

For Immediate Release

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Acacia Pacific Holdings, Inc. Selects Valley Oak Systems' iVOS™ as Its Claims Administration Software

One of the Largest Workers' Comp Underwriters in California Turns to Browser-based Technology to Support Growth, Efficiency, and Remote Operations

Alamo, CA – May 21, 2003 – Valley Oak Systems, Inc. (VOS), a national provider of claims management software, services and support, today announced that Acacia Pacific Holdings, Inc., one of the largest managing general underwriters (MGUs) and managing general agents (MGAs) specializing in California workers' compensation insurance, has selected iVOS, the first truly browser-based claims administration system. The iVOS system will significantly enhance efficiency and streamline the claims process to support Acacia's rapid growth.

“Valley Oak's cutting-edge browser-based claims system will help us drive greater claims processing efficiency and adjuster productivity.” said Jeffrey White, chief operating officer at Acacia Pacific Holdings. “We view iVOS as the ‘next’ generation claims application, providing our organization with real-time connectivity with our remote operations in San Diego and with our partners.”

“With our continued success and growth in the California workers' compensation market, we needed a claims system that would provide the infrastructure to increase our claims capacity as we continue to grow,” said Scott Marshall, president of the claims division. “To choose an application, we formed a team of specialists from various departments – including claims, investigations, rehabilitation, subrogation, and management – to test drive potential systems and make the final recommendation. iVOS was hands down the system of choice; it was far superior

to other programs in its ability to effectively manage claims and provide user functionality. Our CIO also worked directly in the selection process. The fact that iVOS required no middleware to run and is a true thin-client solution was a significant driver to selecting the system.”

“We’re excited to work with Acacia Pacific Holding as leaders in the workers’ comp industry,” said Bob Faulhaber, president of Valley Oak Systems. “Our system’s features and functionality will ultimately help Acacia achieve a highly automated and integrated claims process that saves time, money and resources.”

About iVOS

iVOS is a browser-based claims administration system designed for multiple lines of insurance. The system is highly configurable and can be customized to meet any organization's needs. In addition to the base features, iVOS supports EDI (IAIABC) for State Reporting Requirement, document imaging, and forms and letter generation for all jurisdictions, as well as client defined. The system interfaces with PRDP, ISO ClaimSearch® (Index Bureau), Employee, Accounts Payable and Medical Bill Review systems. iVOS has been designed to enable claims personnel to perform their duties as efficiently as possible.

About Valley Oak Systems, Inc.

Valley Oak Systems, Inc. is a privately held corporation with headquarters in Alamo, California. Founded in 1994, Valley Oak Systems has relied on the industry experience of its founders to provide high-quality, cost effective solutions for the claims administration industry. Valley Oak Systems is dedicated to providing the highest quality software, services, and support to enable their clients to meet their goals. The company ranks #398 on the 2002 Inc 500 list of fastest-growing private companies. For more information, go to www.valleyoak.com, or call 925-552-1650.

About Acacia Pacific Holdings, Inc.

Acacia Pacific Holdings, Inc. is the parent firm of American All Risk Insurance Services, Inc. (AARIS) and American Commercial Claims Administrators (ACCA), and the holding company for a growing number of insurance and business related entities. Acacia Pacific Holdings

provides guidance and support to all its subsidiaries in key areas such as defining long-term corporate objectives, developing and implementing strategic plans, building and growing infrastructure, diversifying revenue and financial management and profitability.

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