

RE: Cybersecurity Regulation Compliance Deadlines; Training Compliance Offer Extended

This is the second of two Bulletins discussing recent developments regarding the New York Department of Financial Services' cybersecurity regulation. Please also see [Bulletin 2018-38](#). The regulation applies to all New York licensees, both resident and nonresident. Even where an exemption applies, a filing must be made with the New York Department of Financial Services.

Cybersecurity Awareness Training Offer Extended

ELANY is happy to announce that we are extending the enrollment deadline for our cybersecurity awareness training offer through **December 31, 2019**. We are providing this benefit to qualifying members at ELANY's expense. **Licensed brokers that have filed an insurance policy or endorsement for stamping with ELANY since January 1, 2016** are eligible to have up to 417 employees trained at ELANY's expense.

In addition, any firm that previously enrolled for training by **December 31, 2018** and continues to meet the qualifications for our offer will be eligible for a one-year renewal if requested by **December 31, 2019**.

New York-licensed firms that have not filed a limited exemption from the New York Department of Financial Services' (DFS) cybersecurity regulation must "provide regular cybersecurity awareness training for all personnel that is updated to reflect risks identified by the Covered Entity in its Risk Assessment." We strongly advise all members, including exempt members, to take advantage of this offer because cybersecurity training is a vital component of protecting your firm and clients.

We recognize that training must reflect each firm's Risk Assessment. Therefore, any firm whose Risk Assessment requires training that is unavailable in our standard offer will be upgraded to a more extensive selection of materials, if doing so will allow that firm to fulfill its training obligations under the regulation.

Depending on a company's choice of courses, training will take each employee 45 minutes and can be done at an individual's leisure from any computer, anytime and anywhere. Companies will be able to track each employee's progress. Training will be provided by KnowBe4, a cybersecurity awareness training provider. We urge members to have all of their personnel trained, regardless of licensing status or job function.

To enroll, please complete and email the enrollment [form](#) to hgreene@elany.org.

Cybersecurity Regulation Compliance Deadlines

New York-licensed excess line brokers should note the following first quarter compliance deadlines:

All exemptions must be filed by **February 15th**. This applies even if you have filed an exemption in the past. Exemptions should be filed as NEW and not as amending a prior filing. See [Bulletin 2018-38](#). Exemption filing instructions may be found [here](#).

Certificates of Compliance are due by **February 15th**. This filing certifies full compliance with all requirements that were applicable to the licensee in 2018. Certificates of Compliance must be filed via the [DFS cybersecurity web portal](#). Certificate of Compliance filing instructions may be found [here](#).

Compliance with Section 500.11 of the [regulation](#), Third Party Service Provider (TPSP) Security Policy, must be accomplished by **March 1st**. This requirement applies to both exempt and non-exempt licensees with the exception of Section 500.19(b) exemptees (licensees who are covered by the cybersecurity program of another licensee). Licensees must implement written policies to ensure the security of Nonpublic Information and Information Security Systems that are accessible by TPSPs. Policies must reflect the licensee's Risk Assessment. Licensees must perform due diligence to ensure the adequacy of a TPSP's policies and practices as well as a risk assessment of the TPSP impact on the licensee, but sole reliance on a TPSP's own Certification of Compliance does not constitute adequate due diligence. A producer, employee, representative or designee of a licensee need not have his or her own TPSP policy if they follow the policy of the licensee (Section 500.19 (b) exemptee). The DFS has stated that a licensee can be both a covered entity and a third party service provider, and specifically that an insurance company can be a TPSP of an insurance producer as well as vice versa. The DFS' FAQs state that the regulation "requires Covered Entities to make a risk assessment regarding the appropriate controls for Third Party Service Providers based on the individual facts and circumstances presented and does not create a one-size-fits-all solution." TPSP security policies do not need to be filed with the DFS.

Please direct any questions to Howard Greene at hgreene@elany.org or (646) 292-5591

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