

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.

- As more businesses are forced to work remotely due to the coronavirus pandemic, several federal and state governments are moving quickly to enable electronic processes to keep businesses operating. On March 18, 2020, [Senate Bill 3533](#), the Securing and Enabling Commerce Using Remote and Electronic Notarization Act of 2020 (the “SECURE Act”), was introduced as bipartisan legislation to authorize and establish the standards for electronic and remote notarizations that occur in or affect interstate commerce. A version of the bill was introduced in the House on March 23, 2020 as [H.R.6364](#). If the SECURE Act becomes law in its current form, it would authorize every notary in the United States to perform remote online notarizations (“RON”).
- Senate Republicans propose cutting supplemental unemployment benefits to \$200/week from \$600/week until states are able to create a system that would provide 70% of a worker’s previous pay.
- The State of Massachusetts has enacted a COVID-19 Travel Order. Effective August 1, 2020, all visitors and returning residents entering Massachusetts who do not meet an exemption, are required to:
 - Complete the [Massachusetts Travel Form](#) prior to arrival, unless you are visiting from a lower-risk state designated by the Department of Public Health.
 - Quarantine for 14 days or produce a negative COVID-19 test result that has been administered up to 72-hours prior to your arrival in Massachusetts.
 - If your COVID-19 test result has not been received prior to arrival, visitors, and residents must quarantine until they receive a negative test result.
 - Failure to comply may result in a **\$500 fine per day**.
- New York State considers revenue-raising proposals, introduced on May 1, 2020; SB 8277 would subject New York residents with net assets in excess of \$1 billion to an annual mark-to-market tax as if each asset owned by the individual taxpayer were sold

for its fair market value. SB 8277 is in review before the Senate Budget and Revenue Committee and the Assembly Committee on Ways and Means.

- The House Appropriations Committee [approved a 2021 FDA](#) funding bill that would allow the federal regulatory agency to remove certain drugs from the market rather than rely on voluntary recalls from companies. The bill would let the FDA mandate recalls of drug products—both prescription and over the counter—that have been found to cause serious health effects or death.
- On July 23, 2020, the Centers for Disease Control and Prevention (“CDC”) issued [new COVID-19 guidelines for schools](#) to reopen in the fall, outlining key considerations and safety precautions for school administrators.
 - The guidance states that it is a priority to open schools and keep them open, though administrators are instructed to consider the COVID-19 transmission rates in their community when determining whether to open a school.

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.

- There has been evolving state insurance regulatory activity related to the coronavirus pandemic. State insurance regulatory authorities have issued emergency rules and regulations, notices and bulletins, containing both directives and guidance, as well as requesting information related to the COVID-19 outbreak.

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 Division of Corporation Finance of the Securities and Exchange Commission has provided non-binding [guidance](#) to assist public companies with Quarter 2 reporting in response to the spread of COVID-19 and disclosing COVID-19 related risks and effects.
- Section 13(3) of the Federal Reserve Act authorizes the Federal Reserve Board (“FRB”) in “unusual and exigent circumstances” to establish programs or facilities with “broad-based eligibility” that allow a Federal Reserve Bank to discount notes, drafts, and bills of exchange when such instruments are indorsed or otherwise secured to the satisfaction of the FRB and subject to any limitations that the FRB may prescribe. The FRB uses this authority to serve as the lender of last resort by providing short-term liquidity to banks and other financial institutions and entities, as well as to borrowers and investors in key credit markets, such as the money market and commercial paper markets.¹

¹ The FRB’s authority to act unilaterally under Section 13(3) of the Federal Reserve Act was modified by section 1101(a)(6) of the Dodd-Frank Act.

LITIGATION/CIVIL JUSTICE SYSTEM UPDATES AND ORDERS:

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

- Courts continue to implement safe practices in accordance with the respective states' guidelines and the federal Centers for Disease Control and Prevention.
- The Massachusetts Judiciary has released [Informational Videos](#) on Court Protocols during the COVID-19 Pandemic.
- On July 20, 2020, the Connecticut Judicial Branch ordered an immediate stay on the service of all issued executions on evictions and ejectments through September 1, 2020. Additionally, an order was issued extending strict foreclosure law days to September 9, 2020.
- The State of New York Unified Court System Chief Judge Janet DiFiore reported on July 27, 2020, that the court system “continues to make progress on the road back to in-person operations.”
 - Two previously adjourned jury trials are resuming in Suffolk and Bronx Counties and in-person bench trials are scheduled to begin in Kings County on July 27, 2020.
 - The planning and preparation for the careful resumption of Grand Jury operations in New York City to begin on August 10th continues.