

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.

- The passed a bill to expand the Affordable Care Act (ACA) in a largely party-line vote of 234 to 179. The bill would increase the 2010 health law's subsidies that help people afford their premiums and add federal funding for Medicaid expansion. The bill is not expected to go anywhere in the GOP-controlled Senate.
- The House Democrats passed a bill that would extend an eviction and foreclosure moratorium for renters and homeowners for a year, while also providing Americans additional financial housing assistance. The "Emergency Housing Protections and Relief Act" of 2020 includes several provisions from the \$3 trillion Heroes Act, which has yet to be voted on in the Senate. The bill's housing provisions include \$100 billion for a rental assistance fund and \$75 billion for a homeowner's assistance fund to cover rent, mortgage and utility expenses.
- President Donald Trump threatened to veto House Democrats' \$1.5 trillion infrastructure plan this past week, arguing it should eliminate or reduce environmental reviews and does not route enough money to rural America. The House is expected to pass the "Moving Forward Act," H.R. 2 this week. The bill contains billions to repair the nation's crumbling roads and bridges while setting aside funds for broadband, schools and hospitals. It would also require states to commit to reducing greenhouse gases and other climate measures in order to receive funding.

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

- USI Insurance Services recently released its "Q2-2020 Commercial Property & Casualty Insurance Market Outlook Report" that highlights key industry trends amidst ongoing COVID-19 challenges. As rate increases, capacity reductions, and other negative trends continue to harden the market, the industry faces a number of challenges and uncertainties resulting from the ongoing COVID-19 pandemic.

- The property, umbrella/excess liability, casualty, and directors & officers (D&O) liability markets are currently dealing with the most significant issues. Among USI's findings is the reveal that all segments of the property sector are experiencing higher rates, capacity restrictions/limitations, and other challenges resulting from excessive underwriting submissions, virus claims and lawsuits, and more.
- The umbrella & excess liability sector experienced the most significant market hardening within the first half of 2020, says USI. Social inflation, higher attachment point requirements and reductions in capacity are among the factors affecting the space.

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.

- The IRS issued Notice 2020-50, which provides guidance on provisions of the CARES Act that temporarily allows “coronavirus-related distributions” and doubles the limitations on plan loans. The guidance also provides insight on how to report these distributions and affords a special opportunity for participants of nonqualified deferred compensation to cancel their deferral elections for the balance of 2020.
- Public companies faced a variety of unexpected challenges as they closed the books virtually after implementing work-from-home arrangements to protect employees from the coronavirus pandemic.
- On June 29, 2020, the U.S. Treasury Department updated a set of “frequently asked questions” concerning the Paycheck Protection Program (PPP) as administered by the Small Business Administration.
- The State of Massachusetts enters Phase 3 of Reopening on July 6, 2020. Boston will enter Phase 3 on July 13, 2020 to allow for additional time to prepare.
 - Like the previous phase, Phase 3 consists of two parts: Step 1 and Step 2. During Step 1, the maximum occupancy limit for both indoor and outdoor gatherings will increase. Indoor activities will allow for a maximum of 25 people in one room. Outdoor activities will permit a maximum of 100 people per gathering.
 - Businesses that will be permitted to reopen during Phase 3 include:
 - Movie theaters and outdoor performance venues;
 - Museums, cultural and historical sites;
 - Fitness centers and health clubs;
 - Certain indoor recreational activities with low potential for contact;

- Professional sports teams, under the authority of league-wide rules, may hold games without spectators

LITIGATION/CIVIL JUSTICE SYSTEM UPDATES AND ORDERS:

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

- Massachusetts courts are open and conducting business virtually, courthouses will physically reopen on July 13, 2020.
- On July 2, 2020, the State of Maine Judicial Branch announced an update to the State of Maine Judicial Branch COVID-19 Phased Management Plan, expanding the maximum number of people permitted in a courtroom from 10 to 50 beginning in Phase 3. Social distancing requirements will remain in effect.
- The New Hampshire Judicial Branch has issued Renewed and Amended Emergency Orders to protect the staff and the public. Access to courthouses and clerks' offices continues to be limited. Only those who are seeking emergency relief, who are scheduled to attend a hearing, take part in a bench trial in Circuit Court or an in-person delinquency/CHINS hearing, who are parties to a landlord/tenant case and must file required documents or make rental payments, or who are members of the press will be permitted access.
- New York upstate courts (Courts in Fifth, Sixth and Seventh Judicial Districts) to begin Phase 4 of Return to In-Person Operations. Courts in northern New York (Fourth Judicial District) and western New York (Eighth Judicial District) to follow as of July 6, 2020.
 - In Phase Four, the types proceedings to be heard in-person will include:
 - Child support proceedings
 - Child permanency hearings
 - Plea and sentencing proceedings for defendants at liberty
 - Preliminary hearings in criminal cases for defendants being held in jail on felony complaints
 - Superior civil court appearances where at least one party is self-represented
 - Arraignments of defendants issued desk appearance tickets
 - A limited number of bench trials in civil and criminal matters
 - Small claims filed prior to April 1, 2020
 - Grand jury proceedings will commence on July 13, 2020
 - Essential Family Court matters will continue to be heard in-person

- Judges will continue to expand their use of virtual proceedings whenever legally permissible and logistically possible. Where an in-person proceeding involves an incarcerated individual, that individual shall appear virtually via electronic means unless otherwise ordered by the assigned judge.