

## **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.

- With the arrival of summer weather, and as COVID-19 related restrictions on daily activities begin to lift, the Massachusetts Department of Public Health (DPH) reminds residents of the [recommended precautions](#) to keep families, including young children, safe this summer.
- On June 9, 2020, under the direction of President Trump, the Centers for Medicare & Medicaid Services (CMS) released a [guide](#) for patients and beneficiaries as they consider their in-person care options and encourage reopening of healthcare facilities.
- The Board of Governors of the Federal Reserve System (“Federal Reserve”) announced revisions to the three lending facilities the Federal Reserve is creating under the Coronavirus Aid, Relief, and Economic Security Act (“CARES Act”): the Main Street New Loan Facility (“MSNLF”); the Main Street Expanded Loan Facility (“MSELF”); and the Main Street Priority Loan Facility (“MSPLF,”) (collectively, the MSPLF, MSNLF, and MSELF are referred to as the “Main Street Programs”).
  - The Federal Reserve also released revised guidance on the Main Street Programs. The Federal Reserve Bank of Boston, which is administering the Main Street Programs, has indicated that it will soon release updated application materials that reflect these changes to the Main Street Programs. The goal of these revisions, the Federal Reserve explained, is to “allow more small and medium-sized business to be able to receive support.”
- The CDC released two new guidance documents Friday. One is for [individuals venturing out](#) and engaging in activities like going to restaurants, nail salons, gyms, and the bank; traveling; and hosting small gatherings like cookouts. The other lists [considerations](#) for event planners to supplement state rules and regulations.

- United States President Donald Trump signed the Paycheck Protection Program Flexibility Act of 2020, on June 5, 2020, modifying certain provisions related to the forgiveness of loans under the Paycheck Protection Program (PPP).
  - It permits employers that qualify for PPP loan forgiveness to continue to defer the employer's share of Social Security taxes under Section 2302 of the Coronavirus Aid, Relief and Economic Security (CARES) Act.
  - Section 2302 of the CARES Act permits an employer to defer the deposit and payment of its share of Social Security taxes otherwise due during the period beginning on March 27, 2020 and ending on December 31, 2020. Half the deferred taxes are due on December 31, 2021, with the remaining 50% due on December 31, 2022.
  - The Flexibility Act modifies the CARES Act provisions relating to the Paycheck Protection Program (PPP), particularly by affording borrowers additional flexibility with respect to eligibility for the forgiveness of PPP loans.
  - According to the U.S. Treasury Department, as of June 6, 2020, about \$130 billion of funds remain available for PPP loans.

### **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

- The State of New York issued an emergency amendment to New York's Unfair Claims Handling Regulation. The [Seventeenth Amendment to 11 NYCRR 216 \(Regulation 64\)](#) applies to any claim filed after May 30, 2020 for loss or damage to property or injury to persons as a result of looting.

### **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.

- United States stocks slipped as investors faced fears of new coronavirus outbreaks around the world.
- Shelter-in-place or stay at home orders have been prevalent throughout the United States since March 2020 as state and local governments have sought to protect their citizens from the spread of the COVID-19 virus. With the spread appearing to slow, several states are now implementing plans to revise and scale back these orders to reopen their economies

- From March through May, the restaurant industry lost \$120 billion in revenue, according to the National Restaurant Association. Restaurants across the country are reopening, but capacity limits and new rules to maintain social distancing constrain dining room sales.
- New York State continues to issue the state's phased, regional plan for reopening businesses following the statewide closure of all nonessential businesses due to the coronavirus public health emergency, a process known as "New York Forward."
- The Baker-Polito Administration announced availability of \$41 Million in Support for Food Security Programs on June 11, 2020.
  - The new grant program provides an opportunity for more agricultural vendors to participate in healthy incentives programs.

### **LITIGATION/CIVIL JUSTICE SYSTEM UPDATES AND ORDERS:**

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

- The State of Massachusetts courts are open to conduct business virtually, court buildings remain closed until July 1, 2020 except for some emergencies.
- The Supreme Court of New Hampshire issued an amended emergency order, effective as of June 16, 2020, and through July 6, 2020 and/or the last day of a Declared State of Emergency, the Supreme Court will remain open on a restricted basis, consistent with the Judicial Branch's obligation to mitigate the risks associated with COVID-19. The Supreme Court building will not be open to the general public.
- By order of the Chief Justice of the Rhode Island Judiciary, effective June 10, 2020, the suspension that applies to Appellate filings from March 20, 2020 through June 10, 2020 in cases pending before the Supreme Court and Appellate Court is removed and counsel and self-represented parties are permitted as of right, to file by July 6, 2020, the documents that were due during the suspension. Additional time for filing, after July 6, 2020, must be requested pursuant to P.B. § 66-1(e), which rule requires that a motion for extension of time be filed at least 10 days before the expiration of the time limit.