

From: cwhalen [mailto:cwhalen@institutionalriskanalytics.com]
Sent: Thursday, November 25, 2010 7:26 PM
To: Comments
Subject: FIL-77-2010: Assessments - Notice of Proposed Rulemaking -- RIN 3064-AD66

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Robert E. Feldman
Executive Secretary
Attention: Comments
Federal Deposit Insurance Corporation
550 17th Street, N.W.
Washington, DC 20429

Dear Sirs:

With respect to the proposed rule, we endorse generally the approach taken by the FDIC board. We wonder, however, if the purposes of Dodd-Frank, 12 CFR and the safety and soundness of insured depository institutions ("IDI") would not also be served by publishing quarterly ratings for all banks based upon the FDIC premiums paid by the IDI.

We would suggest arraying the industry in a spectrum of risk-based premiums paid so that consumers could better understand the risk distribution of the industry. We suggest a simple decile distribution for the ratings. The quarterly publication of the overall risk premium paid by each and every FDIC-insured IDI would be a valuable data element for risk managers working to generate probability of default and/or loss given default for bank obligors.

Indeed, we also suggest that FDIC periodically go into the reinsurance markets and seek bids to reinsure portions of the deposit insurance fund as an independent check on the pricing of deposit insurance. Bids should be sought both for aggregate risk as well as large bank exposures singly. RFPs should be issued periodically for firm fixed bids on reinsuring such exposures. FDIC may want to even use such contracts for managing the net exposure of the deposit insurance fund to provide continuous price discovery.

Finally, we believe that along with the ratings, the FDIC should publish the final deposit insurance pricing matrix and related data for each IDI on the FDIC web site to better serve the convenience and need of the banking public.

We shall be happy to discuss these issues at your convenience.

Best,

Christopher Whalen
Institutional Risk Analytics