

Bulletin No. 2021-08

March 9, 2021

RE: DFS CYBERSECURITY CERTIFICATION OF COMPLIANCE FILING DUE 4/15

This is a reminder to all New York-licensed excess line brokers that Department of Financial Services' cybersecurity regulation [certification of compliance](#) filings are **due no later than April 15th**. All licensees, except for those that have filed a [500.19\(b\) exemption](#), must file a certification. **The filing certifies compliance with all applicable requirements for calendar year 2020.**

ALL New York-licensed excess line brokers must comply with the Department of Financial Services' [cybersecurity regulation](#). Brokers are required to meet a myriad of requirements as outlined in [ELANY's Compliance Advisor](#). **Both resident and non-resident entity and individual licensees are subject to the regulation.**

Qualifying entity and individual licensees may avail themselves of [limited and full exemptions](#) from the regulation's requirements. **Exemptions must be filed with the DFS to apply.** Upon filing an exemption the DFS will not affirmatively grant an exemption; licensees are expected to properly determine eligibility for an exemption. Note that all but one exemption still require compliance with specified requirements of the regulation. Licensees that do not qualify for an exemption must comply with all of the regulation's requirements. The following are the exemptions that may apply to excess line brokers, listed by regulation subsection:

- [500.19\(a\)\(1\)](#) – A broker is entitled to this limited exemption when it has fewer than 10 employees, including independent contractors.
- [500.19\(a\)\(2\)](#) – A broker is entitled to this limited exemption when it has less than \$5,000,000 in gross annual revenue in each of the last 3 fiscal years from New York business.
- [500.19\(a\)\(3\)](#) – A broker is entitled to this limited exemption when it has less than \$10,000,000 in year-end total assets.
- [500.19\(b\)](#) – A broker is entitled to this exemption when it is an employee, agent, representative or designee of another licensed entity and it is following that entity's cybersecurity program. This is a full exemption other than filing the exemption with the DFS.
- [500.19\(c\)](#) – A broker is entitled to this limited exemption if it does not utilize an Information System and does not, and is not required to, directly or indirectly control, own, access, generate, receive or possess Nonpublic Information.

ELANY suggests licensed brokers review these limited and full exemptions to determine if any apply.

Should you have any questions regarding the content of this bulletin, please direct them to Howard Greene at hgreene@elany.org or (646) 292-5591.

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