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Muni Bond Insurers See Demand Grow Amid Pandemic Worries.

- The two active municipal bond insurers — Assured Guaranty (AGO +2.4%) and Build America Mutual — are seeing opportunity in the erosion in local government creditworthiness.
- That's leading both municipal bond issuers and some investors to insure the debt against municipality to defaults. The share of newly issued muni debt carrying insurance increased to 7.13% in Q2 and was 6.8% in Q3 vs. an average of 4.72% in the 10 years before the pandemic, the Wall Street Journal reports, citing Municipal Market Analytics data.
- For muni bond issuers, insuring the debt helps to keep borrowing costs down.

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Seeking Alpha

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