

For Immediate Release

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Citizens Management Inc. Chooses iVOS® “One-System” Claims Management Software

WC-Administrator Anticipates Significant Efficiency Gains through Integrated Claims Approach

San Ramon, CA – January 17, 2006 – Valley Oak Systems Inc., a national provider of claims management software, services and support, today announced that Citizens Management Inc. (CMI), the largest workers’ compensation third-party administrator (TPA) in Michigan and a wholly-owned subsidiary of Citizens Insurance Company of America, has chosen iVOS as its claims management solution.

“iVOS will help us meet two business challenges,” said Douglas Hirt, Manager of Automation and Risk Services at CMI. “First, its one-system solution will enable us to even more effectively integrate our workers’ compensation and disability claims, as well as medical bill review. Second, its browser-based platform will further enhance the way we receive, transmit, and share critical information with clients and vendors. Both features will result in operational efficiencies and costs savings, as well as enable us to work more closely with clients toward optimal claims resolution.”

“We were impressed with Valley Oak’s reputation, growth, and client retention,” said Scott Gaffner, Vice President and General Manager of CMI. “When we visited corporate headquarters, there was a sense of energy and passion throughout the company. During the RFP phase of our selection process, Valley Oak was diligent and thorough, taking the time to address our specific needs, much as we do with our own clients and business partners. CMI’s key strategies of an

integrated approach to claims administration and superb customer service are well aligned with Valley Oak's one-system solution and customer-centric values.”

“Delivering business-focused solutions is the center of our company's strategy, so we're extremely excited to help CMI meet its business requirements,” said Randy Wheeler, Founder and CEO of Valley Oak Systems. “iVOS is highly complementary to CMI's vision to move toward a paperless environment, connect stakeholders electronically, and achieve the best-possible results for clients.”

About Valley Oak Systems, Inc.

Valley Oak Systems, Inc. is a privately held corporation with headquarters in San Ramon, California. Founded in 1994, Valley Oak Systems is dedicated to providing the highest quality software, services, and support to enable clients to meet their goals. For more information, go to www.valleyoak.com, or call (925) 242-4600.

About Citizens Management Inc.

Citizens Management Inc. is a wholly owned subsidiary of Citizens Insurance Company of America, a company of The Hanover Insurance Group. Citizens Management Inc. is dedicated to providing the highest quality third party administrative services and excess insurance coverage for alternative risk workers' compensation programs in the Midwest Region.

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