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Inside track: Allianz and Hartford

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Bob MacDonald, the retired CEO of Allianz Life North America, predicted last week that his former German bosses, who oversee one of the world's largest financial conglomerates, eventually will buy ailing Hartford Financial Group, one of the huge U.S. insurers.

Allianz invested \$2.5 billion last fall for nearly a quarter of the Hartford, which saw its stock drop from \$60 to \$5 before rebounding recently to \$15 per share.

Allianz board member Clement Booth recently dismissed acquisition speculation.

"Don't be fooled," countered MacDonald at Bobmaconbusiness.com. "Does Booth really expect us to believe that if Hartford found itself in deeper trouble that Allianz would not seek to protect its already hefty investment of \$2.5 billion?"

"Besides, such a strategy of disclaimer is consistent with the Allianz history of seeking to complete any acquisition in the shadows of silence. Acquiring 23 percent of Hartford is also consistent with the established Allianz strategy of 'putting a toe in the water' before jumping in."

Moreover, Allianz has had problems with Allianz North America and its Fireman's Fund in recent years.

They are niche players, and Allianz likes to be a dominant player.

"Allianz could provide Hartford with a deep source of capital to rebuild its balance sheet and finance its growth," MacDonald said. "The opportunity to merge Fireman's Fund and Allianz Life of North America into Hartford would reduce costs, increase efficiencies, improve productivity, cure problems Allianz has with these companies and even strengthen the insurance industry by assuring Hartford's long-term financial strength and stability."

CMS post?

There's speculation in the blogosphere that Mayo Clinic CEO Denis Cortese might be an "intriguing" pick by the Obama administration to lead the federal Centers for Medicare & Medicaid Services (CMS). According to an item in the RPM Report, which follows regulation policy, Cortese "seemingly has every qualification to lead the growing Medicare programs."

He's an outsider, holds a medical degree, manages a large health care institution and

has helped implement "a number of the most talked-about health reforms at Mayo and made them work."

Mayo spokeswoman Jane Jacobs said Cortese has not been offered a position with CMS. Beyond that, she declined to comment about speculation.

The name game

Minneapolis-based Strategic Name Development has some advice for the Obama family when it comes to naming the First Dog: Be politically optimistic, like Gerald Ford, whose dog was named Liberty, as opposed to Rutherford Hayes, who named his dog Grim.

Suggested names? Barelle (combining Barack and Michelle), Harpo (Oprah, an early supporter, spelled backward), and Lincoln (an Obama hero). Strategic Name Development is a brand consultant.

It was a very good year

Some invest in gold during tough times, others hit the bottle.

Bacchus Partners, a small private equity fund investing in fine wines, says its value increased 9 percent in the fourth quarter, its first quarter of operation.

CEO Michael Wigley and President Brian Jackson lead the Fine Wine Appreciation Fund-1 with the assistance of Brad Lehrman and Bob Abdo of Minneapolis-based Lommen, Abdo, Cole, King, Stageberg.

These affluent investors apparently were looking for an alternative to an equity-index fund.

"As an asset class, fine wines are much better protected than just about any other class in tough economies and offer long-term appreciation, if you look at how fine wines have performed historically," Lehrman said.

"Mike and Brian are not only highly experienced entrepreneurs and savvy financial experts, they are longtime wine connoisseurs."

Bacchus intends to have the \$1.2 million it has raised completely invested in fine wines by the second quarter.

Bacchus says the sector has posted compound annual returns of 15 percent since the 1960s.

Wigley, the CEO of Great Plains Companies, said: "In a relatively short period of time, we have become a major worldwide buyer of wine. ... At one point this fall, I was on four continents over the course of three weeks. Today we are currently seeing four or five

cellars a week."

Bacchus has built "a secure and high-quality facility" to stash the collection.

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