



STATE FARM BEGINS ROLLOUT OF PAM FOR MUTUAL FUNDS TO SUPPORT \$3 BILLION

BLOOMINGTON, Ill.-based State Farm Insurance Co. is completing installation of Princeton Financial Systems Inc.'s Pam for Mutual Funds portfolio management and accounting system. State Farm selected Princeton's PC-based system last fall to handle its investment funds for State Farm employees, totaling some \$3 billion in assets. At the same time State Farm tapped Princeton, the insurer selected the mainframe-based version of Premier Solutions Ltd.'s Maximis portfolio accounting system to support its investment accounting unit (*IMT*, Nov. 25, 1994). State Farm installed that system on its IBM mainframe.

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According to an official at State Farm, the insurer has just started the conversion process and plans to have Princeton's system online within four weeks. The official declines to comment further until the rollout is complete. However, a source close to the installation calls the timetable "a little aggressive." Says the source "I would probably say it will more likely be four to eight weeks."

The source says State Farm will deploy Pam to manage eight funds that consist of "basic investment options for State Farm employees." The source says, "As a general rule, State Farm typically doesn't go out and invest in a lot of the exotic securities."

Accounting Functionality Key

State Farm launched its search for mutual fund investment accounting software to replace its in-house developed mainframe-based system at the beginning of last year. According to the source, State Farm officials based their evaluations on the investment accounting functionality of each system. The source says the selection of Princeton's system was a "back-office decision made from an accounting standpoint." The source says that the investment management functionality of the systems evaluated were "a secondary concern."

According to the source, during the six months of evaluations the areas State Farm officials paid particular attention to included foreign exchange processing, investment reporting, ability to prepare financial statements and tax accounting and reporting. "Those were the weak areas of [State Farm's] current system and primarily why [State Farm officials] were looking," says the source.

In landing State Farm, Princeton bested mutual fund portfolio management and accounting systems offered by Phoenix Systems Inc., National Investment Data Systems Inc. and Securities Software & Consulting Inc.

Not Motivated

Both the State Farm official and the source decline to comment on the hardware the insurer is deploying Princeton's system on. However, at a time when more and more firms are seeking to abandon their mainframes, the source says State Farm's selection of the PC-based Pam was not motivated by a desire to migrate into the client/server type environment. "This was more a by-product of the selection than anything else," says the source. "[State Farm officials] concen-