

Bond Case Briefs

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MAC Licensed to Insure California Municipal Bonds.

Bond insurer Municipal Assurance Corp. (MAC), a member of the Assured Guaranty group of companies (Assured Guaranty), announced that the California Department of Insurance has licensed MAC to write financial guaranty insurance in the State of California. MAC joins its affiliates Assured Guaranty Municipal Corp. (AGM) and Assured Guaranty Corp. (AGC), which were already licensed to write policies in California.

"We are pleased that we will be able to offer MAC's AA/AA+ bond insurance to California issuers seeking the most cost-effective financing solutions for their government operations and essential public services," said Dominic Frederico, President and CEO of Assured Guaranty. "Investors seeking insured bonds in California's municipal bond market have a new, U.S. muni-only alternative with two double-A ratings." MAC's financial strength is rated AA by Standard & Poor's Ratings Services and AA+ by Kroll Bond Rating Agency. Both ratings have stable outlooks.

Mr. Frederico further stated, "Municipal bonds of California issuers represented 15% of the total par issued in the U.S. public finance market in 2013; we look forward to MAC being able to serve that significant market, especially the small to medium-size bond transactions that MAC was designed to support. Assured Guaranty has maintained an office in San Francisco for almost 20 years to provide superior service to issuers and bankers in California and the western states."

With its California license, MAC is now licensed to insure municipal bonds in forty-eight states plus the District of Columbia, and it has applied for licensing in the two remaining states, Alabama and New Mexico.

MAC was launched on July 22, 2013 to guarantee only U.S. municipal bonds in the most well-understood bond sectors such as general obligations and tax-backed issues for cities, counties and school districts, and public electric, water, sewer and transportation revenue bonds. At March 31, 2014, MAC had \$1.95 billion of claims-paying resources and a \$101 billion direct and assumed insured portfolio. Its highly diversified insured portfolio generates predictable future revenue from its embedded \$635 million unearned premium reserve, which is part of MAC's \$1.5 billion investment portfolio.

As of June 30, 2014, MAC had directly insured \$623 million of par in the new issue market, representing transactions brought to market by 19 national and regional lead managers. Since July 2013, the combined Assured Guaranty companies have insured approximately \$9.3 billion par of municipal bonds in the primary and secondary markets.

MAC is owned jointly by AGM and AGC, the only two companies that have been able to write financial guaranty insurance before, during and since the Great Recession. As another member of the Assured Guaranty group, MAC benefits from the group's management, underwriting discipline, experience in surveillance and remediation and established accounting, legal and information technology infrastructure, in addition to Assured Guaranty's proven track record of almost 30 years.

Along with publishing detailed financial statements, MAC posts a list of every credit it insures on its

website, MACmunibonds.com, and provides Credit Summaries on the new-issue transactions it insures. MAC is committed to transparency and is a subsidiary of a public company listed on the New York Stock Exchange (NYSE), which is held to high standards of disclosure and oversight.

Assured Guaranty Ltd., the ultimate holding company for the group, including MAC, AGM and AGC, is a NYSE-listed, Bermuda-based holding company the common shares of which trade under the ticker symbol AGO. Its operating subsidiaries provide credit enhancement products for the U.S. and international public finance, infrastructure and structured finance markets. More information on Assured Guaranty Ltd. and its subsidiaries can be found at AssuredGuaranty.com and MACmunibonds.com.

California issuers and their advisors and bankers may direct MAC transaction inquiries to Jason Kissane, Managing Director, Western Region in Assured Guaranty's San Francisco office, 415.995.8023 or jkissane@assuredguaranty.com.

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