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## Feds block Aon's bid for Willis Towers Watson

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By Editorial Staff Thu, Jun 17, 2021

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*In suing to block the mega-merger, the Justice Department said the merged firms could 'use their increased leverage to raise prices and reduce the quality of products relied on by thousands of American businesses.'*

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The US Department of Justice (DOJ) filed a civil antitrust lawsuit this week to block Aon's \$30 billion proposed acquisition of Willis Towers Watson, which would merge two of the three biggest global insurance brokers. "The merger threatens to eliminate competition, raise prices, and reduce innovation for American businesses, employers, and unions," said a DOJ release.

According to the [release](#):

"Aon and Willis Towers Watson... compete head to head to... 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. 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."

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.

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