



## THIRD PARTY RISK ASSOCIATION

### Q2 Finance & Insurance Special Interest Call

For your awareness, this call is being recorded

## AGENDA

- Welcome & Opening Remarks
- Discussion:
  - Third Party Offshore Workers Who Now Work from Home
  - Evaluation of 4<sup>th</sup> Parties
  - NYDFS Requirements on Assessing Agents
  - Inherent Risk Scoring & Vendor Tiering
  - Staffing Practices
- Closing Remarks



WELCOME - Introductions

Call Facilitator - Rich Zendrosky  
Facilitator Back-up - Jack Tuman

## Opening Remarks - Special Interest Calls Defined

- This quarterly call is for those who work within the finance industry (banks, finance companies, stock brokerages, credit unions, insurance, etc.)
- Topics for this call will be geared towards successes and pain points for third party risk management programs in organizations within this industry, as well as external impacts to this industry that affect third party risk management programs (such as Consumer Financial Law, Anti-Bribery and Corruption, GDPR, etc.).
- Agendas for each call are set by the members of the Special Interest group.
- The group is able to bring in subject matter experts to discuss a specific topic, so long as member information is not shared with the presenter. The presenter may share his/her information with the group and a member of the group may choose to reach out to the presenter for additional information.
- If the members so choose, a directory will be created and shared with members of a Special Interest group.
- Members may also choose to start a forum post specific to the industry.
- Special Interest groups may also choose to meet during the in-person conference.

## Discussion - Third Party Offshore Workers Who Now Work from Home

- How are others addressing third party offshore workers who have now been required to work remote in their homes? We rely on the many physical security controls.



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## Discussion - Evaluation of 4<sup>th</sup> Parties

- How are others evaluating fourth parties?

## Discussion - NYDFS Requirements on Assessing Independent Agents

- How are other insurance companies are addressing the NYDFS requirement to assess Independent Agents?

## Discussion - Inherent Risk Scoring & Vendor Tiering

- Re-evaluation of the inherent risk scoring. For example, we've been considering some of the following questions:
  - Are we asking the right questions?
  - Are there too many questions?
  - How can it be more efficient, less questions, but still achieve the same results and completeness?
- Inherent risk tiering. Currently we have 5 levels - Critical, High, Moderate, Low, and Nominal
  - Nominal risk - meaning the risk is too low, there is nominal risk to the Bank (e.g. face painters, landscapers, etc.)
  - Low - Lower risk, but still some factors that could impact the Bank in a negative way
  - Moderate - same as low, but could be more impactful, which would include monetary or regulatory issues
  - High - Higher risk, financial, reputational, and/or regulatory impact
  - Critical - impactful to business operations, financial, reputational, and/or regulatory impact, and a few other factors
  - With these ratings, we've been considering re-tiering our population. We have Low risk vendors that do receive data, which could include PII. At times, due to the way the program was initially built, a Low risk third party can receive the same assessment as a High risk third party and we believe that shouldn't be the case.



## Discussion - Staffing Practices

- Due to the market and size of the Bank, we've had to reduce staff and unfortunately my team was impacted by this. However, our business keeps forging on. With new business added to the mix of reassessments, I've had to consider other solutions to help deal with the backlog that has been building for the past few months.
  - Do we consider using staff augmentation and what are the pros/cons of doing so?
  - Do we consider outsourcing to an agency (e.g. PwC, or some other consulting group)?
  - Using a service such as TruSight or CyberGRX?



## Closing Remarks

- Future Topics?