

For Immediate Release

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City of San Diego Implements Valley Oak Claims Administration System

After a Formalized Evaluation Process, the City's New System Will Drive Claims Processing Efficiency and Improved Results

Alamo, CA – August 5, 2003 – Valley Oak Systems, Inc. (VOS), a national provider of claims management software, services and support, today announced that the City of San Diego completed its implementation of the Valley Oak Claims Administration System for the City's workers' compensation and disability self-insurance lines. The system will enhance the City's claims processing efficiency and allow them to implement claims management best-practices for improved outcomes.

“When we first started the selection process in November 1999, the critical driving factor was to replace a legacy system that was 15 years old, and which could no longer drive the efficiencies we needed out of our claims process. We wanted a claims system that would track all claims activity, support claims best practices, and drive efficiency and improved results for our claims adjusters and the technical support staff,” said Greg Bych, Deputy Director of Risk Management for the City of San Diego.

“Since the new claims administration system would affect city-wide departments and employees, the Risk Management Department partnered with San Diego Data Processing Corporation (DPC) to formalize an evaluation process that took over two years to complete. The request for proposal was very detailed and specific. We also had a third party consultant identify claims best-practices to improve our overall claims process. In the end, the selection process was rigorous, but we felt

we had carefully analyzed vendors to determine if they were well-established and had an in-depth knowledge of system service providers, business practice issues, laws, and the overall claims management process,” added Bych.

“These are the types of innovations that San Diego DPC is excited to see occurring within the City of San Diego,” said Roger Talamantez, CEO of San Diego DPC. “Greg Bych and the Risk Management Department are taking a leadership role and supporting the joint City/San Diego DPC Information Technology Strategic Plan by looking for new technologies that support their business goals, and that increase customer services and generate operational efficiencies on a City-wide basis.” San Diego DPC is the City of San Diego’s non-profit Corporation responsible for City-wide IT Operations.

“After successfully running the gauntlet of the vendor selection process, Valley Oak Systems emerged as the best solution for San Diego. The success of this implementation centered on a real group effort that developed among the City of San Diego, San Diego DPC, and Valley Oak Systems. The team built excellent working relationships across all the entities involved in the project. This coupled with practical executive oversight ensured that important project issues were immediately resolved,” said Gordon Smith, Vice President of Client Services of Valley Oak Systems. “The day the system went ‘live’ represented a culmination of years of work for many people within the City. Their excitement about our product, their expertise and pragmatism allowed for practical solutions to be developed to meet the City of San Diego’s requirements. It was a real team effort.”

About the Valley Oak Claims Administration System

The Valley Oak Claims Administration System is a single-system solution that integrates claims management with bill review software and services for multiple lines of insurance. The system is highly configurable and can be customized to meet any organization’s needs, by incorporating claims best practices, optimizing the efficiency of claims personnel, and enabling organizations to effectively reduce risks and potential losses. Valley Oak supports EDI (IAIABC) for state reporting requirements, document imaging, forms and letter generation for all jurisdictions as well as client-defined correspondence. The system interfaces with PRDP, ISO ClaimSearch®

(Index Bureau), employee, accounts payable, medical bill review, and other pre-existing client systems.

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.

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