

§ 58-64A-175. Continuing care contract.

- (a) A continuing care contract shall include all of the following:
- (1) A provision that the person contracting with the provider may rescind the contract within 30 days following the later of (i) the execution of the contract or (ii) the receipt of a disclosure statement that meets the requirements of G.S. 58-64A-150, and a resident to whom the contract pertains is not required to move into the continuing care retirement community before the expiration of the 30-day period.
 - (2) A provision that, if a resident dies before occupying a living unit in the continuing care retirement community, or if, on account of illness, injury, or incapacity, a resident would be precluded from occupying a living unit in the continuing care retirement community under the terms of the contract, the contract is automatically canceled.
 - (3) A provision that, for rescinded or canceled contracts under this subsection and contracts canceled before a living unit is initially available for occupancy by the first resident of a living unit, the resident or the resident's legal representative, shall receive a refund of all money or other consideration transferred to the provider, less (i) periodic fees specified in the contract and applicable only to the period a living unit was actually occupied by the resident; (ii) those nonstandard costs specifically incurred by the provider at the request of the resident and described in the contract or any contract amendment signed by the resident; (iii) nonrefundable fees, if set out in the contract; and (iv) a reasonable service charge, if set out in the contract, not to exceed the greater of three thousand dollars (\$3,000) or two percent (2%) of the entrance fee. In no event shall the service charge exceed the amount of consideration transferred to the provider by the resident, or a service charge be assessed due to the termination of the contract because of the failure of the provider to meet its obligations under the contract, or upon the failure of the provider to obtain a permanent license in accordance with this Article.
 - (4) A provision that any refund due to a resident for a cancellation or termination for reasons not provided for in this section shall be computed in accordance with the terms of the contract.
- (b) A continuing care contract shall specify all of the following:
- (1) All fees required of residents, including any entrance fee and any ongoing periodic fees.
 - (2) The services to be provided.
 - (3) The policy regarding changing the resident's living unit, if necessary, for the protection of the health or safety of the resident or the general and economic welfare of other residents.
 - (4) The policies to be implemented if the resident cannot pay the periodic fees.
 - (5) The terms governing the refund of any portion of the entrance fee in the event of death or cancellation by the resident or provider.
 - (6) The policy regarding increasing the periodic fees.
 - (7) A description of the living unit.
 - (8) Any property rights of the resident.
 - (9) The policy, if any, regarding periodic fee adjustments if the resident is absent from the continuing care retirement community.
 - (10) Any requirement that the resident maintain long-term care insurance or apply for Medicaid benefits or any other public assistance program.

(c) A continuing care contract shall include the following notice immediately above the contract signature line and be in type that is boldfaced, capitalized, underlined, or otherwise set out from the surrounding written material so as to be conspicuous:

"NOTICE

Because the authority to enter into continuing care contracts granted by the North Carolina Department of Insurance is neither a guarantee of performance by the provider nor an endorsement of any continuing care contract provision, prospective residents must carefully consider the risks, benefits, and costs before signing a continuing care contract and are strongly encouraged to seek financial and legal advice before doing so." (2025-58, s. 2.)