

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.

- Following Governor Baker's Executive Order No. 30 on April 28, 2020, Massachusetts extended the closing of non-essential businesses until May 18, 2020. The order also extends the Stay At Home Advisory and prohibits gatherings of 10 or more people until May 18, 2020.
- The Baker-Polito Administration launched a Reopening Advisory Board that will produce a plan to the Governor by May 18, 2020.
- On April 27, 2020, New York Governor Andrew Cuomo said the state's stay-at-home order will likely be extended beyond May 15 in many parts of the state, but that restrictions could be relaxed in some regions if they have sufficient hospital capacity and meet other criteria.
- On April 28, 2020, Governor Janet Mills announced her administration's plan to gradually and safely restart Maine's economy; the statewide stay-at-home order is extended to May 31, 2020.
- New Hampshire Governor Sununu will not make an announcement on an extension of New Hampshire's stay-at-home order until the end of the week. The current order expires May 4, and there are expectations that it will continue in a modified form, with some careful steps taken to slowly reactivate some business sectors.

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.

- Many states including Maine, Massachusetts, and New York, continue to implement the Emergency Regulations that prohibit the states' regulated issuers of property and casualty insurance from cancelling, non-renewing or conditionally renewing the policies of qualifying policyholders for a sixty (60) day moratorium period. Policyholders who demonstrate financial hardship due to COVID-19 may defer paying premiums during this period without penalty. The regulation also applies to premium finance agencies.

- Connecticut, New Hampshire, and Rhode Island Insurance Departments provide guidance on Business Interruption Insurance and COVID-19.

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.

- Treasury Secretary Steven announced on Tuesday, April 28, 2020 that the government will audit any company taking out more than \$2 million from the small business loan program. The government program allows companies to have their loans forgiven, provided they spend the funds on payroll, benefits, rent and utilities.
- On April 28, 2020, the Massachusetts Department of Public Health released guidance related to the operation of nurseries, greenhouses, garden centers, and agricultural supply stores. Additional guidance was released pertaining to hotels and motels in light of the extended order.
- On April 28, 2020, Governor Janet Mills announced her administration's plan to gradually and safely restart Maine's economy. According to a press release, the plan, which comes as the state appears to be successfully flattening the curve, establishes four gradual stages of reopening, the first of which begins May 1st.
 - The stages focus not on essential versus non-essential designations like those used to originally limit business operations and activities, but on the ability of a business to operate or for an activity to occur in a manner that protects public health and safety.
 - As the administration gradually eases restrictions on some businesses and activities, it also implements protective protocols, along with broader additional health and safety measures, to protect Maine people.
 - The new 'Stay Safer at Home Order,' which goes into effect Thursday, will also allow Maine people to visit businesses or participate in activities that are deemed safe to open under Stage 1 of the reopening plan. The Order will extend through May 31, 2020 but is subject to change.

LITIGATION/CIVIL JUSTICE SYSTEM UPDATES AND ORDERS:

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

- On April 27, 2020, the Supreme Judicial Court of Massachusetts issued an updated Order effective May 4, 2020.
 - Under the new order, 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 April 23, 2020, the State of Connecticut cancelled announced all foreclosure sales scheduled for June and through July 18, 2020 are cancelled in order to prevent a potential gathering of individuals at the auction site. Civil Short Calendar will be reinstated effective May 4, 2020 for non-arguable matters, but no short calendar court sessions will be held until the Judicial Branch resumes normal operations
- Pursuant to Connecticut Governor Ned Lamont's Executive Order No. 7BB, effective immediately, no person is permitted to enter a Judicial Branch courthouse or facility without covering his/her mouth and nose with a mask or cloth face-covering.