

§709-A. Financial guaranty insurance defined

The term "financial guaranty insurance" includes any insurance under which loss is payable upon proof of occurrence of any of the following events to the damage of an insured claimant or obligee: [PL 1987, c. 707, §2 (NEW).]

1. Failure of any obligor or obligors on any debt instrument or other monetary obligation, including common or preferred stock, to pay when due the principal, interest, dividend or purchase price of the instrument or obligation, whether the failure is the result of a financial default or insolvency and whether or not the obligation is incurred directly or as guarantor by, or on behalf of, another obligor which has also defaulted;

[PL 1987, c. 707, §2 (NEW).]

2. Changes in the level of interest rates, whether short term or long term, or in the difference between interest rates existing in various markets;

[PL 1987, c. 707, §2 (NEW).]

3. Changes in the rate of exchange of currency, or from the inconvertibility of one currency into another for any reason; or

[PL 1987, c. 707, §2 (NEW).]

4. Changes in the value of specific assets, including the residual value of property at the termination of a lease.

[PL 1987, c. 707, §2 (NEW).]

SECTION HISTORY

PL 1987, c. 707, §2 (NEW).

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