



COVID-19 Actions & Insurance Implications

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If you missed our Webinar, COVID-19: What the H@!?! Do We Do Next? [CLICK HERE](#) for a recording.

Recent News

- The SBA has issued the application and instructions for forgiveness under the PPP loan program. [Click Here](#)
- An increasing number of office and apartment building owners are falling behind on mortgage payments due to an inability to collect rent payments. [Click Here](#)
- Student housing facilities face declining occupancy rates as students postpone decisions about returning in the fall. [Click Here](#)
- National chains are now seeking rent relief much to the dismay of their landlords. [Click Here](#)
- A publisher is appealing a federal district court ruling to the Second Circuit as the federal district court upheld the carrier's decision to deny coverage. [Click Here](#)
- Liability protections for COVID-19 related issues for businesses and doctors are a top topic of discussion in Congress. [Click Here](#)
- McDonald's employees in Chicago have filed suit against the company alleging a failure to provide suitable PPE and similar sanitation supplies. [Click Here](#)
- The AFL-CIO has filed suit against OSHA for failing to issue temporary standards to protect members from COVID-19 transmission. [Click Here](#)
- While many REITs have weathered the COVID-19 crisis, retail REITs are facing difficulties with just over 48% of rents paid in May. [Click Here](#)
- Employers face difficulties navigating a variety of local and state standards and rules regarding operations during reopening from COVID-19. [Click Here](#)
- The FTC is warning businesses and consumers about increasing scams related to COVID-19 contact tracing. [Click Here](#)
- Magic Johnson has partnered with MBE Capital Partners to offer \$100M in loans to minority and women owned companies. [Click Here](#)
- The Treasury Secretary said that the government was "fully prepared to take losses in certain scenarios" regarding the capital that remains to be distributed from the CARES Act. [Click Here](#)

Actions & Analysis - Week in Review

- Review and apply for forgiveness under the PPP if your organization took out a PPP loan. Be sure to continue documenting expenses to ease the forgiveness application process.
- Review and be sure to understand various local, state, and federal rules regarding COVID-19 screening and other measures related to reopening. Consult with counsel, as necessary.

Since the passage of the CARES Act and the emergence of the PPP, the two major focuses of businesses applying for the program have been qualification for the loans themselves and then figuring out how to make sure that the appropriate loan amounts were forgiven. As of last Friday, the SBA has now released the application for forgiveness and business owners can begin to examine remaining questions and issues around the possibility of forgiveness. First, one point of clarification is about the time period of forgiveness. It has been a highly published standard that businesses can apply for forgiveness of eight weeks of expenses, but businesses raised questions as to when the period began i.e. when the loan was received or another date? New guidance allows organizations to choose the eight-week period that begins on the first payroll date following the disbursement of the loan.

Next, forgiveness under the program was predicated on the idea of maintaining pre-COVID-19 staffing levels. However, exemptions have been made in the event employee count is reduced for any of the following reasons: (1) an employee who refuses to return to work despite a good faith offer to rehire, (2) an employee terminated for cause, and (3) an employee who voluntarily resigned. Organizations were concerned that the forgiveness amount would be affected by such force reductions, but new guidance says that no reductions in forgiveness will stem from such circumstances. The rule requiring that at least 75% of the forgivable amount consist of payroll costs remains in effect. It should be noted that the total forgivable amount for owner draws is \$15,385 per person, and businesses must certify if the loan amount under the PPP was above or below \$2M, enabling Treasury to more easily identify which loans will be more closely audited. Organizations should continue to consult accounting and legal specialists to stay informed of the latest developments of the PPP and to ensure that forgiveness applications are completed as easily and clearly as possible.

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