



Australian Government



Australian
**Small Business and
Family Enterprise**
Ombudsman

15 October 2020

Mr Tim Byrne and Mr Nicholas Wellfare
The Australian Competition and Consumer Commission
Mergers
23 Marcus Clarke Street
Canberra ACT 2601
via email: mergers@accc.gov.au

Dear Mr Byrne and Mr Wellfare

Aon proposed combination with Willis Towers Watson

We are concerned about the potential impact of this merger on small business. This proposed merger comes in the context of a hardening cycle in the insurance market and a trend of consolidation in the Australian insurance brokerage market.

In our current inquiry into insurance in Australia, the key issues that are being raised with us by small businesses are that insurance is becoming increasingly expensive and difficult to obtain. Brokers play a critical role for these businesses in navigating the complexity of the market to find cost effective insurance that meets their needs. Small businesses who have access to quality brokers may access better suited products than if they purchase directly through an insurer. As such, ensuring there is sufficient market competition to maintain high quality service and fair fees is important for small business.

The combination of two of the three largest global insurance brokerage firms to form the largest global firm must necessarily impact supply and competition across the market in Australia. Given that brokers are compensated by their customers through fees and are already impacted by the hardening cycle, further market concentration that contributes to increased prices paid by small businesses is unacceptable. As such, the ACCC should require divestiture of relevant assets to ensure that this is not the case in the Australian market.

Thank you for the opportunity to comment. If you would like to discuss this matter further, please contact Mr Luke Collins on 02 6213 7540 or at luke.collins@asbfeo.gov.au.

Yours sincerely

Kate Carnell AO
Australian Small Business and Family Enterprise Ombudsman

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