

New York State Department of Financial Services Round-Up – February 2021

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The New York State Department of Financial Services (“DFS”) is the state’s primary regulator of financial institutions and activity, with jurisdiction over approximately 1,500 financial institutions and 1,800 insurance companies. Heading into 2021, DFS stands ready to expand its regulatory footprint, with increased efforts in new areas following the 2020 Presidential Election and a consistent focus on regulating emerging issues of significance such as financial technology and data privacy.

This year was of course marked by the sweeping COVID-19 pandemic, which affected financial institutions, insurers, and consumers around the world. That was nowhere more true than in New York, which sat at an epicenter of the crisis. As expected, DFS was active throughout the year, taking a preeminent role in mitigating the effects of the disaster by imposing new measures in a dizzying array of areas ranging from health and travel insurance to mortgages and student loans. Unfortunately, the crisis is unlikely to abate in the immediate future. Despite the preliminary rollout of a COVID-19 vaccine, the agency’s efforts are likely to continue into 2021. Just this month, Governor Andrew Cuomo proposed “comprehensive reforms to permanently adopt COVID-19-era innovations that expanded access to physical health, mental health and substance use disorder services,” including requiring commercial health insurers to offer a telehealth program, ensuring that telehealth is reimbursed at rates that incentivize use when appropriate, and mandating that insurers offer e-triage platforms, all of which could fall within the regulatory ambit of DFS.

More broadly, the agency has continued its focus on areas that it previously expressed were principal concerns. This Spring, for example, DFS will host a “Techsprint” in order to promote digital reporting for virtual currency companies. The agency also will continue expanding consumer protection through increased focus on prescription drug prices and has continued to increase pressure on companies regarding data protection. Looking forward this year, DFS has been signaling that it expects a change in tone and agenda on environmental matters from the new federal administration, and that it will stay the course on increasing efforts to mitigate the effects of climate change. Indeed, DFS has indicated that it is “developing a strategy for integrating climate-related risks into its supervisory mandate” and that it intends to publish detailed guidance and best practices with input from industry in the future.

This DFS Round-Up summarizes recent key developments regarding the agency. Those developments are organized by subject.

To view the Round-Up, [click here](#).

The following Gibson Dunn lawyers assisted in preparing this client update: Mylan Denerstein, Akiva Shapiro, Seth Rokosky, Bina Nayee and Lavi Ben Dor.

Gibson Dunn’s lawyers are available to assist with any questions you may have regarding these issues. For further information, please contact the Gibson Dunn lawyer with whom you usually work, any member of the firm’s Public Policy practice group, or the following

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