

NONSOLVENCY

Meaning: NONSOLVENCY refers to the condition of being unable to meet financial obligations or debts as they come due.

1. The company's nonsolvency became evident when it failed to meet its financial obligations.
2. Investors were alarmed by the reports of nonsolvency, leading to a sharp decline in stock prices.
3. Nonsolvency can often result in bankruptcy proceedings if a business cannot find a way to recover.
4. The legal implications of nonsolvency require careful navigation by financial advisors and attorneys.
5. To avoid nonsolvency, businesses must maintain a healthy cash flow and manage their debts effectively.

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