



COMESA Competition Commission
Kang'ombe House, 5th Floor-West Wing
P.O. Box 30742
Lilongwe 3, Malawi
Tel: +265 (0) 1 772 466
Email- compcom@comesa.int



**Common Market for Eastern
and Southern Africa**

Case File No. CCC/MER/6/19/2020

**Decision¹ of the Seventy-Third (73rd) Committee Responsible for
Initial Determination Regarding the Merger between Aon plc and
Willis Towers Watson Public Limited Company**

ECONOMIC SECTOR: Insurance

A handwritten signature in black ink, consisting of several loops and a long horizontal stroke.

12th November 2020

¹ In the published version of this decision, some information has been omitted pursuant to Rule 73 of the COMESA Competition Rules concerning non-disclosure of business secrets and other confidential information. Where possible, the information omitted has been replaced by ranges of figures or a general description.

A handwritten signature in black ink, appearing to be the letters "BML" in a stylized, cursive font.

A handwritten signature in black ink, consisting of a circular loop followed by a long horizontal stroke.

Information and Relevant Background

1. On 5th August 2020, the COMESA Competition Commission (hereinafter referred to as the “**Commission**”) received a notification for approval of the merger between Aon plc (“**AON**”) and Willis Towers Watson Public Limited Company (“**WTW**”).
2. The transaction was notified with the Commission under Article 24(1) of the COMESA Competition Regulations, 2004 (the “**Regulations**”). Pursuant to Article 26 of the Regulations, the Commission is required to assess whether the transaction between the parties would, or is likely to have the effect of substantially preventing or lessening competition or would be contrary to public interest in the Common Market.
3. The Committee Responsible for Initial Determination (the “**CID**”) established that the parties operate in more than one COMESA Member State and they meet the prescribed merger notification thresholds. This therefore means that the regional dimension requirement under Article 23(3) of the Regulations is satisfied and asserts jurisdiction on the Commission to assess the transaction.

The Parties

AON

4. It was submitted that Aon is a publicly traded company domiciled in Ireland, headquartered in London and listed on the New York Stock Exchange. It is a global professional services company offering a range of insurance brokerage and consulting services relating to risk, retirement and health solutions. AON serves clients in the following COMESA Member States: Burundi, Comoros, Democratic Republic of Congo, Egypt, eSwatini, Kenya, Madagascar, Malawi, Mauritius, Rwanda, Seychelles, Tunisia, Uganda, Zambia and Zimbabwe.

WTW

5. It was submitted that WTW, is a publicly traded company headquartered in London and listed on the NASDAQ Global Select Market. WTW is a global advisory, broking and solutions company offering a range of risk management, insurance brokerage, and healthcare benefit services. WTW serves clients in the following COMESA Member States: Democratic Republic of Congo, Djibouti, Egypt, eSwatini, Ethiopia, Kenya, Libya, Madagascar, Mauritius, Seychelles, Tunisia, Uganda, Zambia and Zimbabwe.

Nature of the Transaction

6. The parties have submitted that on 9th March 2020, Aon entered into a business combination agreement with WTW to combine in an all-stock transaction. The proposed transaction will be implemented by a court-sanctioned scheme of arrangement pursuant to which Aon will acquire the entire issued and to be issued share capital of WTW in exchange for shares of Aon. Upon completion of the Proposed Transaction, existing Aon shareholders will own approximately 63% and existing WTW shareholders will own approximately 37% of the post-transaction combined company.
7. It was submitted that the strategic and economic rationale for the Proposed Transaction is to combine the Parties’ complementary assets to better address evolving client needs in an

BML



21

increasingly competitive landscape and accelerate the creation of new solutions that more efficiently match capital with risk in areas where currently there is either no or sub-optimal cover, including in high-growth areas like cyber, delegated investments, intellectual property, climate risk and health solutions.

Competition Analysis

8. The CID defined the relevant product markets as follows:
 - a. **The distribution of commercial non-life insurance; and**
 - b. **The distribution of non-life reinsurance.**
9. The relevant geographic market was defined as global.
10. The CID observed that the merger will lead to a change in the market structure in both the distribution of non-life insurance and the distribution of non-life reinsurance. The CID observed that the change in the market shares in the distribution of non-life insurance is insignificant and within the Common Market, Mauritius is the only country which is affected. In the case of distribution of non-life reinsurance, the CID observed that the merger results in a significant change in the global market structure resulting in the merged entity emerging as a leading player in the market.
11. The CID reached a conclusion that despite the changes in the market structure, competition will continue to thrive post-merger due to the presence of low barriers to entry, countervailing power and competitive pressure from other providers of the similar products.

Determination

12. The CID determined that the merger is not likely to substantially lessen or prevent competition in the Common Market or any a substantial part of it. The CID further determined that the transaction is unlikely to negatively affect trade between Member States. The CID therefore approved the transaction.
13. This decision is adopted in accordance with Article 26 of the Regulations.

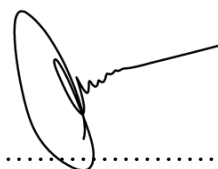
Dated this 12th November 2020



Commissioner Brian M. Lingela (Chairperson)



Commissioner Michael Teklu Beyene



Commissioner Islam Tagelsir Ahmed Alhasan