



## Mergers: Commission opens in-depth investigation into proposed acquisition of Willis Towers Watson by Aon

Brussels, 21 December 2020

The European Commission has opened an in-depth investigation to assess the proposed acquisition of Willis Towers Watson by Aon, under the EU Merger Regulation. Aon and Willis Tower Watson are both insurance and re-insurance brokers, as well as providers of other professional services to corporate customers.

Executive Vice-President Margrethe **Vestager**, responsible for competition policy, said: *"Aon and Willis Towers Watson are two leading companies in the market for insurance and re-insurance brokerage. They help companies with their risk management and with finding the right insurers for their needs. We have opened an in-depth investigation to assess carefully whether the transaction could lead to negative effects for competition, less choice and higher prices for European customers in the commercial risk brokerage market."*

Aon and Willis Towers Watson are both leading companies in the markets for commercial risk brokerage services, re-insurance brokerage and provision of retirement and health & welfare services to commercial customers. The Commission is concerned that the proposed transaction could significantly reduce competition in those markets.

### The Commission's preliminary competition concerns

The Commission's initial market investigation identified a number of concerns in relation to the supply of commercial brokerage services especially to large multi-national customers, who depend on brokers with a high level of expertise and a global presence.

In particular, the Commission is concerned that the transaction may reduce the competition as regards:

- brokerage services to large multi-national customers in the risk classes Property & Casualty, Financial and Professional services, Credit and Political risk, Cyber and Marine;
- Brokerage services to customers of all sizes for Space and Aerospace manufacturing risks as well as in a few additional risk classes in specific national markets.

At this stage, the Commission considers that Aon and Willis Towers Watson are two of the very few brokers that are able to provide these services on a multi-national scale.

In parallel, the Commission will also further examine markets where both Aon and Willis Towers Watson are active, namely:

- the provision of reinsurance brokerage services, which comprises the mediation of risks between insurance and reinsurance companies. The transaction would combine two of the three leading reinsurance brokers and thereby may reduce choice for insurance companies placing their risks with reinsurance companies; and
- the provision of consulting and administration services to companies regarding the retirement, health and welfare schemes offered to their employees.

The Commission will now carry out an in-depth investigation into the effects of the transaction to determine whether it is likely to significantly reduce effective competition.

During the initial investigation, the Commission has been closely cooperating with competition authorities around the world. It will continue this cooperation also during the in-depth investigation.

The transaction was notified to the Commission on 16 November 2020. Aon and Willis Towers Watson have decided not to submit commitments during the initial investigation to address the Commission's preliminary concerns. The Commission now has 90 working days, until 10 May 2021, to take a decision. The opening of an in-depth inquiry does not preclude the final result of the investigation.

## Companies and products

**Aon** is a publicly traded company domiciled in Ireland, headquartered in London and listed on the New York Stock Exchange. It offers services to companies in commercial risk brokerage, reinsurance brokerage as well as retirement, health and welfare consulting and administration services. Aon is active worldwide in more than 120 countries.

**Willis Towers Watson ('WTW')** is a publicly traded company domiciled in Ireland, headquartered in London and listed on NASDAQ Global Select Market. It offers services to companies in commercial risk brokerage, reinsurance brokerage as well as retirement, health and welfare consulting administration services. WTW has business activities in more than 140 countries.

## Merger control and procedure

The Commission has the duty to assess mergers and acquisitions involving companies with a turnover above certain thresholds (see Article 1 of the [Merger Regulation](#)) and to prevent concentrations that would significantly impede effective competition in the European Economic Area or any substantial part of it.

The vast majority of notified mergers do not pose competition problems and are cleared after a routine review. From the moment a transaction is notified, the Commission generally has 25 working days to decide whether to grant approval (Phase I) or to start an in-depth investigation (Phase II).

In addition to the current transaction, there are six ongoing Phase II merger investigations: the [proposed acquisition of Chantiers de l'Atlantique by Fincantieri](#), the [proposed acquisition of DSME by HHiH](#), the [proposed acquisition of GrandVision by EssilorLuxottica](#), the [proposed acquisition of Transat by Air Canada](#), the [proposed acquisition of Refinitiv by London Stock Exchange Group](#) and the [proposed acquisition of Eaton Hydraulics by Danfoss](#).

More information will be available on the Commission's [competition website](#), in the Commission's [public case register](#) under the case number [M.9829](#).

IP/20/2512

Press contacts:

[Arianna PODESTA](#) (+32 2 298 70 24)

[Giulia ASTUTI](#) (+32 2 295 53 44)

General public inquiries: [Europe Direct](#) by phone [00 800 67 89 10 11](#) or by [email](#)