# Article information:

Silicon Valley Bank: Move to cover US bank deposits criticised following collapse | news.com.au — Australia’s leading news site
<https://www.news.com.au/finance/business/banking/move-to-cover-us-bank-deposits-criticised-following-collapse-of-silicon-valley-bank/news-story/f9ea3269912ad23563900f547a918203>

# Article summary:

1. The collapse of Silicon Valley Bank (SVB) due to a bank run has led to the US government insuring every single deposit, potentially covering an estimated $19 trillion in bank deposits in the event of a countrywide bank run.

2. Finance analysts warn that while this intervention may have prevented an immediate problem, it could lead to banks taking greater risks with capital, knowing that the government will likely foot the bill in the end.

3. Investigations by both the Securities and Exchange Commission and the Justice Department are underway into SVB's collapse, focusing on how it became the second-largest bank failure in US history and examining stock sales made by SVB executives prior to the bank's downfall.

# Article rating:

Appears moderately imbalanced: The article provides some useful information, but is missing several important points or pieces of evidence that would be required to present the discussed topics in a balanced and reliable way. You are encouraged to seek a more balanced perspective on the presented issues by exploring the provided research topics and looking at different information sources.

# Article analysis:

The article "Silicon Valley Bank: Move to cover US bank deposits criticised following collapse" from news.com.au reports on the recent collapse of Silicon Valley Bank (SVB) and the US government's intervention to prevent a crisis. The article presents various viewpoints on the issue, including criticisms of the government's actions and concerns about potential risks.

One potential bias in the article is its focus on criticisms of the government's intervention, with little attention given to arguments in favor of it. For example, while Grit Capital CEO Genevieve Roch-Decter argues that the new framework could encourage banks to take greater risks, there is no mention of counterarguments that suggest increased deposit insurance could increase confidence in the banking system and prevent future bank runs.

Additionally, some claims made in the article are unsupported or lack evidence. For instance, former member of Congress John Delaney suggests that SVB's collapse was due to poor risk assessment following an influx of disaster payments made to the tech sector throughout the Covid-19 pandemic. However, there is no evidence presented to support this claim.

The article also misses some points of consideration, such as potential consequences if SVB had been allowed to fail without government intervention. While Ken Griffin argues that banks should be allowed to fail if their poor investment choices sparked a collapse, there is no exploration of what impact this could have on depositors and broader financial stability.

Furthermore, while concerns about potential risks are noted in the article, such as increased liability for authorities and potential moral hazard for banks, there is limited exploration of these issues or discussion of possible solutions.

Overall, while the article provides a range of viewpoints on the issue at hand, it could benefit from more balanced reporting and deeper analysis of potential risks and consequences.

# Topics for further research:

* Potential benefits of increased deposit insurance in the banking system
* Arguments in favor of government intervention to prevent bank collapses
* Consequences of allowing banks to fail without intervention
* Moral hazard and its impact on banking risk-taking behavior
* Liability for authorities in the event of a bank collapse
* Possible solutions to mitigate risks associated with increased deposit insurance

# Report location:

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