

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 March 30, 2021, President Biden signed into law H.R. 1799, legislation that extends the Paycheck Protection Program (PPP) through June 30, 2021.
- COVID-19 exposed the US health care system's reliance on in-person care delivery. What began as a necessary shift toward digitally enabled remote care has already reshaped care delivery in the near term. For example, nearly half of Medicare primary care visits in April 2020 were via telemedicine (43.5%) compared with less than 1% in February (0.1%).
- The White House said on March 26, 2021 that Johnson & Johnson will [deliver](#) at least 11 million doses next week, a significant increase to hit the company's target of 20 million total doses delivered to the U.S. by the end of March.
- The U.S. could suffer another [surge](#) in COVID-19 cases unless pandemic safety measures are maintained, the head of the Centers for Disease Control and Prevention warned last Friday.
- A new study examining coronavirus vaccine response in [pregnant](#) and nursing women found that antibodies from mothers were present in their umbilical cord blood and breast milk, suggesting that inoculated women who are pregnant or breastfeeding may pass immunity on to babies. [The](#) CDC notes that experts believe vaccines are safe for pregnant people but that data on the topic is limited.
- Active [COVID](#) infections in Massachusetts rose to 32,868 on April 1, 2021, up from 31,911 the day before, according to the latest data from the Department of Public Health.
- On Wednesday March 31, 2021, Centers for Disease Prevention and Control (CDC) federal eviction moratorium extended until June 30, 2021.
 - For more information about the CDC's federal eviction moratorium please see the [Massachusetts Trial Court FAQs and answers regarding the Centers for Disease Control and Prevention \("CDC"\) Eviction Moratorium Order](#).

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.

- Whether or not employers can mandate COVID-19 vaccines has been a hot topic of debate in recent months, particularly within the insurance industry, where [risks and liabilities](#) are always top-of-mind.

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.

- On March 31, 2021, the White House released a [fact sheet](#) prior to President Biden's speech. There is an expected increase in the corporate tax rate along with other corporate-focused tax hikes to help offset the cost of his proposed US \$2 trillion dollar initiative known as the "American Jobs Plan."
 - At a high level, the plan calls for new spending to upgrade the nation's roads and bridges, electric grid, broadband capacity, and water systems; encourage domestic manufacturing; promote clean energy; expand affordable housing; and improve home- and community-based care for children, the elderly, and individuals with disabilities.
- Americans can get a tax [break](#) this filing season for masks, hand sanitizer, sanitizing wipes, and other personal protective equipment to prevent the spread of COVID-19, the IRS announced on March 26, 2021.
 - The tax code lets taxpayers deduct medical costs that exceed 7.5 percent of their adjusted gross income each year. The IRS is counting costs incurred for PPE as a medical expense that qualifies for the tax break.
- On March 26, 2021, the IRS released an advance version of [Announcement 2021-7](#) notifying taxpayers that amounts paid for personal protective equipment for the primary purpose of preventing the spread of the COVID-19 are treated as amounts paid for medical care under section 213(d).
- On March 31, 2021, the IRS [announced](#) that it will "take steps to automatically refund money this spring and summer" to individual taxpayers who filed their tax returns and reported unemployment compensation as taxable income before enactment of legislation in March 2021 that excludes from income tax unemployment benefits received in 2020.

- On March 29, 2021, the U.S. Department of the Treasury and IRS issued [Notice 2021-21](#), which formalizes tax filing and payment guidance initially provided on March 17, 2021, and provides details on the additional tax deadlines that have been postponed until May 17, 2021.
- On March 31, 2021, the IRS released an advance version of [Announcement 2021-6](#) providing the Advance Pricing and Mutual Agreement (APMA) program's annual report on advance pricing agreements (APAs) for 2020.
- Brett Miller, Mark Edelstein, and Erica Richards authored an [article](#) for *The Real Estate Finance Journal* about the impact of retail bankruptcies on commercial landlords and their lenders during the COVID-19 pandemic.
 - "A number of bankruptcy judges, faced with the prospect of an avalanche of forced liquidations, have thrown these debtors a lifeline by approving requests to suspend lease payments," they added. "This relief is a stark departure from prior precedent and could mean that commercial landlords will be disproportionately impacted should debtors prove to be administratively insolvent. The impact of this relief would, of course, filter through to commercial landlord lenders."

LITIGATION/CIVIL JUSTICE SYSTEM UPDATES AND ORDERS:

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

- On March 31, 2021, the Massachusetts Housing Court updated its Frequently Asked Questions following the CDC's extension of the federal eviction moratorium. See: [Housing Court frequently asked questions in reference to COVID-19](#).
- The Supreme Court of New Hampshire issued renewed and amended emergency orders governing court proceedings, here are the latest orders governing proceedings in each Court:
 - [4-1-21 Eighteenth Renewed and Amended Emergency Order Governing Supreme Court Proceedings](#);
 - [4-1-21 Eighteenth Renewed and Amended Order Suspending In-Person Court Proceedings Relating to Superior Court](#); and
 - [4-1-21 Eighteenth Renewed and Amended Order Suspending In-Person Court Proceedings Relating to Circuit Court](#).