

For Immediate Release

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Valley Oak Systems Recognized with Five Awards for Growth and Excellence in Technology

iVOS™ Brings Relief for Spiraling Workers' Compensation Claims Costs

San Ramon, CA – October 16, 2003 – Valley Oak Systems, Inc. (VOS), a national provider of claims management software, services and support, has recently been recognized by five organizations for its outstanding growth – 738% in the last five years – and for its innovative browser-based claims management system iVOS™.

Valley Oak Systems has experienced tremendous growth due to the company's offering of the "next" generation of claims management technology and its philosophy of total customer satisfaction. iVOS is the leading browser-based claims management system, specifically designed to run over the Internet. Middleware products are not required, making it a cost-effective and secure Internet application model. Due to the diligent work in client satisfaction and the quality of the technology they offer, Valley Oak has recently received the following recognitions:

- Named for the second year in a row to the *Inc. 500*, *Inc.* Magazine's ranking of the fastest-growing private companies in the country (#231 in 2003). The *Inc. 500* Special Issue will appear on newsstands October 14 and will be on display until January 2004.
- #314 on the 2003 **Deloitte Technology Fast 500**; a ranking of the 500 fastest growing technology companies in North America.
- 9th of the 100 fastest-growing private companies in the Bay Area, according to the San Francisco Business Times;

- Rated one of the top 10 entrants by AM Best's E-Fusion award committee for outstanding, resourceful use of Internet technology directly related to the business of insurance; and
- 11th out of 50 of the fastest-growing private companies, according to the East Bay Business Times.

“The entrepreneurs you’ll find on the *Inc. 500* have the type of attitude we need to get this economy moving again,” said *Inc.* Editor-in-Chief John Koten. “For them, a tough market is not an excuse for poor performance, but an opportunity to innovate and rise about the competition.”

“Attracting enough customers to maintain triple digit growth over five years makes a strong statement about the quality of a company's product and its leadership,” said Mark Evans, national managing partner of Deloitte's Technology, Media and Telecommunications Group. “Valley Oak Systems has shown the right stuff for growth.”

“While Valley Oak’s technology is equipped to manage the claims process in many lines of property and casualty insurance, most of our clients are grappling with significant cost increases in workers' compensation,” said Randy Wheeler, CEO of Valley Oak Systems, Inc. “Self-insured employers and carriers are turning to browser-based claims technology to tighten management over their workers comp claims process. We've partnered with clients who want to reduce their workers' comp costs by as much as 30 percent.”

Workers comp costs have risen 50 percent in the last three years, according to the Insurance Information Institute, primarily due to a 125 percent increase in medical costs per workers comp claim and a 23 percent increase in indemnity benefits. These statistics reveal the magnitude of the workers’ comp problem, and the need for technology solutions like iVOS to help improve claims processing efficiency; reduce and prevent injuries, improve return-to-work outcomes, and enable rapid claims responses.

“Although these awards and recognitions are a tremendous honor, the greatest validation for our browser-based claims system is our high level of customer satisfaction,” said Bob Faulhaber, President of Valley Oak Systems. “We have never lost a client. Our role has always been to

critically listen to clients, and strategically plan how they can leverage and customize our technology to meet their business goals and objectives. As a result, our customers view us as a strategic partner in achieving their risk management goals.”

About iVOS

iVOS is a browser-based, 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 has standard interfaces with PRDP, ISO ClaimSearch® (Index Bureau), employee, accounts payable, medical bill review, and other existing internal and external systems using Web services as well as legacy batch systems.

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 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 #231 on the 2003 Inc 500 list of fastest-growing private companies. For more information, go to www.valleyoak.com, or call 925-242-4600.

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