

Justice News

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Justice Department Sues to Block Aon's Acquisition of Willis Towers Watson

Acquisition Would Create Broking Behemoth and Eliminate Competition Between Two of the "Big Three" Insurance Brokers

The U.S. Department of Justice filed a civil antitrust lawsuit today to block Aon's \$30 billion proposed acquisition of Willis Towers Watson, a transaction that would bring together two of the "Big Three" global insurance brokers. As alleged in the complaint filed in the U.S. District Court for the District of Columbia, the merger threatens to eliminate competition, raise prices, and reduce innovation for American businesses, employers, and unions that rely on these important services.

"Today's action demonstrates the Justice Department's commitment to stopping harmful consolidation and preserving competition that directly and indirectly benefits Americans across the country," said Attorney General Merrick B. Garland. "American companies and consumers rely on competition between Aon and Willis Towers Watson to lower prices for crucial services, such as health and retirement benefits consulting. Allowing Aon and Willis Towers Watson to merge would reduce that vital competition and leave American customers with fewer choices, higher prices, and lower quality services."

Aon and Willis Towers Watson provide essential guidance to many of America's largest companies. American companies depend on them to craft and administer health and retirement benefits, and to keep their costs down by managing complex and evolving risks. They compete head to head to provide these services, which helps ensure businesses obtain innovative, high-quality broking services to manage their risks and provide critical health and retirement benefits to their employees at a reasonable cost. As the complaint alleges, the merger would eliminate this important competition in five markets, resulting in higher costs to companies, higher costs to consumers, and decreased quality and innovation.

The merger between Aon and Willis Towers Watson would combine two of the "Big Three" insurance brokers who, as alleged in the complaint, can offer global service, sophisticated data and analytics, and a breadth and depth of knowledge and expertise that other brokers do not

offer. As alleged in the complaint, Aon and Willis Towers Watson operate “in an oligopoly” and “will have even more [leverage] when [the] Willis deal is closed.” If permitted to merge, Aon and Willis Towers Watson could use their increased leverage to raise prices and reduce the quality of products relied on by thousands of American businesses — and their customers, employees, and retirees.

Although Aon and Willis Towers Watson have agreed to certain divestitures in connection with investigations by various international competition agencies, the complaint alleges these proposed remedies are inadequate to protect consumers in the United States. The complaint also alleges the U.S.-focused divestitures in health benefits and commercial risk broking, in particular, are wholly insufficient to resolve the department’s significant concerns.

Aon plc is incorporated in Ireland and headquartered in London. It has approximately 50,000 employees and offices in approximately 120 countries, including over 100 offices in the United States. In 2020, Aon reported revenues of more than \$11 billion.

Willis Towers Watson plc is incorporated in Ireland and headquartered in London. It has approximately 45,000 employees and offices in more than 80 countries, including over 80 offices in the United States. In 2020, Willis Towers Watson reported revenues of more than \$9 billion.