace, Executive Director

Thank you Mr. Chairman and Members of the Committee.

I represent the Kansas Association of Homes for the Aging. A non profit professional organization which membership includes only the not for profit, church related, governmental, fraternal and community sponsored adult care homes, retirement communities and outreach services for the aging of our state.

House Bill 2251 which is an act concerning continuing care agreements has now been introduced in some form the past three legislative sessions. The impetus for the act stems from a development of a retirement community in Clearview City in which the developer was killed in an accident and the development was halted.

Our association commends the sponsor of this bill for their sincere efforts to provide some additional protection to our elderly consumers. However, we believe that the older person has protection under current law and this bill is unneeded.

In reviewing the merits of the bill, we find the very extensive requirement for disclosure on the part of the provider as to their financial condition, the history of the organization. Nearly six pages of the bill is devoted to line item requirements relating to disclosure of financial information, operating history of the organization and future projections. The entire disclosure report then must be given to every individual who is a prospective residents and with whom the continuing care agreement is to be entered into.

Secondly, the bill requires the provider to make projections "of operating expenses of the home, including a description of the assumption views in calculating expenses and separate allowances for the replacement of equipment furnishings and anticipated major structural repairs for additions." As everyone who is involved in business is aware, making projections with regards to utility cost, operating expenses, such as food cost, supplies is at best a calculated guess. Who is willing to project on what the utility rate, for example, will be in the Wichita area in

Attachment IV

five years from now. The concern here I am trying to raise is that section six of the bill states that there should be unlawful for any provider to make or cause to be made... "false or misleading information". A projection that does not prove to be accurate in reality could be perceived as "misleading information".

The bill makes no extra protection should the facility fail in its development stage and not fulfill its obligations to its residents. Residents would have to seek remedies under our current laws for recovery of their money.

And last we would suggest that this bill would require considerable cost both on the part of the provider in furnishing this information and secondly the insurance commissioner will incur a cost in the supervision and enforcement of the provisions of the bill.

We feel, Mr. Chairman and Members of the Committee, that older persons currently have protections in their seeking out and receiving services of a retirement community relating to a continuing care agreements. For example, every facility that we are aware of operating in the state utilizes a legal contract which covers a significant portion of this bill's disclosure requirements about circumstances under which the resident will be permitted to remain in the home or what happens when the resident is unable to pay periodically or other charges, the terms and conditions under which the continuing care agreement may be cancelled, also the terms under which the money would be refunded in the event of cancellation. Therefore we would see a significant portion of the bill as being duplication of currently utilized contracts by retirement communities in Kansas.

Should the retirement community offer licensed nursing care they would then fall under the supervision of the Department of Health and Environment. Since most retirement communities do offer nursing care in their continuum of services they are supervised by the department.

In summary, Members of the Committee, we would ask that you report this bill unfavorable. While we recognize that one situation that occurred in 1981 is cause for alarm and study, we think the current protection under law provided for any person with regard to breach of contract, fraud, and other legal remedies, offer the old person enough protection to make this bill unnecessary. I have brought along, Mr. Chairman, copies of a brochure that is being distributed by our national affiliate the American Association of Homes for the Aging regarding continuing care agreements. It is a public information brochure for consumers. I would be happy to answer any questions you might have.