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The FDIC Seeks Public Comment on Whether to Incorporate Compensation Programs into the Risk-Based Deposit Insurance Assessment System

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After a sharply divided vote of 3-2, the FDIC Board voted to request public comment on whether compensation policies should be incorporated as a factor in the risk-based insurance premiums charged to insured depository institutions. The premise is that compensation systems that encourage excessively risky behavior pose a risk to the depository institution and its stakeholders, including the Deposit Insurance Fund, and the FDIC's goal is to provide incentives for depository institutions to align employee and other stakeholders' interests.

If you have any questions regarding the matters covered in this publication, please reach out to any of the lawyers listed below or your usual Davis Polk contact.

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