

## Wells Fargo to fund benefits via captive

Company receives tentative OK to fund employee benefit risks

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WASHINGTON—Financial services industry giant Wells Fargo & Co. has received tentative approval from the Labor Department to fund employee benefit risks through its Vermont captive.

San Francisco-based Wells Fargo wants to use its 16-year-old Vermont captive—Superior Guaranty Insurance Co.—to reinsure group life and long-term disability policies. The group life policies would be written by Minnesota Life Co., while the LTD policies would be written by Metropolitan Life Insurance Co. Each insurer would retain 10% of the risk.

Wells Fargo, which has more than \$500 billion in assets, now uses Superior Guaranty to fund a wide variety of corporate property/casualty risks. Last year, according to a filing with the Labor Department, Superior Guaranty generated more than \$57 million in premiums, making it one of Vermont's larger single-parent captives.

Final Labor Department approval of the application, which is considered likely, is expected in early November.

Last month, the Labor Department gave final approval to the proposal of consumer food products manufacturer H.J. Heinz Co. of Pittsburgh to fund group term insurance policies through its Vermont captive.

Additionally, the Labor Department earlier this year gave final approval to the U.S. affiliates of U.K. pharmaceutical manufacturer AstraZeneca P.L.C. to fund benefits through AstraZeneca's Vermont captive; and to AGL Resources Inc., an Atlanta-based natural gas distributor, to use the Hawaii branch of its British Virgin Islands captive to reinsure certain benefit risks.