
International Association of Deposit Insurers

Press Release – 2 July 2020

**IADI Research Paper “Evaluation of Differential Premium
Systems for Deposit Insurance”**

The International Association of Deposit Insurers (IADI) is pleased to release a Research Paper titled “Evaluation of Differential Premium Systems for Deposit Insurance.” The paper was prepared by the Differential Premium Systems Technical Committee chaired by Mr. Anthony Sinopole, Director of International Affairs of the Federal Deposit Insurance Corporation in the United States. The Technical Committee was established under the IADI Core Principles and Research Council Committee.

The paper examines how to determine whether differential premium systems (DPSs) in place are effective in achieving the goals of decreasing moral hazard and increasing fairness. The four principle objectives of the paper were to:

1. determine reasonable goals and expectations in implementing a DPS;
2. identify basic considerations in evaluating a DPS, including factors in the operating environment and design features that promote DPS effectiveness;
3. examine how different jurisdictions measure, or evaluate, the effectiveness of a DPS; and
4. describe quantitative methodologies used to evaluate the effectiveness of a DPS.

With these objectives in mind, the paper provides a review of the literature, data from IADI annual surveys on the adoption of DPS, six case studies, and methodologies for evaluating a DPS.

[The Paper](#) is now available on the [Papers section](#) of the IADI website.