

Governor Phil Murphy

ICYMI: NJ Department of Banking and Insurance Directs Regulated Entities to Fully Comply with U.S. Sanctions on Russia and Belarus

03/17/2022

Advises Insurance Companies, Financial Institutions to Safeguard Systems Against Increased Cyber Risks, Among Other Actions

TRENTON – The New Jersey Department of Banking and Insurance today directed insurance companies, financial institutions and other entities it regulates to fully comply with the sanctions imposed on Russia and Belarus by the United States. The directive follows Executive Order No. 291, issued by Governor Phil Murphy on March 2, directing the department to take action in response to the Russian invasion of Ukraine. "Our Administration is committed to using the fullest extent of the law to ensure that Russia is held accountable for its brutal and unprovoked invasion of Ukraine," said Governor Murphy. "This bulletin makes clear that we expect all entities regulated and licensed by DOBI to comply with sanctions and restrictions imposed by the Biden Administration on the Russian Federation and Belarus."

In furtherance of Executive Order 291 (https://urldefense.com/v3/\_https://t.e2ma.net/click/7u9zqg/fd1rrbm/33xlhv\_!J30X0ZrnC1oQtbA!aUZwPmtQu006DhBlaEz6qvSzw9VvJDTbaarKcns\_W9COzsdmSnugZakDS the department directed regulated entities to monitor all communications from the United States Department of Treasury's Office of Foreign Assets Control (OFAC) and other federal agencies on a real-time basis to stay abreast of the latest developments and ensure compliance of the restrictions imposed on Russia and Belarus. The department also advised regulated entities to evaluate their systems for cyber risk and take appropriate actions to mitigate that risk, given that the Russian invasion of Ukraine significantly elevates the cyber risk for the United States financial sector.

"New Jersey stands with Ukraine against the unprovoked aggression that has resulted in devastation, widespread human suffering and unnecessary loss of life. Under the leadership of Governor Murphy, the state is taking action to hold Russia accountable in the face of this unlawful and immoral invasion. It is also necessary to ensure that financial institutions operating in our state are protected against the increased risks resulting from the invasion," said Commissioner Marlene Caride.

In addition to specific actions related to compliance with U.S. sanctions and protection against cyber threats, the department bulletin directs regulated entities to take additional steps to review, identify and mitigate other types of risks resulting from the Russian invasion of Ukraine. Specifically, the bulletin directs and reminds regulated entities of the following:

Banking

The Department reminds regulated entities and licensees that they should have policies, procedures, and processes in place to implement necessary internal controls, with appropriate training, risk assessments, and testing and auditing against their risk profile, and that they should report any suspicious activities expeditiously to FinCEN, within the U.S. Department of the Treasury, and applicable law enforcement agencies. Of particular importance at this time, Money Transmitters should ensure that their transaction oversight appropriately identifies designated individuals, entities and countries sanctioned by OFAC. Money Transmitters who send to and receive from correspondent banks or payable through accounts located in Russia or Belarus shall submit a report to the department within 30 days that includes an assessment of the impact of the current sanctions and an implementation plan to address them.

Insurance

Russia's ongoing attacks against Ukraine could affect risks, including but not limited to market risk, credit and liquidity risk, cyber and operational risk, strategic and other risks. The Department expects risks will be mitigated by a comprehensive risk management process overseen by senior management and Boards of Directors of insurance entities authorized to do business in New Jersey, and that material risks will be identified in reporting to the department. Regulated entities are reminded of their obligation to actively identify and manage risks and actively engage with the Department, as needed.

Compliance

The department bulletin also states that under various state laws, the department may suspend or revoke licenses, permits, registrations, and certifications of companies, including companies owned or controlled by the government of Russia, Belarus, or their instrumentalities, and businesses that invest directly in such companies. The bulletin issued today by the department may be found here: https://www.nj.gov/dobi/bulletins/blt22\_05.pdf (https://www.nj.gov/dobi/bulletins/blt22\_05.pdf).

Governor Phil Murphy

Statewide

Table with 4 columns: Home (/governor/), Administration, Governor Phil Murphy, Lt. Governor Sheila Oliver, First Lady Tammy Snyder, Cabinet, Office of Health Care, Affordability and Transparency, Key Initiatives, News & Events, Social, Contact Us, Statewide, NJ Home, Services A to Z, Departments/Agencies, FAQs, Contact Us, Privacy Notice, Legal Statement & Disclaimers, Accessibility Statement.



Boards, Commissions & Photos  
Authorities (<https://www.flickr.com/photos/govmurphy>)  
(/governor/admin/bca/) Public Addresses  
Internship Opportunities (/governor/news/addresses)  
(/governor/admin/internship.shtml) Executive Orders  
Governor's Residence - (/infobank/eo/056murphy/approved/eo\_archive.html)  
Drumthwacket Administrative Orders  
(<http://drumthwacket.org/>) (/governor/news/ao/approved/ao\_archive.shtml)  
Direct Appointments  
(/governor/news/appointments)  
Advice and Consent  
Appointments  
(/governor/news/acappointments)  
Statements on  
Legislation  
(/governor/news/statements/approved/statements\_archive.shtml)  
Administration Reports  
(/governor/news/adminreports/approved/archive.shtml)  
Transition Reports  
(/governor/news/reports/approved/reports\_archive.shtml)  
Press Kits  
(/governor/news/press)

(/nj.gov/opra/)

Copyright © State of New Jersey, 1996-2023  
Office of Governor PO Box 001  
Trenton, NJ 08625  
609-292-6000

(<https://my.state.nj.us/openam/UI/Login>)

(<https://tech.nj.gov/>)