



The European Journal of Finance >

Volume 26, 2020 - Issue 7-8: Policy Actions and Financial Stability. A selection of papers presented at the 8th Financial Engineering and Banking Society (FEBS) International Meeting Università di Roma Tre, Rome, Italy, 4th to 6th June 2018

485 5

Views CrossRef citations to date

0

Altmetric

Articles

Deposit insurance schemes and bank stability in Europe: how much does design matter?

Laura Chiaramonte, Claudia Girardone, Milena Migliavacca & **Federica Poli** 

Pages 589-615 | Received 15 Sep 2018, Accepted 09 Apr 2019, Published online: 21 Apr 2019

 Download citation

 <https://doi.org/10.1080/1351847X.2019.1607763>



Sample our
Area Studies
Journals
>> [Sign in here](#) to start your access
to the latest two volumes for 14 days



ABSTRACT

Using a detailed set of deposit insurance schemes (DIS) features for 27 EU countries, we assess the impact of national deposit insurance features on bank stability and investigate the existence of non-linearities in the relationship between coverage and

crisis some features that generate moral hazard incentives can decrease bank stability. We find an inverse U-shaped relation with bank stability decreasing at high levels of coverage during the crisis period. However, our evidence also suggests that the introduction of temporary measures like blanket guarantees are crucial to avoid panic among depositors and restore stability. Finally, our results seem to imply that the stabilizing effect of deposit insurance can be different along the economic cycle, so regulators should consider that to be able to achieve an optimal DIS that minimizes moral hazard incentives a 'dynamic' approach may be necessary.

Q KEYWORDS: Deposit insurance bank stability European banking financial crisis

Q JEL CLASSIFICATIONS: G21 G01

[← Previous article](#)

[View issue table of contents](#)

[Next article >](#)

Log in via your institution

[> !\[\]\(6059a5aa8b4ca7bb793408023d6c6e42_img.jpg\) Access through your institution](#)

Log in to Taylor & Francis Online

[> Log in](#)

Restore content access


[> Restore content access for purchases made as guest](#)

Purchase options *

[Save for later](#)

- 48 hours access to article PDF & online version
- Article PDF can be downloaded
- Article PDF can be printed


USD 47.00

 Add to cart

Issue Purchase

- 30 days online access to complete issue
- Article PDFs can be downloaded
- Article PDFs can be printed

USD 473.00

 Add to cart

Purchase access via tokens

- Choose from packages of 10, 20, and 30 tokens
- Can use on articles across multiple libraries & subject collections
- Article PDFs can be downloaded & printed

From USD 450.00
per package

[Learn more](#)

* Local tax will be added as applicable

Disclosure statement

No potential conflict of interest was reported by the authors.

Related research

[People also read](#)



[Recommended articles](#)

[View more](#)

[Cited by](#)
5

Information for

[Authors](#)

[R&D professionals](#)

[Editors](#)

[Librarians](#)

[Societies](#)

Opportunities

[Reprints and e-prints](#)

[Advertising solutions](#)

[Accelerated publication](#)

[Corporate access solutions](#)

Open access

[Overview](#)

[Open journals](#)

[Open Select](#)

[Dove Medical Press](#)

[F1000Research](#)

Help and information

[Help and contact](#)

[Newsroom](#)

[All journals](#)

[Books](#)

Keep up to date

Register to receive personalised research and resources
by email



Sign me up



Copyright © 2022 Informa UK Limited [Privacy policy](#) [Cookies](#) [Terms & conditions](#) [Accessibility](#)

Registered in England & Wales No. 3099067
5 Howick Place | London | SW1P 1WG

