



AHEAD OF CONTINENTAL MERGER, CNA INSURANCE PICKS MAXIMIS, ORACLE AND HEWLETT-PACKARD

CHICAGO-based CNA Insurance Companies, a subsidiary of CNA Financial Corp., has selected Premier Solutions Ltd.'s Maximis portfolio accounting and management system to support what will soon become a \$40 billion investment portfolio. The insurance company, which is scheduled to go live with the Unix-based version of Maximis by the first quarter of 1996, will install Premier's system in place of its mainframe-based incumbent, the former Insurance Systems of America's Oscars (now owned by the ISA/Sungard unit of Sungard Financial Systems Inc.). CNA Insurance, which tapped Maximis in March, plans to roll out the system on Hewlett-Packard Co. servers running Oracle Corp.'s relational database management system.

The insurance company's choice of Maximis may have a ripple effect—ultimately forcing the ouster of competitor Princeton Financial Systems Inc.'s Pam at one of its incumbent sites. That's because CNA Insurance's decision to install Maximis comes in advance of CNA Financial's acquisition of Continental Insurance Co. (CIC)—an insurer which last fall selected Pam to provide portfolio accounting for its \$16 billion in assets under management (*IMT*, Oct. 14, 1994). CIC is scheduled to be merged with CNA Insurance once the acquisition is finalized.

Upon completion of the merger this spring, CIC will drop Pam in favor of Maximis for approximately half of its own portfolio, according to Dan Fitzgerald, CNA Insurance's assistant vice president of investment systems.

Fitzgerald says the insurance company will inherit CIC's "investment insurance" portfolio but will not be taking on the "outside client" portion of CIC's assets—which is managed by CIC's Continental Asset Management unit.

"Maximis will be supporting all the investment accounting operations for CNA Insurance Companies and also the portion of the portfolio that we will be acquiring through the merger with Continental Insurance," Fitzgerald says. "But there's a portion of [CIC's] assets that are assets that they manage for outside clients... that [CNA Insurance] is looking to sell off."

Details, Details

Details about the CIC assets CNA Insurance will attempt to peddle remain sketchy. According to a Princeton spokesperson, CIC's Continental Asset Management unit will continue to employ Pam in support of some \$5 billion in assets it manages for "unaffiliated clients." But a CIC official—while confirming that Maximis will gobble up approximately \$8 billion of the CIC investment portfolio that once was committed to Pam—says that Princeton's future at Continental Asset Management remains up in the air.

"Nothing is definite yet, but Pam was actually paid for by Continental Asset Management. If Continental Asset gets sold, which is what CNA plans to do, the outside clients will go with them," the official says. "[Continental Asset] may very well use Pam for their outside clients, at least for a transition period."

Meanwhile—to complicate things even more—sources say that before abandoning its homegrown incumbent system (known as Talas) and cutting over to Maximis, CIC will first migrate to CNA Insurance's incumbent Oscars platform. A source at CIC confirms that the conversion plan has CIC jumping from Talas to Oscars to Maximis, but declines to elaborate further.

Before choosing Premier's Maximis, Fitzgerald says CNA Insurance also evaluated Princeton's Pam and ISA/Sungard's next-generation Prism system. Fitzgerald says that CNA Insurance "spent a lot of time comparing" Prism and Maximis and that, in the end, the company preferred Maximis' client/server-based architecture to the mainframe-based Prism.

"We clearly felt that Maximis was the most robust system on the market [and] we liked the technology that it would allow us to move into," he says. "We felt... that it would be kept up to date more easily than