

TO HANDLE WIDENING RANGE OF FINANCIAL SERVICES, ALLMERICA FINANCIAL BUYS PAM

WORCESTER, Mass.-based Allmerica Financial, a diversified group of insurance and financial services companies, is in the process of installing Princeton Financial Systems Inc.'s Pam for Securities and Pam for Mutual Funds portfolio management and accounting systems. In all, Pam's two systems will support some \$10 billion in assets managed by Allmerica Financial and its subsidiaries.

While Allmerica officials were impressed with the insurance-oriented functionality of Princeton's systems, it was Pam's ability to handle a broader range of investment management capabilities that won them over. The firm requires these broader capabilities because it plans to offer its clients a wider array of financial services in coming months—through its investment management subsidiary, Allmerica Asset Management Inc. and its nationally chartered limited purpose bank Allmerica Trust Company N.A.

Allmerica officials tapped Princeton for its PC-based systems in late May, following more than a year of evaluations. According to Allmerica vice president Deborah Culhane, Allmerica began its conversion process immediately following the purchase and brought a handful of portfolios online on June 1. The full rollout is scheduled to be completed by the end of this year.

Eight Managers

According to Culhane, eight portfolio managers will be supported by Pam. Allmerica plans to deploy Princeton's system on an IBM Pentium-based server connected to an assortment of IBM-compatible Pentium-based PCs. The server will be linked to the workstations via Novell Inc. local area network.

Though Allmerica only made its decision only recently, officials at the firm decided it was time to re-

Investment Management Technology

place the incumbent system—Securities Software & Consulting Inc.'s Cims—several years ago. However, although Culhane says Princeton was "clearly ahead" of the competition in the end, Pam was not the company's first selection. At some point in 1992, Allmerica purchased a portfolio management system marketed by Magnus Software Corp. Aside from confirming Allmerica's purchase of a Magnus system, Culhane declines to offer specifics. However, according to a source close to the deal, Allmerica tried for over a year to install Magnus' system, but was forced to abandon its efforts in 1994.

By the time they renewed their evaluations last year, Allmerica officials were looking for a system that had a broader range of functionality. "We needed to make sure we were making a good decision relative to our insurance investment accounting needs," says Culhane. "We also needed to make sure the system would allow us to meet the needs of our new products, including our variable insurance product, our separate asset management product and our trust products."

Takes All Kinds

Culhane says Allmerica needed a system that could handle a wide range of investments. "In our insurance portfolio we certainly have a heavy emphasis on fixed-income [securities]," says Culhane. "But with our asset management and trust portfolios, we needed a system that would handle all kinds of security types and provide us a daily valuation in more of an asset-management context."

While Allmerica closely considered four other systems, Culhane declines to name them. "Princeton was ahead of the others because of the emphasis they have placed on adding investment functionality," says Culhane. "The mutual fund component was certainly a big plus because it benefits not only our insurance portfolio, but our investment management subsidiaries and, frankly, our venture into the trust business."

Culhane says that Allmerica officials took notice when they were informed that Denver-based Invesco Funds Group Inc. had selected Pam (IMT, July 21). "We were certainly impressed by the fact that the system was purchased by a company that was a significant player in the mutual fund area," says Culhane. With some \$12 billion in assets under management, \$10 billion of which will be supported by Pam, Invesco is Pam's largest customer in terms of assets under management.