

## Aon-Willis Towers Watson merger collapse

Aon plc (NYSE: AON) and Willis Towers Watson (NASDAQ: WLTW) called off a \$30 billion merger agreement in what would have created the world's largest insurance broker, and have blamed U.S. regulators' objections for unacceptable delays and uncertainty.

"Over the last 16 months, our colleagues have turned potential challenges into opportunities to advance our Aon United strategy. We built on our track record of innovation, continued to deliver industry-leading performance and progress against our key financial metrics and move forward with the strongest colleague engagement and client feedback scores in over a decade." - Aon CEO Greg Case

Aon cited an "impasse" with the U.S. Department of Justice (DOJ) as the reason behind the decision to scrap the business combination agreement and end litigation with the DOJ, 16 months after the deal was first announced on 9<sup>th</sup> March 2020.

U.S. Attorney General Merrick Garland called the termination "a victory for competition and for American businesses" because employers "rely on insurance brokers like Aon and Willis Towers Watson for managing the complexities of these health and retirement benefits," he said.

In its complaint, the DOJ said the merger would "remake the Big Three into a Big Two" in the insurance world, and "eliminate substantial head-to-head competition and likely lead to higher prices and less innovation, harming American businesses and their customers, employees and retirees".

The insurance mega-deal had recently been approved by the competition watchdog in the EU, what would have been the merged insurance giant's other main market.

Aon will pay a \$1 billion termination fee to Willis Towers Watson, the statement said, and the two firms will "move forward independently."