



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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Monoline

A business that focuses on operating in one specific financial ...

Bond Insurance

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

Financial Guarantee

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

Wrap Account

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

Credit Enhancement

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

Mutual Fund Wrap

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

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This type of insurance will reimburse your business if customers don't pay their bills. It's not cheap, but some companies shouldn't be without it.



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Understand the Security Types of Corporate Bonds

Any investor should be aware of the different security types regarding corporate bonds as well as the direct correlation to potential recovery rates.



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The Basics Of Municipal Bonds

Investing in these bonds may offer a tax-free income stream but they are not without risks.



INSURANCE

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