

# Sandy Aspinall

Comcast Corporation

by Emily Holbrook

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**D**onald (Sandy) Aspinall, Jr. has spent the past 30 years entrenched in the risk management and insurance field. Starting in 1988 as a marketing representative with Aon Risk Solutions and working his way up to managing director, Aspinall fell in love with the industry. He embraced the diversity of the people and circumstances, as well as the breadth, complexity and challenge of issues he was facing on a daily basis. These are among the challenges he now readily faces as corporate vice president of the global risk management (GRM) division at Comcast Corporation, a position he has held for the past two years.

Before earning the position of corporate vice president, Aspinall served as executive director of Comcast's corporate risk management department, where he made an impression from the very beginning. In his first four months with Comcast, he conducted 62 one-on-one discussions with leaders from diverse business practices and geographies. This included the international news director in London, the finance lead in Amsterdam, the film group leader in Los Angeles, Universal Parks and Resorts finance lead in Orlando, cable networks finance lead in New York and many more. He held these meetings to convey the general philosophy of the GRM group and to better understand the priorities, business issues and concerns of a representative sampling of the businesses within the company. Aspinall's early networking laid the groundwork for continuing connections with a vast array of business leaders that allows GRM to monitor risk issues that confront the company.

"One of the most effective strategies Sandy implemented early on was to take enough time to conduct a thorough due diligence of all parts of the Comcast organization," said former colleague Karen Berigan, managing director and account executive leader with Aon. "This enabled him to build a trusted internal network very quickly, develop broad credibility for the GRM group, lay the foundation for a collaborative approach to risk and to educate the firm more about risk management matters."



Aspinall was going to need all the collaboration he could get. He inherited two very disparate businesses, Comcast Cable and NBCUniversal, part of an \$80 billion organization that was operating in silos and acting as if they were a mid-sized company. But through strategic initiatives and thoughtful planning, Aspinall integrated the people, processes and programs on an improvement continuum to develop a more cohesive and effective risk management approach. Through his efforts, he has transformed the global risk management function at Comcast Corporation in just four short years and realized nearly \$114 million in savings. The major wins during his time at Comcast include an updated cost allocation strategy and the consolidation of casualty programs.

### Updated Cost Allocation

At Comcast, Aspinall inherited a cost allocation process that had historical relevance but was no longer suitable for the current profile of the company. The methodology allocated the highest cost to certain members of staff with workers compensation class codes that were among the lowest and exacerbated that issue to the extent that some of them were among the highly compensated. The result was those entities with lowest risk paid the most, and those with most risk paid the least—a materially inverted methodology.

In response, Aspinall developed a conceptual approach to more appropriately allocate costs. He executed the concept with certain objectives, including bringing the financial wherewithal and strong balance sheet of the corporation to bear in both economies of scale and ability to handle risk, and ensuring allocation is objective, equitable, repeatable and transparent. Aspinall also encouraged attentiveness to general risk management principals and corporate risk management tenets to manage risk at the entity level. He did not want to unnecessarily impair financial performance at the entity level in allocating variable hazard loss material but rather employ reasonable efforts to minimize volatility.

Over nearly a year, he shared this new methodology with top financial leadership in individual face-to-face discussions in Philadelphia, New York, Orlando and Los Angeles. The new methodology, which required, in certain cases, meaningful adjustment to entities' budgets, was instituted months later at the start of the next fiscal period.

### Consolidation of Casualty Programs

Aspinall inherited three primary casualty programs, one for each of three major subsidiaries at Comcast Corporation. Although there may have been some historical, financial and organizational rationale for the segregated structure, he believed program consolidation would provide a number of important benefits. The consolidation required the convergence of the following components: incorporation of the NBCUniversal entity into the company's captive insurer; conveying to the underwriting community the portfolio benefits of consolidating very disparate businesses; revised cost allocation methodology to soften the impact to smaller entities in assuming higher retentions; and a three-year rate guarantee and formulaic approach to collateral coverage.

These efforts resulted in the consolidation of the three programs into one corporate program for all wholly owned U.S. companies, which homogenized all retention and limits for all companies and all lines of coverage. This was developed and discussed with all key constituents a revised costs allocation methodology that encouraged operational control and adoption of risk management principals at the operating level, mitigated volatility in diversifying the pool of liabilities, more broadly utilizing the Comcast captive insurer, and executing on the new allocation model. Ultimately, the consolidation of casualty programs resulted in \$1 million cash savings.

“Sandy has optimized the company's threshold of risk retention and transfer in respectfully leveraging the risk transfer market and more broadly engaging internal, formalized risk financing resources, notably via Comcast's two captive insurers,” said Michael Cavanagh, senior executive vice president and chief financial officer at Comcast. “Perhaps even more important, he has elevated the risk awareness and sensitivity of the entire leadership team as well as a broad group of our operating managers around the globe.”

### Claims Management Success

Aspinall leads the efforts of the claims management teams that support Comcast GRM by providing oversight, management and advocacy for the company's large claims portfolio. In early 2014, Aspinall and his team began a project to accelerate mature claims closure where possible. The initiative, which is ongoing, has closed 1,305 claims at \$26,211,031



under existing outstanding reserve and \$79,547,456 of ultimate value through Sept. 30, 2017 (excluding claim closures and values in the normal course of business). The initiative has also reduced, dollar-for-dollar, the outstanding liabilities of the claims closed, eliminated the upside/adverse development potential for the claims that were closed, and improved the historical aggregate loss experience that enhances the prospective perception of Comcast's risk profile. The team also succeeded in reducing the collateral obligations that are tied to estimated outstanding liability. Having winnowed the portfolio to the currently "unclosable" claims, the project laid the foundation for a potential loss portfolio transfer to be insured in one of Comcast's two captive insurers, gaining yet another benefit.

Aspinall's efforts uncovered an important trove of useful loss statistics that were not being fully leveraged. The insurance team used the data for underwriting purposes, but useful data, connected to workers comp, human resources and other areas was not being leveraged for other teams, namely the environmental, health, and safety (EHS) group.

Aspinall and his team worked in close cooperation with EHS to support each other to reduce on-the-job injury and improve the bottom line. They identified trends in how people were getting hurt, best practices for reducing injuries, and identified opportunities to be best in class when it comes to leveraging technology such as wearables to reduce injury. Based on these efforts, there is now a network that is able to access usable data and make it actionable.

In terms of property risk control, Comcast GRM has made good progress in reducing outstanding property loss engineering using recommendations submitted by risk engineering firms on Comcast's property program. Aspinall and his team developed a return on investment analysis that prioritized recommendations with the highest risk reduction yield, presented this to senior management and received budget approval to proceed in spending approximately \$1 million to reduce loss expectancy by \$12 billion.

### **Collaboration and Mentorship**

Aspinall's interest and enthusiasm for risk management and insurance continues to grow. He has enjoyed tremendous diversity of experience in his role as a team leader for large, complex global clients in his prior position as a broker. This

experience working with clients in different industries around the globe allowed his considerable problem-solving capabilities to be regularly exercised. It also provided outstanding learning experiences that exposed him to international compliance issues, captive risk financing, alternative coverages more common in certain geographies, and a recognition and appreciation for cultural and language differences that enables him to enjoy a rich and fulfilling life and work experience.

Aspinall takes great pleasure in sharing his experiences with his colleagues and team members. He looks for opportunities for "teaching moments" and is known for his very effective, if crudely drawn, visual explanations of risk concepts. He regularly depicts concepts like paid loss development curves and impact on program collateral, rate relativity for layering excess liability, and E&O and D&O programs. He used his own analysis to restructure a D&O program, challenging the broker with his approach. The result after securing a \$400 million program and premium of \$2.3 million was within \$6,500 of Aspinall's pro-forma.

Aspinall's passion for technical knowledge on risk and insurance have continued in his role leading the GRM team at Comcast. He built his own team from a promising group of individuals he hand-selected to support his strategy and vision. Most members of the team were relatively early in their careers and had limited risk management experience, but Aspinall was able to use his customary mentorship style to help nurture the team, encourage their successes, and support the occasional failures, all while making them an integral part of the Comcast organization.

Aspinall has spent almost the entirety of his working life in risk management, and he does not see anything changing any time soon. It is a field he is passionate about and one he feels is necessary for any business hoping to succeed.

"Appropriately engaged and thoughtfully deployed, the risk management function can—and often does—have meaningful and important impact on the business," Aspinall said. "With the right resources and toolkit, risk management protects vital assets and enables the company to thrive, while calibrating opportunity with risk. I have the good fortune of working for a terrific leadership team that values the function and enables the risk team to contribute in ways that helps them lead a better business." ♦