



# Senator Susan Rubio

REPRESENTING SENATE DISTRICT 22



## Frequently Asked Questions

- (1): Q: Is there clarity on which businesses can stay open and which must be closed under the Governor’s “stay home” order and the LA County “Safer at Home” order?
  - A: Yes, both orders have clear definitions of what businesses are considered “essential” and can still be open.
    - See [www.covid19.ca.gov](http://www.covid19.ca.gov) for Governor’s order
    - See [www.publichealth.lacounty.gov](http://www.publichealth.lacounty.gov) for LA County order
- (2): Q: Will State Taxes be deferred?
  - A: Governor Newsom issued an executive order delaying the deadline for state tax filing by 60 days for individuals and businesses unable to file on time based on compliance with public health requirements related to COVID-19 filings.
- (3): Q: Is there financial assistance for landlords who suffer a loss of income as a result of tenants’ inability to pay their rent?
  - A: Landlords may be able to apply for a disaster loan related to economic damage from the Coronavirus crisis through the Small Business Administration: [disasterloan.sba.gov/ela](http://disasterloan.sba.gov/ela). Taxpayers who are unable to pay their property taxes by April 10th because of the COVID-19 pandemic can request for penalty cancellation starting April 11th.
- (4): Q: What are the guidelines for landlords and property managers?
  - A: Work with tenants during the eviction moratorium period; communicate with the tenant about their ability to pay; do not ignore the eviction moratorium in place. Tenants are still obligated to pay lawfully charged rent.
- (5): Q: What help is available for non-profits?
  - A: Senate Bill 89 specifies non-profits will benefit from state funding allocations directly. In addition, there is more funding available through the Federal Stimulus Bill.
- (6): Q: Where can small businesses find resources to stay solvent?
  - A: The new, comprehensive state website [www.covid19.ca.gov](http://www.covid19.ca.gov) has resources to help small businesses.
  - Information is on the [www.covid19.ca.gov](http://www.covid19.ca.gov) website.
- (7): Q: What does the Federal Stimulus Bill entail for small businesses?
  - A: The income tax return due date for calendar year corporations has been extended to July 15. Tax returns and any income taxes owed will not be due until July 15.



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- Refundable tax credits are available for private-sector employers that are required to offer coronavirus related paid leave to employees.
- The employer side of certain payroll taxes are deferred through the end of 2020. Deferred taxes will not become due until end of 2021 and end of 2022, with 50% of the liability being paid at each date.
- An employee retention tax credit is available for struggling businesses that are not eligible or choose not to participate in the new SBA Paycheck Protection Program.
- Any business that has been forced to fully or partially suspend operations, or that has seen a significant drop in revenues is eligible for a 50-percent credit for wages paid to furloughed or reduced-hour employees.
- \$350 billion is made available for a new Small Business Administration Paycheck Protection Program (PPP). The program would provide cash-flow assistance through 100 percent federally guaranteed loans to employers who maintain their payroll during this emergency.
- If employers maintain their payroll, the loans would be forgiven, which would help workers remain employed, as well as help affected small businesses and our economy to snap-back quicker after the crisis.
- \$17 billion is available for immediate relief to small businesses with non-disaster SBA loans, in particular 7(a), 504, and microloans.
- The Federal Stimulus Bill, otherwise known as the **CARES ACT** provided additional assistance for small business owners and non-profits, including the opportunity to get up to a \$10,000 Advance on an Economic Injury Disaster Loan.
- This Advance may be available even if your Disaster Loan application was declined or is still pending, and will be forgiven.
- If you wish to apply for the Advance on your Disaster Loan, please visit [www.SBA.gov/Disaster](http://www.SBA.gov/Disaster) as soon as possible to fill out a new, streamlined application.
- In order to qualify you need to submit this new application even if you previously submitted an Disaster Loan application.
- Applying will not impact the status or slow your existing application.



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## Business Interruption Insurance

Q: I Have a Business And Carry Commercial Insurance, But My Insurer Won't Cover A Claim Related To Covid-19. Is There Anything I Can Do?

If you have business interruption coverage, whether or not your policy covers lost income caused by COVID-19 will depend on the terms of your policy. Most insurance policies are not intended to cover epidemics or pandemics. Business interruption coverage is intended to compensate the business owner after the covered property suffers physical damage, such as a fire. Insurers may deny a claim if the policyholder cannot show that their physical property was damaged. Some policies also specifically exclude losses caused by viruses or bacteria. You should *read your policy very carefully* and identify the applicable terms. Coverage may differ depending on the insurer, the type of business covered, and other terms in the policy that might apply.

Q: My policy includes coverage for when a government official won't allow access to the property. Will that apply?

Many policies include coverage that applies when a civil authority prohibits access to the covered premises. This is more common when a civil authority issues an evacuation order or sets up a roadblock. Terms may require that some nearby property, such as property located within one mile of the covered property, suffer physical damage. Also, coverage might only apply if the civil authority prohibits access to the property because of a present danger or because the authority needed unimpeded access. Advisory or voluntary orders might not trigger coverage.

How much would a claim pay?

That will depend on the amount of covered losses and any deductibles, coinsurance, dollar limits, time limits, and other applicable terms. Your declarations page should list most of these items. You may wish to assess how much you will be claiming against those terms. Although the losses might be great, these limitations will lower any recovery. Some coverage only pay 72 hours after a covered event begins. In some circumstances, losses might not exceed the deductible. Check policy terms and, if you do file a claim, be prepared to provide financial documentation supporting your losses.

Where Can I Get More Information?

You may wish to speak with an attorney. Be ready to share a complete copy of your policy.

For free assistance, the California Department of Insurance has also posted helpful information about this type of claim in its FAQ on business interruption insurance (<http://www.insurance.ca.gov/01-consumers/140-catastrophes/FAQ-on-Business-Interruption-Insurance.cfm>). If you have a question or believe that your claim has been wrongly denied, you may contact the Department of Insurance at (800) 927-4357 or through its website at [www.insurance.ca.gov](http://www.insurance.ca.gov).