Newsletters



# Monoline Insurance Company

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# What is a 'Monoline Insurance Company'

A monoline insurance company is an insurance company that provides guarantees to issuers, often in the form of credit wraps, that enhance the credit of the issuer. These insurance companies first began providing wraps for municipal bond issues, but now provide credit enhancement for other types of bonds, such as mortgage backed securities and collateralized debt obligations.

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# **BREAKING DOWN 'Monoline Insurance Company'**

Issuers will often go to monoline insurance companies to either boost the rating of one of their debt issues or to ensure that a debt issue does not become downgraded. The ratings of debt issues that are securitized by credit wraps often reflect the wrap provider's credit rating.

Along with providing credit wraps, monoline insurance companies also provide bonds that protect against default in transactions that deal with physical goods.

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# Financial Guarantee

An non-cancellable indemnity bond that is backed by an insurer ...

## **Credit Enhancement**

A method whereby a company attempts to improve its debt or credit ...

# Bond Insurance

A type of insurance policy that a bond issuer purchases that ...

#### Wrap Account

An account in which a brokerage manages an investor's portfolio ...

#### **Mutual Fund Wrap**

Also known as a mutual fund advisory program or a wrap account, ...

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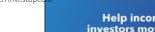
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