

Sharper Focus on Claims Management

MSB leverages better technology and more data to help property insurers and vendors improve the claims process and outcomes.

BEST'S REVIEW: Jon, could you give us a quick overview of MSB's businesses and, in particular, of MSB's work in your line, the claims market.

KOST: For more than 70 years, MSB has provided data and valuation solutions that enable better decision-making in insurance, real estate and government markets. We also provide outsourcing and consulting services in the insurance space. In the claims area, we provide data, technology, and analytical support for claims management and claims estimating in the property space. We also help restoration contractors and independent adjusting firms to collaborate with carriers to facilitate productivity and customer service improvements.

BR: What are some of the trends that you're seeing in the property claims market today?

KOST: What we're seeing today is more of a reliance on technology to process claims quickly and effectively. Seven or eight years ago, reliance on technology to ensure adherence to proper property claims-handling procedures was ill-founded. Technology was not smart enough at that time to really support what the carriers were looking to achieve.

Now technology has caught up. There's a lot more intelligence that has been built into the systems available today. As a result, companies are able to focus in on very specific types of issues to generate more desirable outcomes through the use of specialized teams.

BR: Are there special challenges to this trend toward specialization?

KOST: Yes. The extreme segmentation that enables specialization requires a lot more data, and it requires the data be of higher quality. It can also cause some staffing and training challenges since the market today is struggling to balance cost control and workforce management against the benefits of specialization. So what we're seeing is more companies leveraging vendors to complete many of the specialized tasks.

BR: In what kinds of services are vendors specializing?

KOST: Some have a very strong focus on issues like fraud or special investigations and some deal with specific types or parts of claims. We're also seeing a lot of new controls being designed to assure consistency internally at carriers and across vendor support organizations.

BR: What's next on the horizon?

KOST: Leverage of granular data has really just begun. There are a lot of places where we're going to see data management, analytics and business rules employed in order to guide people to better answers more quickly, more effectively and for a better result for the consumer. One of the places where value had not begun to be dredged out until lately was the interaction between underwriting and claims. There's a lot of data that's captured about a property and the things being insured on the underwriting side, but to date, most of that hasn't really been used for the claims side. Similarly, claims is a very detailed process that involves very granular information about specific properties and to date that information hasn't really been used for the benefit of underwriting. I expect this to change significantly over the coming one to two years. **BR**



Jonathan Kost,
Senior Vice President, Claims &
Commercial Solutions Group

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■ For the complete audio interview, visit www.bestreview.com/tech09.html.