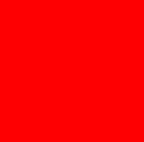# Oracle Buys Haley

Expand Oracle's Applications Drive into Social Services; Adds Enterprise Policy Automation for Legislated and Regulated Industries

December 29, 2008

The following is intended to outline our general product direction. It is intended for information purposes only, and may not be incorporated into any contract. It is not a commitment to deliver any material, code, or functionality and should not be relied upon in making a purchasing decision. The development, release, and timing of any features or functionality described for Haley products remains at the sole discretion of Haley. The development, release, and timing of any features or functionality described for Oracle's products, whether communicated by Haley or by Oracle after the close of the acquisition, remains at the sole discretion of Oracle.

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What We Are Announcing

- Oracle buys Haley
  - Expands Oracle's applications drive into social services
  - Adds enterprise policy automation for legislated and regulated industries
  - Transaction closed on December 29, 2008
- Haley is a leading provider of policy modeling and automation solutions with deep domain and industry expertise
  - Unique, patented technology empowers business users to translate legislation and policy into executable business rules using natural language
  - Customers include some of the world's largest government agencies and Global 1,000 financial services and insurance companies
  - Private company, headquartered in Sydney, Australia
- Combination is expected to enhance industry business applications that need to quickly automate the impact of legislation and regulation
  - Adds capabilities for Social Services eligibility determination
  - Policies are linked directly to the documents for government and commercial enterprises alike
  - Brings best of breed assets together for large new segments such as Social Services
- Haley's management and employees are expected to continue as a dedicated global business unit focused on enterprise policy automation
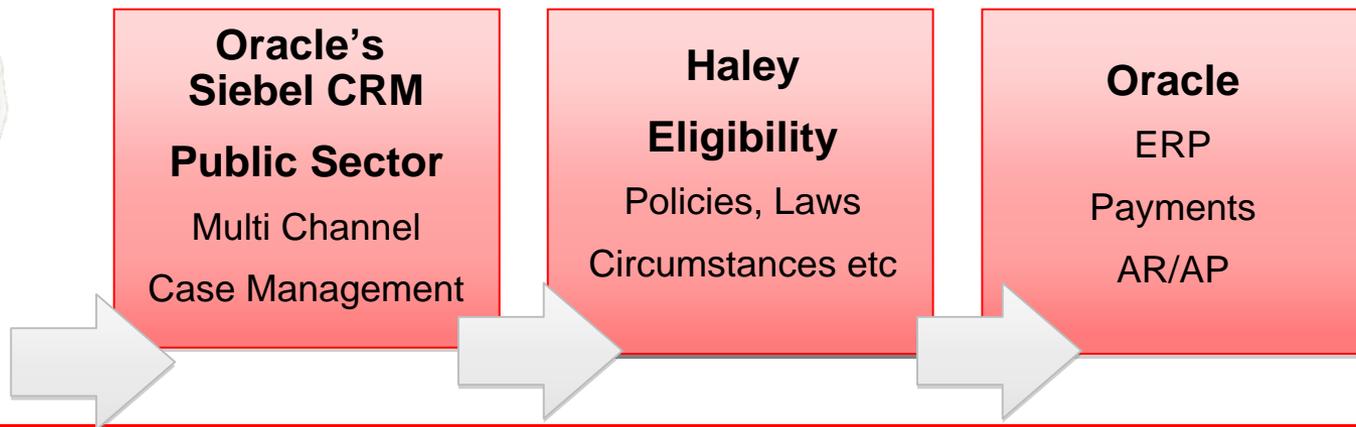
Strategic Importance to Oracle

- Complex operating environment is driving investment in enterprise policy automation
  - Constant change in policy due to demographic shifts and budget pressures require flexible and easy-to-use systems
  - Organizations and governmental agencies need to implement rules and policies without leveraging pre-existing content
  - Legislation, regulation and increasing fraud incidents drive the need for scenario impact assessments and decision audit trails
- Haley provides mission-critical capabilities for social services and key legislated and regulated industries
  - Social services and governments agencies can improve their operational capability to tie outcomes and constituent satisfaction back to policies
  - Financial Services companies can bring products to market faster, avoid fraud, and enhance online and multiple channel presence
  - Insurance providers can enhance customer facing services and improve back-office efficiency
- Combination brings together enterprise policy automation with leading CRM, ERP and industry solutions
  - Brings together eligibility determination capabilities with leading case management, verification and screening functionality to complete social services offering
  - Combines regulated customer interactions and risk-management policies with CRM to ensure appropriate risk-reward decisions in financial services sector
  - Embeds written internal policies governing claims management, adjustment and risk pricing into insurance claims management and underwriting for insurance sector

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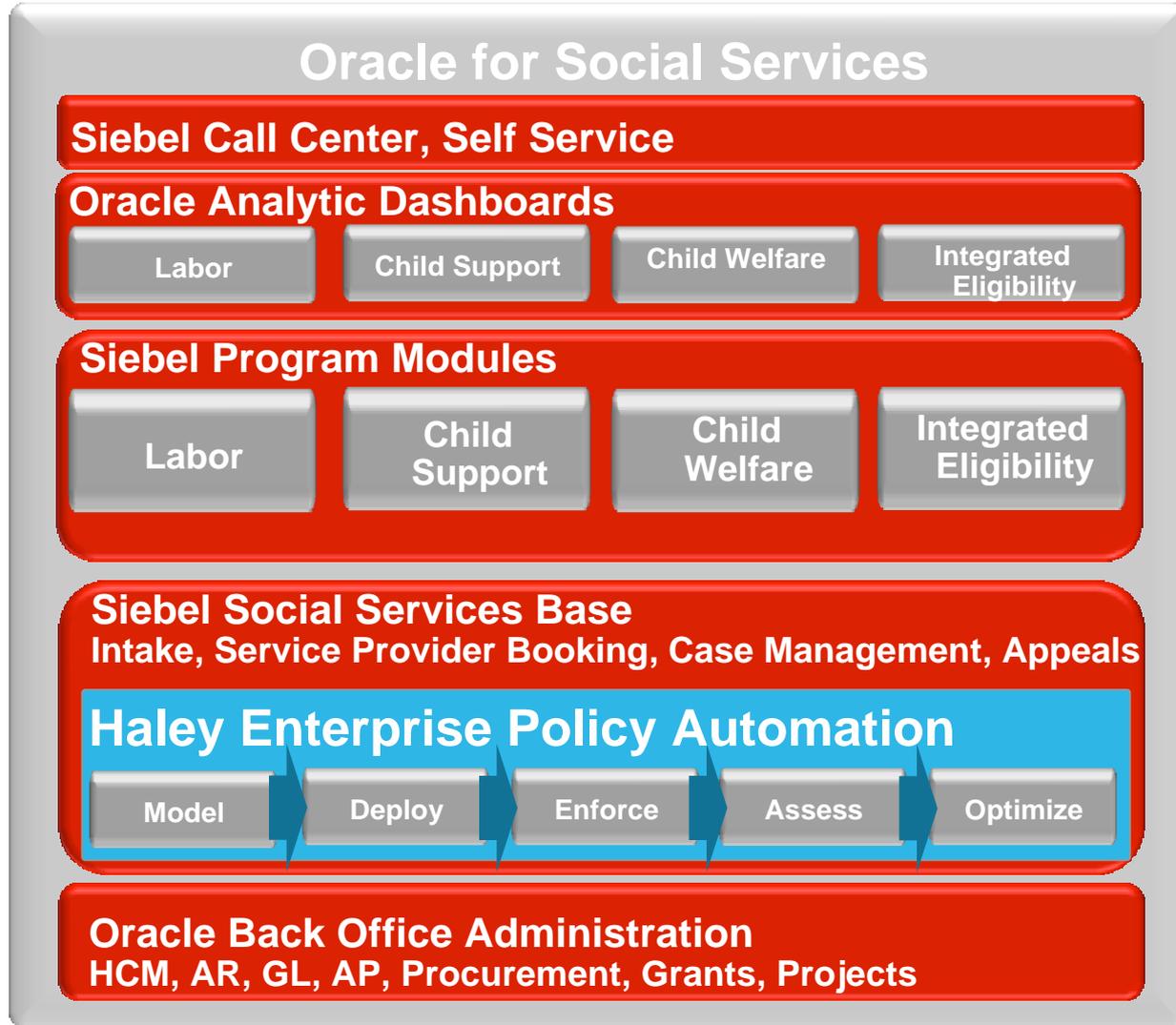# Combination Creates Leading Solution for Social Services

- Social services is a critical focus for Oracle
  - Customers moving from custom software to Commercial off the Shelf (COTS) packaged applications
  - More than 1,100 agencies with many expected to modernize system within the next two to five years
- With Haley, Oracle will be a leader in Social Services
  - Oracle's ERP applications are the leading back office solution across public sector
  - Haley is a leading determination engine for social services
  - Oracle and Haley have an existing partnership and have provided a joint solution to customers
  - Haley is expected to become the core determination engine of Oracle's social services solution

Citizens

Oracle's Siebel CRM **Public Sector** Multi Channel Case Management	**Haley** **Eligibility** Policies, Laws Circumstances etc	**Oracle** ERP Payments AR/AP

Complementary Social Services Solution

Oracle for Social Services

Siebel Call Center, Self Service

Oracle Analytic Dashboards

Labor	Child Support	Child Welfare	Integrated Eligibility

Siebel Program Modules

Labor	Child Support	Child Welfare	Integrated Eligibility

Siebel Social Services Base
Intake, Service Provider Booking, Case Management, Appeals

Haley Enterprise Policy Automation

Model → Deploy → Enforce → Assess → Optimize

Oracle Back Office Administration
HCM, AR, GL, AP, Procurement, Grants, Projects

- A logical step to offering a world class social services solution
- Combination provides:
  - 360 view of the client
  - Leading multi-channel intake capabilities
  - Proven deep and complex eligibility determination
  - Outcome oriented case management
  - End-to-end service provider booking and referrals
  - Benefit program specific functionality built on a proven enterprise COTS platform
  - Rich analytics to measure program performance
  - Closed loop analysis tying outcomes back to policy

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British Columbia Chooses Oracle and Haley to Modernize their Systems for Social Welfare

Requirements

- Better tools and "simplification" of business processes
- Replacement of obsolete, aging and inflexible legacy systems
- Provide better integration of services and protection of Children
- Deliver a single view of the citizen across services
- Enable visibility into service and productivity

Why Oracle and Haley

- Leading policy automation and rules determination capability
- Proven Enterprise platform that is available commercially off the shelf (COTS)
- Enterprise Application Integration
- Business Insight

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Dynamic Legislation and Regulation is Driving the Need to Automate Policies

Policy complexity is growing → Making accurate and consistent decisions is difficult when finely targeted policies are needed to deliver the best outcomes

Legislative changes are accelerating → Security, geopolitical and financial events drive frequent legislative changes and high expectations of enforcement

Budgetary pressures force efficiencies → Costly IT projects and resource-intensive call centers are expected to innovate, and deliver more with less

Accountability requires transparency → Freedom of information is increasing the pressure from customers and citizens to prove compliance with policies and standards

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Legislated and Regulated Industries Require Enterprise Policy Automation (EPA)

Key Industry Requirements	Social Services/ Public Sector	Financial Services	Insurance
	• Deliver cost-effective citizen self-service capabilities • Determine eligibility in complex legislative environments • Ability to evolve with changing regulations • Enforce consistent decision making • Accelerate IT projects with script-free updates	• Allow business users to define new products and services without complex IT changes • Demonstrate compliance with internal and external regulations • Monitor, detect and report potential breaches • Monitor traders and advisors for potential breaches through regular reporting • Increase self-service capabilities to reduce call center volume	• Optimize complex underwriting processes • Highlight fraudulent and high-risk claims for early investigation and treatment • Perform accurate and consistent claims adjustment • Automate common customer service processes

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Overview of Haley

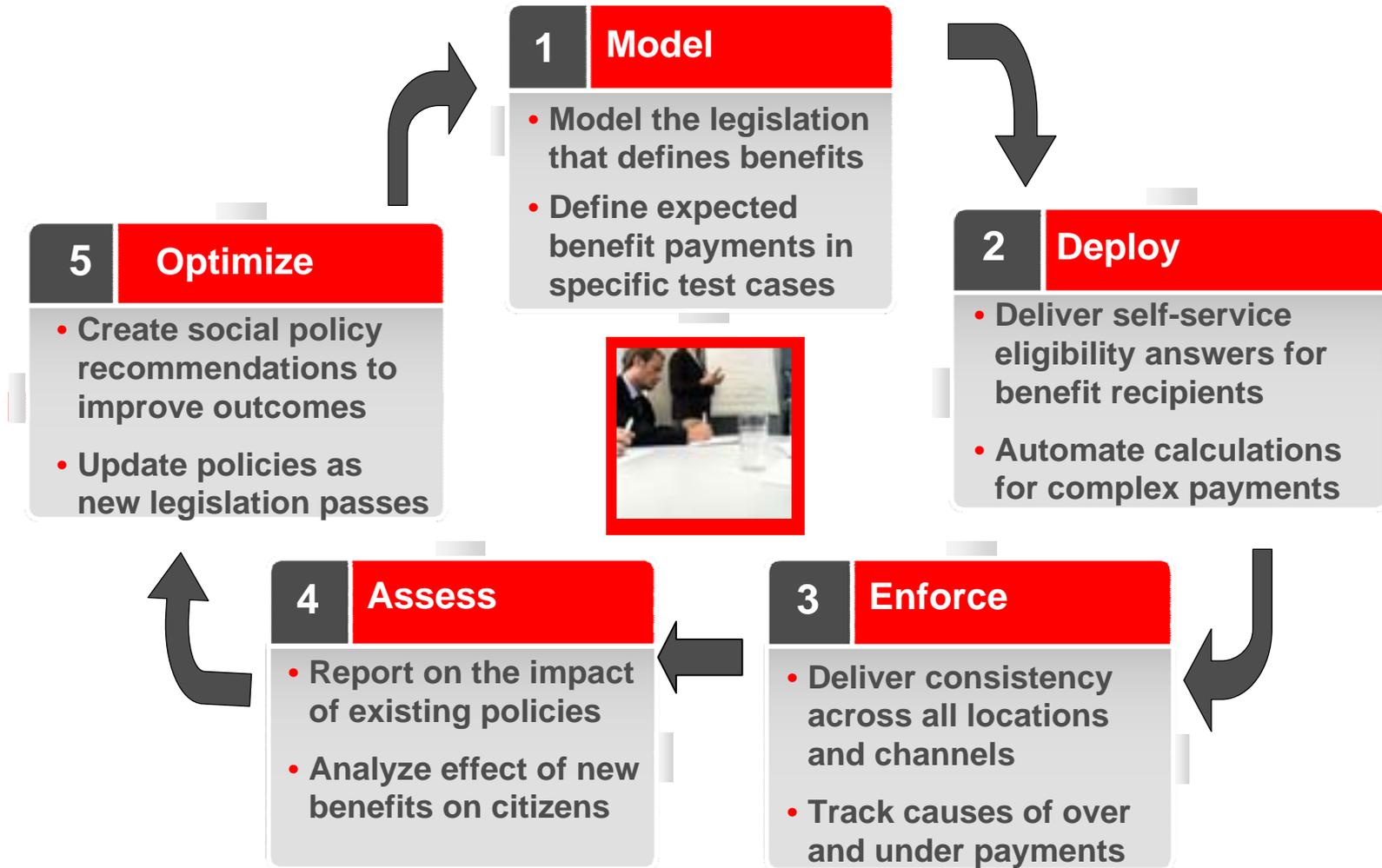|	
Haley's mission is to *"Optimize Enterprise Policy Automation"*	▪ Customers include the world's largest government agencies and global 1,000 financial services and insurance customers ▪ Consistently recognized as a leader by industry analysts ▪ Customers and revenue from across North America, EMEA, Asia-Pacific, and Australia ▪ Patented technology automates legislation and policy using natural language rather than programming language, with multiple languages already supported ▪ Designed for rapid creation of industry content that can be easily configured for an organization's unique requirements ▪ Standard, pre-built integrations with leading enterprise application vendors
20 years as a proven EPA leader	▪ Government agencies use Haley to serve tens of millions of citizens ▪ Tier 1 commercial banks use Haley to serve millions of customers ▪ Global insurers use Haley to automate tens of thousands of daily claims transactions ▪ Dynamic self-service applications and high-volume enterprise automation based on complex policy and legislation

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Haley Enterprise Policy Automation

Modeling · Deployment · Enforcement · Assessment · Optimization · Policy Documents

- Dramatically improves time-to-market for changes to policies and rules
- Simplifies development and maintenance
- Ensures accuracy and consistency in complex decisions and determinations
- Reduces the burden on IT resources
- Assesses the impact of changes in policy on customers and citizens through "what if" scenarios
- Provides full audit-trail capability

Enterprise Policy Automation for Social Services

1 Model

- Model the legislation that defines benefits
- Define expected benefit payments in specific test cases

2 Deploy

- Deliver self-service eligibility answers for benefit recipients
- Automate calculations for complex payments

3 Enforce

- Deliver consistency across all locations and channels
- Track causes of over and under payments

4 Assess

- Report on the impact of existing policies
- Analyze effect of new benefits on citizens

5 Optimize

- Create social policy recommendations to improve outcomes
- Update policies as new legislation passes

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Haley Customer Overview

- Over 115 customers world-wide

Social Services/ Public Sector

- Tens of millions of citizens served
- National, state and local government agencies
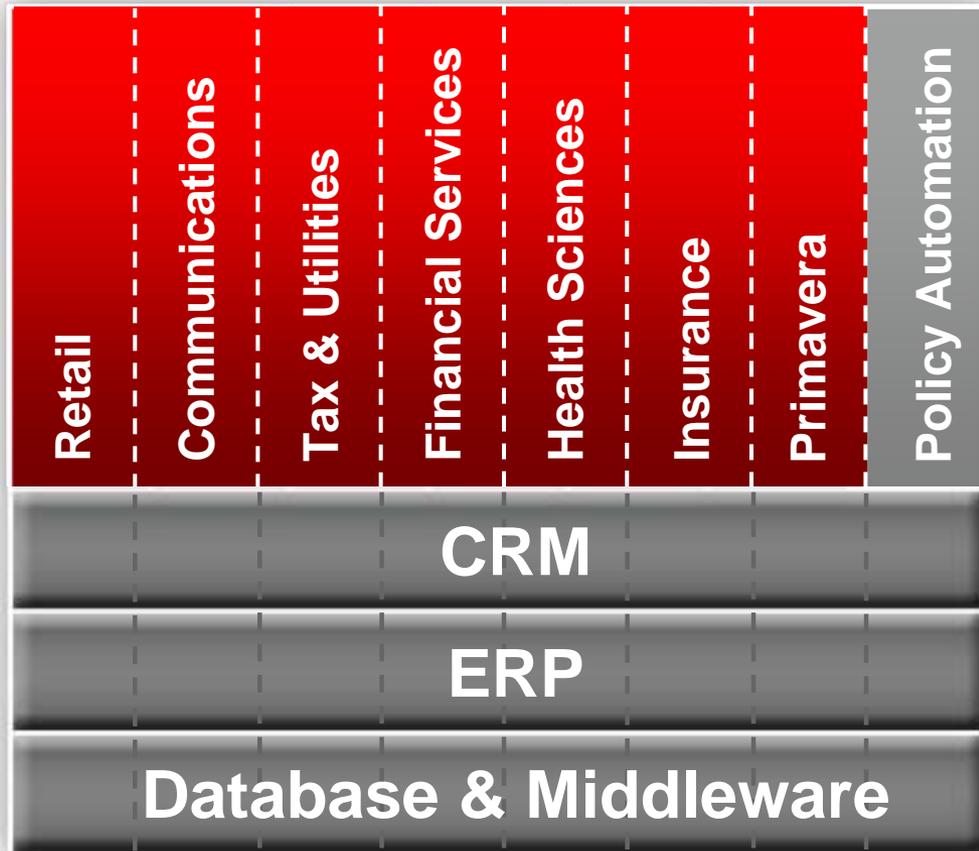- Human and social services, taxation, immigration, grants, defense

Financial Services

- Tier 1 retail banks serving millions of customers
- Investment banks
- Fraud detection
- Policy enforcement, compliance tracking

Insurance

- Health insurance, including Tier 1 US insurers
- Property and casualty
- Underwriting
- Claim adjudication
- Policy enforcement, compliance tracking

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Haley to Join Oracle as a Global Business Unit for Enterprise Policy Automation

Retail	Communications	Tax & Utilities	Financial Services	Health Sciences	Insurance	Primavera	Policy Automation
CRM							
ERP							
Database & Middleware							

- Haley management and employees maintain solution momentum
- Leading domain knowledge
- Industry-focused R&D investment
- Comprehensive solution with ERP and CRM integration
- Specialized sales and delivery organization
- Continued partner management and engagement
- Continuity of existing customer relationships

Expected Customer and Partner Benefits

Oracle Customers

- Improved case worker productivity and accuracy
- Better customer service through streamlined claims administration and processing
- Reduction in claims administration costs, payment errors and appeals

Haley Customers

- Haley products as a part of an end-to-end policy management solution
- Increase R&D investment in Haley
- Access to Oracle's global support and services organizations

Oracle and Haley Partners

- System integrators are expected to be able to provide customers with a single partner to address their needs for complete policy administration and compliance
- Technology partners are expected to gain broader opportunities for development integrations
- All partners are expected to gain access to Oracle's worldwide resources and partner ecosystem

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Next Steps

- Public announcement

  - October 29, 2008

- Communications with all stakeholders

  - Press and analyst briefings

  - Partner and reseller briefings

  - Ongoing communications with customers, partners, resellers and employees throughout transition

- More information can be found at

  - www.oracle.com/haley

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ORACLE IS THE **INFORMATION** COMPANY