



Ronald Reitz
President
Quality Claims Management Corp.

Ronald Reitz launched Quality Claims, which provides hazard claim recovery services, in 2007. He is the past president of the California Association of Public Insurance Adjusters and the current president of the National Association of Public Insurance Adjusters.



HousingWire: What inspired you to launch your own company?

RONALD REITZ: I started in this industry in 1993. I worked for GMAC ResCap for 10 years, from 1997 to 2007, doing the same thing. We handled hazard claims on behalf of mortgagees and investors. We did that not only on the ResCap book of business, but we did it out on the open marketplace. So, when ResCap started getting out of the market, it was a natural thing to continue it, and that's when I started Quality Claims.

HW: What are some of the changes you've seen over the more than 20 years that you've been in the insurance business?

RR: When we first started, there was a misperception in the industry. Investors relied on servicers to identify damaged properties and file claims. They assumed the servicers were doing that pretty aggressively. What we showed Fannie and Freddie when we first started is that, although you're paying a servicing fee to do this, they're not actually doing it. Of the servicers that are doing it, we learned they were not doing it well because they lack expertise and had no system to track claims and proceeds coming in. Without tracking technology, it was difficult for them to report to investors. So one thing I've seen is a continued focus on outsourcing over the years because vendors have proprietary systems they can use to manage the whole process and report back to the servicers and investors, and that's becoming more and more important. You've got to be accountable for your performance. And if a servicer has no way to monitor their performance, how can they show they're in compliance?

There's heightened awareness of the rights mortgagees have to file for and recover insurance proceeds. In the past year, in particular, there has been more stringent and dedicated focus on the regulatory aspect of the business. Servicers are being much more diligent about how they select and manage vendors.

HW: What advice would you give to servicers who are facing a natural disaster such as Hurricane Sandy?

RR: There has been more pressure from regulators onto the mortgage servicers to figure out a way to get the insurance proceeds

to the borrowers. It would behoove servicers to become more efficient in releasing these proceeds to expedite repairs. Servicers really need to find a solution for getting insurance proceeds to the borrowers more quickly to protect their collateral.

HW: With the recent CFPB regulations released earlier this year, how will this change the way servicers interact with your company?

RR: There will be more diligence in making sure that mortgage servicers have an open-book view of the vendors' data and processes and systems. One way they would interact would be at the initial outsourcing decision to make sure their vendor has disaster response capability. When you have a natural disaster, the first thing borrowers want to do is get access to their insurance proceeds to make repairs. We're seeing Sandy borrowers complaining that they cannot make repairs and make their homes habitable because they still do not have access to their insurance settlements. So the servicer has a tough role in that they want to protect their interest, appease the regulators and assist their borrower. The right vendor can assist with all three of these goals. It's certainly not the role of the insurer to do that. It's the role of the consumer advocate or the public adjuster. They're the most qualified to represent the borrower.

HW: What sorts of technology is your company using to stay ahead of the game?

RR: We have a proprietary, scalable claim processing and reporting system called IQ that we developed in 2008. As the regulatory environment changes and as servicers need change, we continually enhance the system. When we added mortgage insurance claims services to our offerings in 2010, we developed a sophisticated module to manage those processes. We provide access to our clients to review live, loan-level data and generate their own reports at will. They can perform some of their own audits on our work. Clients don't necessarily need to have us pull data for them. Access to key data is what's critical to our clients, to servicers and investors. As we get feedback from our clients, we continue to expand functionality and customized reporting.

— Megan Hopkins ■