

MELICK & PORTER, LLP COVID-19 MEMO:

Melick & Porter, LLP provides you with the below update regarding the impact of COVID-19 on issues relating to insurance in the United States. The below is not meant to be all-inclusive, but provides an overview as to the trends in the United States. If you have any questions regarding any of the updates below, please do not hesitate to contact us.

SUMMARY OF IMPORTANT LEGISLATION AND EMERGENCY ORDERS AND DIRECTIVES:

Below we provide an overview as to the types of legislative actions that have been occurring, both on a federal and state level.

- On April 27, 2020, the White House released its COVID-19 testing overview and blueprint as part of its Opening Up America Again initiative. The plans describe the partnership necessary between the private sector and the federal and state governments.
- Several states including Massachusetts, New York and Connecticut issued executive orders requiring all people in the state to wear masks or face coverings in public, including when taking public or private transportation or riding in for-hire vehicles.
- New York, New Jersey, Connecticut, Pennsylvania, Delaware, Rhode Island and Massachusetts are developing a regional supply chain for personal protective equipment, other medical equipment and testing

INSURANCE AND COVERAGE RELATED NEWS AND ORDERS/LEGISLATION:

Below we provide an update as to regulations, news, and litigation specifically related to insurance and potential coverage

- On April 28, 2020, the Department of Labor (DOL), the Internal Revenue Service (IRS), and Department of Health and Human Services (HHS) issued guidance and relief. Notably, the guidance requires employers and plans to suspend the deadline for qualified beneficiaries to elect COBRA or pay COBRA premiums from March 1, 2020 until 60 days after the National Emergency ends (or such other date as specified by the Agencies).
- The DOL released the weekly unemployment report on April 30, 2020, showing that 3.8 million Americans applied for unemployment benefits last week, bringing the six-week total to over 30 million.

BUSINESS AND COMMERCE NEWS AND LEGISLATION RELATED TO COVID-19:

Below we discuss news regarding the economic impact of COVID-19 and measures being taken to address that.

- For the past month, the \$2.2 trillion Coronavirus Aid, Relief, and Economic Security (CARES) Act has made headlines. The legislation extended significant funding relief to individuals, businesses, nonprofits, government bodies, and hospitals to protection against the public health and financial impacts of COVID-19. Its aim is to tide over the economy as much as possible as it endures shutdowns, closures, and judicious openings undertaken to shield people from the effects of the new coronavirus.
- The PPP is a small business program that helps support up to eight weeks of payroll costs for eligible small businesses and nonprofits. The federally guaranteed loans can be used for expenses beyond payroll, such as rent, utilities, and mortgage interest, but repayment of the loan may not be required if at least 75% of the loan amount is used for payroll costs.
 - While the PPP hit its cap under the CARES Act, Congress approved additional funding in a subsequent measure.
 - Although the PPP is providing liquidity for business owners at a critical time, it has involved important caveats to consider. The amount forgiven can be reduced if employees are laid off or if their wages are significantly reduced. The loans may also disqualify business owners from other tax benefits contained within the CARES Act, so they may need to consider which relief measure might be most important to leverage.
 - Tax provisions within the CARES Act are focused on supporting liquidity for businesses affected by the new coronavirus. The package includes \$591 billion in tax relief and direct payments, including \$280 billion of tax benefits for businesses.
- On April 29, 2020, the EPA and the CDC jointly provided new reopening [guidance](#) for cleaning and disinfecting public spaces, workplaces, businesses, schools, and homes.
- On April 30, 2020, FEMA released [guidance](#) for ‘Planning Considerations for Organizations in Reconstituting Operations’ as states begin to unveil reopening plans.

LITIGATION/CIVIL JUSTICE SYSTEM UPDATES AND ORDERS:

Below we highlight additional judicial orders related to the COVID-19 pandemic.

- Effective May 4, 2020, the Supreme Judicial Court of Massachusetts issued Emergency Order 20-8 wherein until at least June 1, 2020, all courts of the Commonwealth will continue to conduct court business virtually; courthouses will continue to be closed to the general public, except where entry is required to address emergent matters that cannot be addressed virtually.

- Further, jury trials in both criminal and civil cases in state courts are postponed to a date no earlier than July 1, 2020.
- Lastly, all bench trials in both criminal and civil cases are postponed to a date no earlier than June 1, 2020, unless they may be conducted virtually by agreement of the parties and of the Court.
- On May 1, 2020, the State of Connecticut announced effective with the May 18, 2020 calendars, arguable motions marked take papers on all Indical calendars will be ruled on by the Court. Matters marked ready will be marked off by the Court and must be reclaimed.
- On April 30, 2020, the Supreme Court of the United States announcedThe Court will hear oral arguments by telephone conference on May 4, 5, 6, 11, 12 and 13 in a limited number of previously postponed cases. In keeping with public health guidance in response to COVID-19, the Justices and counsel will all participate remotely. The oral arguments are scheduled to begin at 10 a.m. On days when more than one case will be heard, the second case will begin promptly following the first case.