

Business Insurance

Labor backs Deutsche Bank using captive to fund long-term disability

Jun. 28, 2011 Jerry Geisel

WASHINGTON—The Labor Department has given tentative authorization to New York-based Deutsche Bank Americas Holding Corp. to use its Vermont captive to reinsure long-term disability benefits.

Under the arrangement, MHL Reinsurance Ltd., which was licensed in Vermont in 2005, would reinsure 100% of the LTD risk with a unit of Unum Group.

The tentative authorization granted last week comes after the Labor Department's proposed approval of last month of an application by Basking Ridge, N.J.-based Verizon Communications Inc. to use its Vermont captive to reinsure group term life insurance written by Prudential Life Insurance Co.

The Labor Department is expected to give final approval to the Verizon arrangement next month.