

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

WASHINGTON, D.C. 20549

FORM 10-Q

**QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934**

FOR THE QUARTERLY PERIOD ENDED SEPTEMBER 30, 2022

OR

**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934**

Commission file number 1-7933

Aon plc

(Exact Name of Registrant as Specified in Its Charter)

IRELAND

(State or Other Jurisdiction of
Incorporation or Organization)

Metropolitan Building, James Joyce Street, Dublin 1, Ireland
(Address of principal executive offices)

98-1539969

(I.R.S. Employer
Identification No.)

D01 K0Y8
(Zip Code)

+353 1 266 6000

(Registrant's Telephone Number,
Including Area Code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A Ordinary Shares \$0.01 nominal value	AON	New York Stock Exchange
Guarantees of Aon plc's 4.00% Senior Notes due 2023	AON23	New York Stock Exchange
Guarantees of Aon plc's 3.50% Senior Notes due 2024	AON24	New York Stock Exchange
Guarantees of Aon plc's 3.875% Senior Notes due 2025	AON25	New York Stock Exchange
Guarantees of Aon plc's 2.875% Senior Notes due 2026	AON26	New York Stock Exchange
Guarantees of Aon Corporation and Aon Global Holdings plc's 2.85% Senior Notes due 2027	AON27	New York Stock Exchange
Guarantees of Aon Corporation and Aon Global Holdings plc's 2.05% Senior Notes due 2031	AON31	New York Stock Exchange
Guarantees of Aon Corporation and Aon Global Holdings plc's 2.60% Senior Notes due 2031	AON31A	New York Stock Exchange
Guarantees of Aon Corporation and Aon Global Holdings plc's 5.00% Senior Notes due 2032	AON32	New York Stock Exchange
Guarantees of Aon plc's 4.25% Senior Notes due 2042	AON42	New York Stock Exchange
Guarantees of Aon plc's 4.45% Senior Notes due 2043	AON43	New York Stock Exchange
Guarantees of Aon plc's 4.60% Senior Notes due 2044	AON44	New York Stock Exchange
Guarantees of Aon plc's 4.75% Senior Notes due 2045	AON45	New York Stock Exchange
Guarantees of Aon Corporation and Aon Global Holdings plc's 2.90% Senior Notes due 2051	AON51	New York Stock Exchange
Guarantees of Aon Corporation and Aon Global Holdings plc's 3.90% Senior Notes due 2052	AON52	New York Stock Exchange

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of “large accelerated filer,” “accelerated filer,” “smaller reporting company,” and “emerging growth company” in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

Number of class A ordinary shares of Aon plc, \$0.01 nominal value, outstanding as of October 27, 2022: 206,852,936

INFORMATION CONCERNING FORWARD-LOOKING STATEMENTS

This report contains certain statements related to future results, or states our intentions, beliefs, and expectations or predictions for the future, all of which are forward-looking statements as that term is defined in the Private Securities Litigation Reform Act of 1995. Forward-looking statements represent management's expectations or forecasts of future events. Forward-looking statements are typically identified by words such as "anticipate," "believe," "estimate," "expect," "forecast," "project," "intend," "plan," "probably," "potential," "looking forward," "continue," and other similar terms, and future or conditional tense verbs like "could," "may," "might," "should," "will," and "would." You can also identify forward-looking statements by the fact that they do not relate strictly to historical or current facts. For example, we may use forward-looking statements when addressing topics such as: market and industry conditions, including competitive and pricing trends; changes in our business strategies and methods of generating revenue; the development and performance of our services and products; changes in the composition or level of our revenues; our cost structure and the outcome of cost-saving or restructuring initiatives; the outcome of contingencies; dividend policy; the expected impact of acquisitions, dispositions, and other significant transactions or the termination thereof; litigation and regulatory matters; pension obligations; cash flow and liquidity; expected effective tax rate; expected foreign currency translation impacts; potential changes in laws or future actions by regulators; and the impact of changes in accounting rules. These forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from either historical or anticipated results depending on a variety of factors. Potential factors, which may be revised or supplemented in subsequent reports filed or furnished with the Securities and Exchange Commission (the "SEC"), that could impact results include:

- changes in the competitive environment, due to macroeconomic conditions or otherwise, or damage to our reputation;
- fluctuations in currency exchange, interest or inflation rates that could impact our financial condition or results;
- changes in global equity and fixed income markets that could affect the return on invested assets;
- changes in the funded status of our various defined benefit pension plans and the impact of any increased pension funding resulting from those changes;
- the level of our debt and the terms thereof reducing our flexibility or increasing borrowing costs;
- rating agency actions that could limit our access to capital and our competitive position;
- our global tax rate being subject to a variety of different factors, which could create volatility in that tax rate;
- changes in our accounting estimates and assumptions on our financial statements;
- limits on our subsidiaries' ability to pay dividends or otherwise make payments to us;
- the impact of legal proceedings and other contingencies, including those arising from acquisition or disposition transactions, errors and omissions and other claims against us;
- the impact of, and potential challenges in complying with, laws and regulations of the jurisdictions in which we operate, particularly given the global nature of operations and the possibility of differing or conflicting laws and regulations, or the application or interpretation thereof, across such jurisdictions;
- the impact of any regulatory investigations brought in Ireland, the United Kingdom (the "U.K."), the United States (the "U.S.") and other countries;
- failure to protect intellectual property rights or allegations that we have infringed on the intellectual property rights of others;
- general economic and political conditions in the countries in which we do business around the world, including the withdrawal of the U.K. from the European Union (the "E.U.");
- the failure to retain, attract and develop experienced and qualified personnel;
- international risks associated with our global operations, including impacts from military conflicts or political instability, such as the ongoing Russian war in Ukraine;
- the effects of natural or man-made disasters, including the effects of the COVID-19 and other health pandemics and the impacts of climate change;
- any system or network disruption or breach resulting in operational interruption or improper disclosure of confidential, personal, or proprietary data, and resulting liabilities or damage to our reputation;

- our ability to develop, implement, update and enhance new technology;
- the actions taken by third parties that perform aspects of our business operations and client services;
- the extent to which we are exposed to certain risks, including lawsuits, related to our actions we may take in being responsible for making decisions on behalf of clients in our investment businesses or in other advisory services that we currently provide, or will provide in the future;
- our ability to continue, and the costs and risks associated with, growing, developing and integrating acquired business, and entering into new lines of business or products;
- our ability to secure regulatory approval and complete transactions, and the costs and risks associated with the failure to consummate proposed transactions;
- changes in commercial property and casualty markets, commercial premium rates or methods of compensation;
- our ability to implement initiatives intended to yield cost savings and the ability to achieve those cost savings; and
- the effects of Irish law on our operating flexibility and the enforcement of judgments against us.

Any or all of our forward-looking statements may turn out to be inaccurate, and there are no guarantees about our performance. The factors identified above are not exhaustive. Aon and its subsidiaries operate in a dynamic business environment in which new risks may emerge frequently. Accordingly, readers should not place undue reliance on forward-looking statements, which speak only as of the dates on which they are made. We are under no (and expressly disclaim any) obligation to update or alter any forward-looking statement that we may make from time to time, whether as a result of new information, future events, or otherwise. Further information about factors that could materially affect Aon, including our results of operations and financial condition, is contained in the “Risk Factors” section in Part I, Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2021.

These factors may be revised or supplemented in our subsequent periodic filings with the SEC.

Table of Contents

PART I

Item 1. Financial Statements

Aon plc Condensed Consolidated Statements of Income

Aon plc Condensed Consolidated Statements of Comprehensive Income

Aon plc Condensed Consolidated Statements of Financial Position

Aon plc Condensed Consolidated Statements of Shareholders' Equity

Aon plc Condensed Consolidated Statements of Cash Flows

Notes to Condensed Consolidated Financial Statements

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Item 3. Quantitative and Qualitative Disclosures about Market Risk

Item 4. Controls and Procedures

PART II

Item 1. Legal Proceedings

Item 1A. Risk Factors

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Item 3. Defaults Upon Senior Securities

Item 4. Mine Safety Disclosures

Item 5. Other Information

Item 6. Exhibits

Signature

Exhibit Index

The below definitions apply throughout this report unless the context requires otherwise:

<u>Term</u>	<u>Definition</u>
AGI	Allianz Global Investors U.S. LLC
AUM	Assets Under Management
CCC	Christchurch City Council
CODM	Chief Operating Decision Maker
DCF	Discounted Cash Flow
E&O	Errors and Omissions
EBITDA	Earnings Before Interest, Taxes, Depreciation, and Amortization
EMEA	Europe, the Middle East, and Africa
ERISA	Employee Retirement Income Security Act of 1974
ESG	Environmental, Social, and Governance
E.U.	European Union
FCA	Financial Conduct Authority
GAAP	Generally Accepted Accounting Principles
LOC	Letter of Credit
NEBC	National Employee Benefits Committee
P&C	Property and Casualty
PSA	Performance Share Awards
RSU	Restricted Share Units
SEC	Securities and Exchange Commission
U.K.	United Kingdom
U.S.	United States
WTW	Willis Towers Watson Public Limited Company

Part I Financial Information
Item 1. Financial Statements

Aon plc
Condensed Consolidated Statements of Income
(Unaudited)

<i>(millions, except per share data)</i>	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Revenue				
Total revenue	\$ 2,696	\$ 2,702	\$ 9,349	\$ 9,113
Expenses				
Compensation and benefits	1,532	1,835	4,938	5,182
Information technology	133	130	371	359
Premises	71	98	216	251
Depreciation of fixed assets	37	56	115	138
Amortization and impairment of intangible assets	34	36	87	112
Other general expense	299	1,348	965	1,955
Total operating expenses	2,106	3,503	6,692	7,997
Operating income (loss)	590	(801)	2,657	1,116
Interest income	7	3	15	9
Interest expense	(103)	(80)	(296)	(237)
Other income (expense)	16	10	71	7
Income (loss) before income taxes	510	(868)	2,447	895
Income tax expense	92	23	467	460
Net income (loss)	418	(891)	1,980	435
Less: Net income attributable to noncontrolling interests	10	9	48	43
Net income (loss) attributable to Aon shareholders	\$ 408	\$ (900)	\$ 1,932	\$ 392
Basic net income (loss) per share attributable to Aon shareholders				
	\$ 1.93	\$ (3.99)	\$ 9.06	\$ 1.73
Diluted net income (loss) per share attributable to Aon shareholders				
	\$ 1.92	\$ (3.99)	\$ 9.00	\$ 1.72
Weighted average ordinary shares outstanding - basic				
	210.9	225.4	213.2	226.5
Weighted average ordinary shares outstanding - diluted				
	212.6	225.4	214.6	227.7

See accompanying Notes to Condensed Consolidated Financial Statements (Unaudited).

Aon plc
Condensed Consolidated Statements of Comprehensive Income
(Unaudited)

<i>(millions)</i>	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Net income (loss)	\$ 418	\$ (891)	\$ 1,980	\$ 435
Less: Net income attributable to noncontrolling interests	10	9	48	43
Net income (loss) attributable to Aon shareholders	408	(900)	1,932	392
Other comprehensive income (loss), net of tax:				
Change in fair value of financial instruments	(8)	(5)	(16)	5
Foreign currency translation adjustments	(676)	(153)	(1,119)	(108)
Postretirement benefit obligation	26	25	87	87
Total other comprehensive loss	(658)	(133)	(1,048)	(16)
Less: Other comprehensive income attributable to noncontrolling interests	1	—	—	—
Total other comprehensive loss attributable to Aon shareholders	(659)	(133)	(1,048)	(16)
Comprehensive income (loss) attributable to Aon shareholders	\$ (251)	\$ (1,033)	\$ 884	\$ 376

See accompanying Notes to Condensed Consolidated Financial Statements (Unaudited).

Aon plc
Condensed Consolidated Statements of Financial Position

(Unaudited)
September 30, December 31,
2022 2021

(millions, except nominal value)

	September 30, 2022	December 31, 2021
Assets		
Current assets		
Cash and cash equivalents	\$ 692	\$ 544
Short-term investments	251	292
Receivables, net	2,971	3,094
Fiduciary assets	14,699	14,386
Other current assets	563	716
Total current assets	19,176	19,032
Goodwill	7,979	8,434
Intangible assets, net	456	492
Fixed assets, net	510	529
Operating lease right-of-use assets	668	786
Deferred tax assets	819	766
Prepaid pension	1,140	1,366
Other non-current assets	475	512
Total assets	\$ 31,223	\$ 31,917
Liabilities and equity (deficit)		
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	\$ 1,798	\$ 2,192
Short-term debt and current portion of long-term debt	711	1,164
Fiduciary liabilities	14,699	14,386
Other current liabilities	1,480	1,331
Total current liabilities	18,688	19,073
Long-term debt	10,116	8,228
Non-current operating lease liabilities	667	772
Deferred tax liabilities	332	401
Pension, other postretirement, and postemployment liabilities	1,237	1,375
Other non-current liabilities	853	910
Total liabilities	31,893	30,759
Equity (deficit)		
Ordinary shares - \$0.01 nominal value Authorized: 500.0 shares (issued: 2022 - 207.6; 2021 - 214.8)	2	2
Additional paid-in capital	6,772	6,624
Accumulated deficit	(2,638)	(1,694)
Accumulated other comprehensive loss	(4,919)	(3,871)
Total Aon shareholders' equity (deficit)	(783)	1,061
Noncontrolling interests	113	97
Total equity (deficit)	(670)	1,158
Total liabilities and equity (deficit)	\$ 31,223	\$ 31,917

See accompanying Notes to Condensed Consolidated Financial Statements (Unaudited).

Aon plc
Condensed Consolidated Statements of Shareholders' Equity (Deficit)
(Unaudited)

<i>(millions)</i>	Shares	Ordinary Shares and Additional Paid- in Capital	Retained Earnings (Accumulated Deficit)	Accumulated Other Comprehensive Loss, Net of Tax	Non- controlling Interests	Total
Balance at January 1, 2022	214.8	\$ 6,626	\$ (1,694)	\$ (3,871)	\$ 97	\$ 1,158
Net income	—	—	1,023	—	25	1,048
Shares issued - employee stock compensation plans	0.9	(116)	—	—	—	(116)
Shares repurchased	(2.8)	—	(828)	—	—	(828)
Share-based compensation expense	—	119	—	—	—	119
Dividends to shareholders (\$0.51 per share)	—	—	(110)	—	—	(110)
Net change in fair value of financial instruments	—	—	—	1	—	1
Net foreign currency translation adjustments	—	—	—	(6)	(1)	(7)
Net postretirement benefit obligation	—	—	—	33	—	33
Dividends paid to noncontrolling interests on subsidiary common stock	—	—	—	—	(7)	(7)
Balance at March 31, 2022	212.9	\$ 6,629	\$ (1,609)	\$ (3,843)	\$ 114	\$ 1,291
Net income	—	—	501	—	13	514
Shares issued - employee stock compensation plans	0.4	(50)	—	—	—	(50)
Shares repurchased	(1.7)	—	(500)	—	—	(500)
Share-based compensation expense	—	92	—	—	—	92
Dividends to shareholders (\$0.56 per share)	—	—	(119)	—	—	(119)
Net change in fair value of financial instruments	—	—	—	(9)	—	(9)
Net foreign currency translation adjustments	—	—	—	(436)	—	(436)
Net postretirement benefit obligation	—	—	—	28	—	28
Dividends paid to noncontrolling interests on subsidiary common stock	—	—	—	—	(23)	(23)
Balance at June 30, 2022	211.6	\$ 6,671	\$ (1,727)	\$ (4,260)	\$ 104	\$ 788
Net income	—	—	408	—	10	418
Shares issued - employee stock compensation plans	0.2	11	(1)	—	—	10
Shares repurchased	(4.2)	—	(1,200)	—	—	(1,200)
Share-based compensation expense	—	93	—	—	—	93
Dividends to shareholders (\$0.56 per share)	—	—	(118)	—	—	(118)
Net change in fair value of financial instruments	—	—	—	(8)	—	(8)
Net foreign currency translation adjustments	—	—	—	(677)	1	(676)
Net postretirement benefit obligation	—	—	—	26	—	26
Purchases of subsidiary shares from noncontrolling interests	—	(1)	—	—	(1)	(2)
Dividends paid to noncontrolling interests on subsidiary common stock	—	—	—	—	(1)	(1)
Balance at September 30, 2022	207.6	\$ 6,774	\$ (2,638)	\$ (4,919)	\$ 113	\$ (670)

<i>(millions)</i>	Shares	Ordinary Shares and Additional Paid- in Capital	Retained Earnings (Accumulated Deficit)	Accumulated Other Comprehensive Loss, Net of Tax	Non- controlling Interests	Total
Balance at January 1, 2021	225.5	\$ 6,314	\$ 1,042	\$ (3,861)	\$ 88	\$ 3,583
Net income	—	—	913	—	20	933
Shares issued - employee stock compensation plans	0.9	(87)	—	—	—	(87)
Shares repurchased	(0.2)	—	(50)	—	—	(50)
Share-based compensation expense	—	131	—	—	—	131
Dividends to shareholders (\$0.46 per share)	—	—	(104)	—	—	(104)
Net change in fair value of financial instruments	—	—	—	11	—	11
Net foreign currency translation adjustments	—	—	—	(70)	—	(70)
Net postretirement benefit obligation	—	—	—	29	—	29
Purchases of subsidiary shares from noncontrolling interests	—	(8)	—	—	(6)	(14)
Dividends paid to noncontrolling interests on subsidiary common stock	—	—	—	—	(1)	(1)
Balance at March 31, 2021	226.2	\$ 6,350	\$ 1,801	\$ (3,891)	\$ 101	\$ 4,361
Net income	—	—	379	—	14	393
Shares issued - employee stock compensation plans	0.5	(52)	—	—	—	(52)
Shares repurchased	(1.1)	—	(242)	—	—	(242)
Share-based compensation expense	—	85	—	—	—	85
Dividends to shareholders (\$0.51 per share)	—	—	(115)	—	—	(115)
Net change in fair value of financial instruments	—	—	—	(1)	—	(1)
Net foreign currency translation adjustments	—	—	—	115	—	115
Net postretirement benefit obligation	—	—	—	33	—	33
Dividends paid to noncontrolling interests on subsidiary common stock	—	—	—	—	(10)	(10)
Balance at June 30, 2021	225.6	\$ 6,383	\$ 1,823	\$ (3,744)	\$ 105	\$ 4,567
Net income (loss)	—	—	(900)	—	9	(891)
Shares issued - employee stock compensation plans	0.2	18	(1)	—	—	17
Shares repurchased	(4.4)	—	(1,251)	—	—	(1,251)
Share-based compensation expense	—	130	—	—	—	130
Dividends to shareholders (\$0.51 per share)	—	—	(116)	—	—	(116)
Net change in fair value of financial instruments	—	—	—	(5)	—	(5)
Net foreign currency translation adjustments	—	—	—	(153)	—	(153)
Net postretirement benefit obligation	—	—	—	25	—	25
Dividends paid to noncontrolling interests on subsidiary common stock	—	—	—	—	(24)	(24)
Balance at September 30, 2021	221.4	\$ 6,531	\$ (445)	\$ (3,877)	\$ 90	\$ 2,299

See accompanying Notes to Condensed Consolidated Financial Statements (Unaudited).

Aon plc
Condensed Consolidated Statements of Cash Flows
(Unaudited)

<i>(millions)</i>	Nine Months Ended September 30,	
	2022	2021
Cash flows from operating activities		
Net income	\$ 1,980	\$ 435
Adjustments to reconcile net income to cash provided by operating activities:		
Gain from sales of businesses	(53)	(2)
Depreciation of fixed assets	115	138
Amortization and impairment of intangible assets	87	112
Share-based compensation expense	304	346
Deferred income taxes	(87)	83
Change in assets and liabilities:		
Receivables, net	(146)	(79)
Accounts payable and accrued liabilities	(255)	22
Current income taxes	136	47
Pension, other postretirement and postemployment liabilities	(44)	(101)
Other assets and liabilities	140	250
Cash provided by operating activities	2,177	1,251
Cash flows from investing activities		
Proceeds from investments	71	51
Payments for investments	(95)	(68)
Net sales (purchases) of short-term investments - non fiduciary	15	(2)
Acquisition of businesses, net of cash and funds held on behalf of clients	(154)	(3)
Sale of businesses, net of cash and funds held on behalf of clients	80	8
Capital expenditures	(126)	(102)
Cash used for investing activities	(209)	(116)
Cash flows from financing activities		
Share repurchase	(2,528)	(1,543)
Issuance of shares for employee benefit plans	(156)	(122)
Commercial paper issuances, net of repayments	(425)	151
Issuance of debt	1,967	999
Repayment of debt	—	(413)
Increase in fiduciary liabilities, net of fiduciary receivables	1,200	786
Cash dividends to shareholders	(347)	(335)
Noncontrolling interests and other financing activities	(50)	(117)
Cash used for financing activities	(339)	(594)
Effect of exchange rates on cash and cash equivalents and funds held on behalf of clients	(1,079)	(93)
Net increase in cash and cash equivalents and funds held on behalf of clients	550	448
Cash, cash equivalents and funds held on behalf of clients at beginning of period	6,645	6,573
Cash, cash equivalents and funds held on behalf of clients at end of period	\$ 7,195	\$ 7,021
Reconciliation of cash and cash equivalents and funds held on behalf of clients:		
Cash and cash equivalents	\$ 692	\$ 609
Funds held on behalf of clients	6,503	6,412
Total cash and cash equivalents and funds held on behalf of clients	\$ 7,195	\$ 7,021
Supplemental disclosures:		
Interest paid	\$ 219	\$ 193
Income taxes paid, net of refunds	\$ 418	\$ 330

See accompanying Notes to Condensed Consolidated Financial Statements (Unaudited).

Notes to Condensed Consolidated Financial Statements (Unaudited)

1. Basis of Presentation

The accompanying Condensed Consolidated Financial Statements and Notes thereto have been prepared in accordance with U.S. GAAP. The Condensed Consolidated Financial Statements include the accounts of Aon plc and all of its controlled subsidiaries (“Aon” or the “Company”). Intercompany accounts and transactions have been eliminated. The Condensed Consolidated Financial Statements include, in the opinion of management, all adjustments (consisting of normal recurring adjustments and reclassifications) necessary to present fairly the Company’s consolidated financial position, results of operations and cash flows for all periods presented.

Certain information and disclosures normally included in the Consolidated Financial Statements prepared in accordance with U.S. GAAP have been condensed or omitted. The Condensed Consolidated Financial Statements should be read in conjunction with the Consolidated Financial Statements and Notes thereto included in the Company’s Annual Report on Form 10-K for the year ended December 31, 2021. The results for the three and nine months ended September 30, 2022 are not necessarily indicative of operating results that may be expected for the full year ending December 31, 2022.

Use of Estimates

The preparation of the accompanying Condensed Consolidated Financial Statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the Condensed Consolidated Financial Statements, and the reported amounts of reserves and expenses. These estimates and assumptions are based on management’s best estimates and judgments. Management evaluates its estimates and assumptions on an ongoing basis using historical experience and other factors, including the current economic environment. Management believes its estimates to be reasonable given the current facts available. Aon adjusts such estimates and assumptions when facts and circumstances dictate. Illiquid credit markets, volatile equity markets, and foreign currency exchange rate movements increase the uncertainty inherent in such estimates and assumptions. As future events and their effects cannot be determined with precision, actual results could differ significantly from these estimates. Changes in estimates resulting from continuing changes in the economic environment would, if applicable, be reflected in the Condensed Consolidated Financial Statements in future periods.

Revision of Previously Issued Financial Statements

During the fourth quarter of 2021, the Company identified and corrected an immaterial presentation error related to Funds held on behalf of clients in the Consolidated Statements of Cash Flows. The Company made appropriate revisions to its Condensed Consolidated Statements of Cash Flows for historical periods. Further information is contained in Note 1 “Basis of Presentation” of the Notes to Consolidated Financial Statements in Part II, Item 8 of the Company’s Annual Report on Form 10-K for the year ended December 31, 2021.

Reclassification

Certain amounts in prior periods’ Condensed Consolidated Financial Statements have been reclassified to conform to the current year presentation. In prior periods, commercial paper issuances and repayments were included in Issuance of debt and Repayment of debt, respectively, in the Condensed Consolidated Statements of Cash Flows. The net amount of commercial paper activity is now disclosed separately in Commercial paper issuances, net of repayments in the Condensed Consolidated Statements of Cash Flows. For the nine months ended September 30, 2021, commercial paper issuances reclassified from Issuance of debt was \$2,174 million and commercial paper repayments reclassified from Repayment of debt was \$2,024 million. Further information on the gross commercial paper activity for the current and prior year periods is included within the Liquidity and Financial Conditions section of Part I Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations.

2. Accounting Principles and Practices

All issued, but not yet effective, guidance has been deemed not applicable or not significant to the Condensed Consolidated Financial Statements.

3. Revenue from Contracts with Customers

Disaggregation of Revenue

The following table summarizes revenue from contracts with customers by principal service line (in millions):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Commercial Risk Solutions	\$ 1,482	\$ 1,505	\$ 4,893	\$ 4,788
Reinsurance Solutions	396	353	1,909	1,775
Health Solutions	494	497	1,546	1,503
Wealth Solutions	326	351	1,014	1,062
Eliminations	(2)	(4)	(13)	(15)
Total revenue	\$ 2,696	\$ 2,702	\$ 9,349	\$ 9,113

Consolidated revenue from contracts with customers by geographic area, which is attributed on the basis of where the services are performed, is as follows (in millions):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
United States	\$ 1,338	\$ 1,329	\$ 4,094	\$ 3,900
Americas other than United States	250	230	814	748
United Kingdom	331	340	1,348	1,368
Ireland	22	22	76	94
Europe, Middle East, & Africa other than United Kingdom and Ireland	403	438	1,930	2,028
Asia Pacific	352	343	1,087	975
Total revenue	\$ 2,696	\$ 2,702	\$ 9,349	\$ 9,113

Contract Costs

An analysis of the changes in the net carrying amount of costs to fulfill contracts with customers are as follows (in millions):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Balance at beginning of period	\$ 239	\$ 222	\$ 361	\$ 339
Additions	320	340	1,022	1,022
Amortization	(291)	(310)	(1,109)	(1,110)
Impairment	—	—	—	—
Foreign currency translation and other	(12)	(3)	(18)	(2)
Balance at end of period	\$ 256	\$ 249	\$ 256	\$ 249

An analysis of the changes in the net carrying amount of costs to obtain contracts with customers are as follows (in millions):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Balance at beginning of period	\$ 182	\$ 175	\$ 179	\$ 184
Additions	8	12	35	40
Amortization	(12)	(11)	(36)	(36)
Impairment	—	—	—	—
Foreign currency translation and other	(2)	(2)	(2)	(14)
Balance at end of period	\$ 176	\$ 174	\$ 176	\$ 174

4. Cash and Cash Equivalents and Short-Term Investments

Cash and cash equivalents include cash balances and all highly liquid instruments with initial maturities of three months or less. Short-term investments consist of money market funds. The estimated fair value of Cash and cash equivalents and Short-term investments approximates their carrying values.

At September 30, 2022, Cash and cash equivalents and Short-term investments were \$943 million compared to \$836 million at December 31, 2021, an increase of \$107 million. Of the total balances, \$144 million and \$160 million were restricted as to their use at September 30, 2022 and December 31, 2021, respectively. Included within Short-term investments as of September 30, 2022 and December 31, 2021, were £91.4 million (\$97.7 million at September 30, 2022 exchange rates) and £84.3 million (\$112.8 million at December 31, 2021 exchange rates), respectively, of operating funds required to be held by the Company in the U.K. by the FCA, a U.K.-based regulator.

5. Other Financial Data

Condensed Consolidated Statements of Income Information

Other Income (Expense)

Other income (expense) consists of the following (in millions):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Foreign currency remeasurement	\$ 40	\$ 20	\$ 39	\$ 11
Gain from sales of businesses	6	1	53	2
Equity earnings	2	3	6	7
Pension and other postretirement	(3)	5	(9)	19
Financial instruments and other	(29)	(19)	(18)	(32)
Total	\$ 16	\$ 10	\$ 71	\$ 7

Condensed Consolidated Statements of Financial Position Information

Allowance for Doubtful Accounts

Changes in the net carrying amount of allowance for doubtful accounts are as follows (in millions):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Balance at beginning of period	\$ 91	\$ 102	\$ 90	\$ 98
Provision	2	3	12	30
Accounts written off, net of recoveries	1	(8)	(11)	(31)
Foreign currency translation and other	(12)	1	(9)	1
Balance at end of period	\$ 82	\$ 98	\$ 82	\$ 98

Other Current Assets

The components of Other current assets are as follows (in millions):

As of	September 30, 2022	December 31, 2021
Costs to fulfill contracts with customers ⁽¹⁾	\$ 256	\$ 361
Prepaid expenses	123	137
Taxes receivable	64	53
Other	120	165
Total	\$ 563	\$ 716

(1) Refer to Note 3 "Revenue from Contracts with Customers" for further information.

Other Non-Current Assets

The components of Other non-current assets are as follows (in millions):

As of	September 30, 2022	December 31, 2021
Costs to obtain contracts with customers ⁽¹⁾	\$ 176	\$ 179
Taxes receivable	88	95
Investments	62	64
Leases	48	63
Other	101	111
Total	\$ 475	\$ 512

(1) Refer to Note 3 “Revenue from Contracts with Customers” for further information.

Other Current Liabilities

The components of Other current liabilities are as follows (in millions):

As of	September 30, 2022	December 31, 2021
Deferred revenue ⁽¹⁾	\$ 250	\$ 321
Taxes payable	241	149
Leases	180	213
Other	809	648
Total	\$ 1,480	\$ 1,331

(1) During the three and nine months ended September 30, 2022, revenue of \$108 million and \$481 million, respectively, was recognized in the Condensed Consolidated Statements of Income. During the three and nine months ended September 30, 2021, revenue of \$104 million and \$448 million, respectively, was recognized in the Condensed Consolidated Statements of Income.

Other Non-Current Liabilities

The components of Other non-current liabilities are as follows (in millions):

As of	September 30, 2022	December 31, 2021
Taxes payable ⁽¹⁾	\$ 628	\$ 609
Compensation and benefits	61	58
Leases	33	46
Deferred revenue	33	70
Other	98	127
Total	\$ 853	\$ 910

(1) Includes \$129 million and \$145 million for the non-current portion of the one-time mandatory transition tax on accumulated foreign earnings as of September 30, 2022 and December 31, 2021, respectively.

6. Acquisitions and Dispositions of Businesses

Completed Acquisitions

The Company completed two and four acquisitions during the three and nine months ended September 30, 2022, respectively, and completed one acquisition during the three and nine months ended September 30, 2021. The following table includes the preliminary fair values of consideration transferred, assets acquired, and liabilities assumed as a result of the Company's acquisitions (in millions):

	September 30, 2022
Consideration transferred	
Cash	\$ 153
Deferred and contingent consideration	6
Aggregate consideration transferred	\$ 159
Assets acquired	
Goodwill	\$ 80
Intangible assets	75
Other assets ⁽¹⁾	23
Total assets acquired	178
Liabilities assumed:	
Total liabilities assumed	19
Net assets acquired	\$ 159

(1) Includes Cash and cash equivalents of \$2 million and an insignificant amount of funds held on behalf of clients.

The results of operations of these acquisitions are included in the Condensed Consolidated Financial Statements as of the respective acquisition dates. The Company's results of operations would not have been materially different if these acquisitions had been reported from the beginning of the period in which they were acquired.

2022 Acquisitions

On September 12, 2022, the Company completed the purchase of certain assets of Praxiom Risk Management, a provider of professional risk management in the U.S.

On August 1, 2022, the Company completed the purchase of certain assets of U.S. Advisors, Inc., a broker based in the U.S.

On May 3, 2022, the Company completed the acquisition of 100% of the share capital of Karl Köllner group companies, a marine hull broker based in Germany.

On March 1, 2022, the Company completed the acquisition of Tyche, an actuarial software platform based in the U.K.

2021 Acquisitions

On December 22, 2021, the Company completed the acquisition of 100% of the share capital of For Welfare S.r.l, a company focused on bancassurance programs in Italy.

On September 1, 2021, the Company completed the acquisition of the remaining 51% of Aon India Insurance Brokers Limited (formerly known as Anviti Insurance Brokers Private Limited). Prior to the acquisition date, the Company accounted for its 49% interest in Anviti as an equity-method investment. The acquisition-date fair value of the previous equity interest was \$15 million and was included in the measurement of consideration transferred. There was no significant impact as a result of remeasuring the carrying value of the Company's prior equity interest in Anviti held before the business combination.

Completed Dispositions

The Company completed no dispositions during the three months ended September 30, 2022 and three dispositions during the nine months ended September 30, 2022, and two and three dispositions during the three and nine months ended September 30, 2021, respectively.

The pretax gains recognized related to dispositions for the three months ended September 30, 2022 were \$6 million. The pretax gains recognized related to dispositions for the nine months ended September 30, 2022 were \$53 million. The pretax gains and

losses recognized related to the dispositions were insignificant for the three and nine months ended September 30, 2021. Gains recognized as a result of a disposition are included in Other income (expense) in the Condensed Consolidated Statements of Income.

7. Goodwill and Other Intangible Assets

The changes in the net carrying amount of goodwill for the nine months ended September 30, 2022 are as follows (in millions):

Balance as of December 31, 2021	\$ 8,434
Goodwill related to current year acquisitions	80
Goodwill related to current year disposals	(11)
Foreign currency translation and other	(524)
Balance as of September 30, 2022	\$ 7,979

Other intangible assets by asset class are as follows (in millions):

	September 30, 2022			December 31, 2021		
	Gross Carrying Amount	Accumulated Amortization and Impairment	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization and Impairment	Net Carrying Amount
Customer-related and contract-based	\$ 2,115	\$ 1,734	\$ 381	\$ 2,289	\$ 1,848	\$ 441
Tradenames	14	14	—	14	13	1
Technology and other	417	342	75	407	357	50
Total	\$ 2,546	\$ 2,090	\$ 456	\$ 2,710	\$ 2,218	\$ 492

The estimated future amortization for finite-lived intangible assets as of September 30, 2022 is as follows (in millions):

Remainder of 2022	\$ 25
2023	93
2024	78
2025	66
2026	46
2027	33
Thereafter	115
Total	\$ 456

8. Debt

Notes

On September 12, 2022, Aon Corporation, a Delaware corporation, and Aon Global Holdings plc, a public limited company formed under the laws of England and Wales, both wholly owned subsidiaries of the Company, co-issued \$500 million of 5.00% Senior Notes due September 2032. The Company intends to use the net proceeds from the offering for general corporate purposes.

On February 28, 2022, Aon Corporation and Aon Global Holdings plc co-issued \$600 million of 2.85% Senior Notes due May 2027 and \$900 million of 3.90% Senior Notes due February 2052. The Company intends to use the net proceeds from the offering for general corporate purposes.

On December 2, 2021, Aon Corporation and Aon Global Holdings plc co-issued \$500 million of 2.60% Senior Notes due December 2, 2031. The Company intends to use the net proceeds of the offering for general corporate purposes.

In November 2021, the Company's \$500 million 2.20% Senior Notes due November 2022 were classified as Short-term debt and current portion of long-term debt in the Condensed Consolidated Statements of Financial Position as the date of maturity was within one year.

On August 23, 2021, Aon Corporation and Aon Global Holdings plc co-issued \$400 million of 2.05% Senior Notes due August 2031 and \$600 million of 2.90% Senior Notes due August 2051. The Company intends to use the net proceeds of the offering

for general corporate purposes.

On January 13, 2021, Aon Global Limited, a limited company organized under the laws of England and Wales and a wholly owned subsidiary of the Company, issued an irrevocable notice of redemption to holders of its 2.80% Senior Notes for the redemption of all \$400 million outstanding aggregate principal amount of the notes, which were set to mature in March 2021 and classified as Short-term debt and current portion of long-term debt as of December 31, 2020. The redemption date was on February 16, 2021 and resulted in an insignificant loss due to extinguishment.

Revolving Credit Facilities

As of September 30, 2022, Aon had two primary committed credit facilities outstanding: its \$1.0 billion multi-currency U.S. credit facility expiring in September 2026 and its \$750 million multi-currency U.S. credit facility expiring in October 2023. In aggregate, these two facilities provide approximately \$1.8 billion in available credit. Effective October 19, 2022, the expiration date of the \$750 million multi-currency U.S. credit facility was extended one year to October 2024.

Each of these primary committed credit facilities includes customary representations, warranties, and covenants, including financial covenants that require Aon to maintain specified ratios of adjusted consolidated EBITDA to consolidated interest expense and consolidated debt to adjusted consolidated EBITDA, in each case, tested quarterly. At September 30, 2022, Aon did not have borrowings under either of these primary committed credit facilities, and was in compliance with the financial covenants and all other covenants contained therein during the rolling 12 months ended September 30, 2022.

Commercial Paper

Aon Corporation has established a U.S. commercial paper program (the “U.S. Program”) and Aon Global Holdings plc has established a European multi-currency commercial paper program (the “European Program”) and, together with the U.S. Program, the “Commercial Paper Programs”). Commercial paper may be issued in aggregate principal amounts of up to \$1.0 billion under the U.S. Program and €625 million (\$601 million at September 30, 2022 exchange rates) under the European Program, not to exceed the amount of the Company’s committed credit facilities, which was approximately \$1.8 billion at September 30, 2022. The U.S. Program is fully and unconditionally guaranteed by Aon plc, Aon Global Limited, and Aon Global Holdings plc and the European Program is fully and unconditionally guaranteed by Aon plc, Aon Global Limited, and Aon Corporation.

Commercial paper outstanding, which is included in Short-term debt and current portion of long-term debt in the Condensed Consolidated Statements of Financial Position, is as follows (in millions):

	September 30, 2022	December 31, 2021
Commercial paper outstanding	\$ 211	\$ 665

The weighted average commercial paper outstanding and its related interest rates are as follows (in millions, except percentages):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Weighted average commercial paper outstanding	\$ 483	\$ 386	\$ 476	\$ 157
Weighted average interest rate of commercial paper outstanding	1.66 %	0.09 %	0.69 %	0.11 %

9. Income Taxes

The effective tax rate on Net income was 18.0% and 19.1% for the three and nine months ended September 30, 2022, respectively. The effective tax rate on Net income (loss) was (2.6)% and 51.4% for the three and nine months ended September 30, 2021, respectively.

For the three and nine months ended September 30, 2022, the quarter-to-date tax rate was primarily driven by the geographical distribution of income and certain discrete items. The year-to-date tax rate was primarily driven by the geographical distribution of income and certain discrete items, primarily the favorable impacts of share-based payments.

For the three and nine months ended September 30, 2021, the quarter-to-date tax rate was primarily driven by the impact of the \$1 billion payment made in connection with the termination of the proposed combination with WTW (the “Termination Fee”). The year-to-date tax rate was primarily driven by the Termination Fee, the U.K. tax rate increase, and the tax benefit of share-based payments. The U.K. enacted legislation on June 10, 2021, which increased the corporate income tax rate from 19% to 25% with effect from April 1, 2023, and the Company remeasured its U.K. deferred tax assets and liabilities accordingly.

10. Shareholders' Equity (Deficit)

Ordinary Shares

Aon has a share repurchase program authorized by the Company's Board of Directors (the "Repurchase Program"). The Repurchase Program was established in April 2012 with \$5.0 billion in authorized repurchases, and was increased by \$5.0 billion in authorized repurchases in each of November 2014, June 2017, and November 2020, and by \$7.5 billion in February 2022 for a total of \$27.5 billion in repurchase authorizations.

Under the Repurchase Program, the Company's class A ordinary shares may be repurchased through the open market or in privately negotiated transactions, from time to time, based on prevailing market conditions, and will be funded from available capital.

The following table summarizes the Company's share repurchase activity (in millions, except per share data):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Shares repurchased	4.2	4.4	8.7	5.7
Average price per share	\$ 284.39	\$ 283.38	\$ 289.14	\$ 272.11
Repurchase costs recorded to accumulated deficit	\$ 1,200	\$ 1,251	\$ 2,528	\$ 1,543

At September 30, 2022, the remaining authorized amount for share repurchases under the Repurchase Program was approximately \$6.7 billion. Under the Repurchase Program, the Company has repurchased a total of 158.4 million shares for an aggregate cost of approximately \$20.8 billion.

Weighted Average Ordinary Shares

Weighted average ordinary shares outstanding are as follows (in millions):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Basic weighted average ordinary shares outstanding	210.9	225.4	213.2	226.5
Dilutive effect of potentially issuable shares	1.7	—	1.4	1.2
Diluted weighted average ordinary shares outstanding	212.6	225.4	214.6	227.7

Potentially issuable shares are not included in the computation of Diluted net income (loss) per share attributable to Aon shareholders if their inclusion would be antidilutive. There were 1.0 million and 0.9 million shares excluded from the calculation for the three and nine months ended September 30, 2022, respectively. Due to the net loss for the three months ended September 30, 2021, 1.5 million shares were excluded from the calculation. There were no shares excluded from the calculation for the nine months ended September 30, 2021.

Accumulated Other Comprehensive Loss

Changes in Accumulated other comprehensive loss by component, net of related tax, are as follows (in millions):

	Change in Fair Value of Financial Instruments ⁽¹⁾	Foreign Currency Translation Adjustments	Postretirement Benefit Obligation ⁽²⁾	Total
Balance at December 31, 2021	\$ 2	\$ (1,333)	\$ (2,540)	\$ (3,871)
Other comprehensive income (loss) before reclassifications, net	(13)	(1,119)	20	(1,112)
Amounts reclassified from accumulated other comprehensive income				
Amounts reclassified from accumulated other comprehensive income	(3)	—	90	87
Tax expense	—	—	(23)	(23)
Amounts reclassified from accumulated other comprehensive income, net ⁽³⁾	(3)	—	67	64
Net current period other comprehensive income (loss)	(16)	(1,119)	87	(1,048)
Balance at September 30, 2022	\$ (14)	\$ (2,452)	\$ (2,453)	\$ (4,919)

	Change in Fair Value of Financial Instruments ⁽¹⁾	Foreign Currency Translation Adjustments	Postretirement Benefit Obligation ⁽²⁾	Total
Balance at December 31, 2020	\$ 1	\$ (1,045)	\$ (2,817)	\$ (3,861)
Other comprehensive income (loss) before reclassifications, net	4	(108)	8	(96)
Amounts reclassified from accumulated other comprehensive income				
Amounts reclassified from accumulated other comprehensive income	1	—	104	105
Tax expense	—	—	(25)	(25)
Amounts reclassified from accumulated other comprehensive income, net ⁽³⁾	1	—	79	80
Net current period other comprehensive income (loss)	5	(108)	87	(16)
Balance at September 30, 2021	\$ 6	\$ (1,153)	\$ (2,730)	\$ (3,877)

- (1) Reclassifications from this category included in Accumulated other comprehensive loss are recorded in Total revenue, Interest expense, and Compensation and benefits in the Condensed Consolidated Statements of Income. Refer to Note 13 “Derivatives and Hedging” for further information regarding the Company’s derivative and hedging activity.
- (2) Reclassifications from this category included in Accumulated other comprehensive loss are recorded in Other income (expense) in the Condensed Consolidated Statements of Income.
- (3) It is the Company’s policy to release income tax effects from Accumulated other comprehensive loss using the portfolio approach.

11. Employee Benefits

The following table provides the components of the net periodic (benefit) cost recognized in the Condensed Consolidated Statements of Income for Aon's significant U.K., U.S., and other major pension plans, which are located in the Netherlands and Canada. Service cost is reported in Compensation and benefits and all other components are reported in Other income (expense) as follows (in millions):

	Three Months Ended September 30,					
	U.K.		U.S.		Other	
	2022	2021	2022	2021	2022	2021
Service cost	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Interest cost	20	16	17	15	5	3
Expected return on plan assets, net of administration expenses	(32)	(34)	(27)	(33)	(8)	(8)
Amortization of prior-service cost	1	1	—	—	—	—
Amortization of net actuarial loss	7	8	17	19	3	4
Net periodic (benefits) cost	(4)	(9)	7	1	—	(1)
Loss on pension settlement	—	—	—	—	—	—
Total net periodic (benefit) cost	\$ (4)	\$ (9)	\$ 7	\$ 1	\$ —	\$ (1)

	Nine Months Ended September 30,					
	U.K.		U.S.		Other	
	2022	2021	2022	2021	2022	2021
Service cost	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Interest cost	64	49	51	43	14	9
Expected return on plan assets, net of administration expenses	(102)	(103)	(81)	(97)	(25)	(24)
Amortization of prior-service cost	2	3	—	—	—	—
Amortization of net actuarial loss	22	24	50	58	10	11
Net periodic (benefits) cost	(14)	(27)	20	4	(1)	(4)
Loss on pension settlement	—	—	1	—	—	—
Total net periodic (benefit) cost	\$ (14)	\$ (27)	\$ 21	\$ 4	\$ (1)	\$ (4)

In the first quarter of 2022, the Company recognized a non-cash settlement charge of approximately \$1 million. Settlements from a certain U.S. pension plan exceeded the plan's service and interest cost. This triggered settlement accounting which required the immediate recognition of a portion of the accumulated losses associated with the plan.

Contributions

Assuming no additional contributions are agreed to with, or required by, the pension plan trustees, the Company expects to make total cash contributions of approximately \$7 million, \$52 million, and \$15 million, (at December 31, 2021 exchange rates) to its significant U.K., U.S., and other major pension plans, respectively, during 2022. The following table summarizes contributions made to the Company's significant pension plans (in millions):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Contributions to U.K. pension plans	\$ 1	\$ 2	\$ 6	\$ 8
Contributions to U.S. pension plans	7	8	32	54
Contributions to other major pension plans	2	2	12	12
Total contributions	\$ 10	\$ 12	\$ 50	\$ 74

12. Share-Based Compensation Plans

The following table summarizes share-based compensation expense recognized in the Condensed Consolidated Statements of Income in Compensation and benefits (in millions):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Restricted share units	\$ 54	\$ 46	\$ 196	\$ 156
Performance share awards	35	36	98	136
Employee share purchase plans and other ⁽¹⁾	4	48	10	54
Total share-based compensation expense	\$ 93	\$ 130	\$ 304	\$ 346

(1) The three and nine months ended September 30, 2021 include expenses related to the Aon United Growth Ownership Plan.

Restricted Share Units

RSUs generally vest between three and five years. The fair value of RSUs is based upon the market value of the Company's class A ordinary shares at the date of grant. With certain limited exceptions, any break in continuous employment will cause the forfeiture of all non-vested awards. Compensation expense associated with RSUs is recognized on a straight-line basis over the requisite service period. Dividend equivalents are paid on certain RSUs, based on the initial grant amount.

The following table summarizes the status of the Company's RSUs (shares in thousands, except fair value):

	Nine Months Ended September 30,			
	2022		2021	
	Shares	Fair Value ⁽¹⁾	Shares	Fair Value ⁽¹⁾
Non-vested at beginning of period	3,075	\$ 203	3,309	\$ 163
Granted	1,058	\$ 278	1,164	\$ 250
Vested	(1,067)	\$ 186	(1,147)	\$ 151
Forfeited	(152)	\$ 218	(166)	\$ 176
Non-vested at end of period	2,914	\$ 235	3,160	\$ 199

(1) Represents per share weighted average fair value of award at date of grant.

Unamortized deferred compensation expense amounted to \$511 million as of September 30, 2022, with a remaining weighted average amortization period of approximately 2.0 years.

Performance Share Awards

The vesting of PSAs is contingent upon meeting a cumulative level of earnings per share related performance over a three-year period. The actual issuance of shares may range from 0-200% of the target number of PSAs granted, based on the terms of the plan and level of achievement of the related performance target. The grant date fair value of PSAs is based upon the market price of the Company's class A ordinary shares at the date of grant. The performance conditions are not considered in the determination of the grant date fair value for these awards. Compensation expense is recognized over the performance period based on management's estimate of the number of units expected to vest. Management evaluates its estimate of the actual number of shares expected to be issued at the end of the programs on a quarterly basis. The cumulative effect of the change in estimate is recognized in the period of change as an adjustment to Compensation and benefits in the Condensed Consolidated Statements of Income, if necessary. Dividend equivalents are not paid on PSAs.

The following table summarizes the Company's target PSAs granted and shares that would be issued at current performance levels for PSAs granted during the nine months ended September 30, 2022 and the years ended December 31, 2021 and 2020, respectively (shares in thousands and dollars in millions, except fair value per share):

	September 30, 2022	December 31, 2021	December 31, 2020
Target PSAs granted during period	300	382	500
Weighted average fair value per share at date of grant	\$ 311	\$ 225	\$ 163
Number of shares that would be issued based on current performance levels	299	726	958
Unamortized expense, based on current performance levels	\$ 76	\$ 75	\$ 13

13. Derivatives and Hedging

The Company is exposed to market risks, including changes in foreign currency exchange rates and interest rates. To manage the risk related to these exposures, the Company enters into various derivative instruments that reduce these risks by creating offsetting exposures. The Company does not enter into derivative transactions for trading or speculative purposes.

Foreign Exchange Risk Management

The Company is exposed to foreign exchange risk when it earns revenues, pays expenses, enters into monetary intercompany transfers or other transactions denominated in a currency that differs from its functional currency. The Company uses foreign exchange derivatives, typically forward contracts, options and cross currency swaps, to reduce its overall exposure to the effects of currency fluctuations on cash flows. These exposures are hedged, on average, for less than two years. These derivatives are accounted for as hedges, and changes in fair value are recorded each period in Other comprehensive income (loss) in the Condensed Consolidated Statements of Comprehensive Income.

The Company also uses foreign exchange derivatives, typically forward contracts and options, to economically hedge the currency exposure of the Company's global liquidity profile, including monetary assets or liabilities that are denominated in a non-functional currency of an entity, typically on a rolling 90-day basis, but may be for up to one year in the future. These derivatives are not accounted for as hedges, and changes in fair value are recorded each period in Other income (expense) in the Condensed Consolidated Statements of Income.

The notional and fair values of derivative instruments are as follows (in millions):

	Notional Amount		Net Amount of Derivative Assets Presented in the Statements of Financial Position ⁽¹⁾		Net Amount of Derivative Liabilities Presented in the Statements of Financial Position ⁽²⁾	
	September 30, 2022	December 31, 2021	September 30, 2022	December 31, 2021	September 30, 2022	December 31, 2021
Foreign exchange contracts						
Accounted for as hedges	\$ 612	\$ 629	\$ 6	\$ 27	\$ (2)	\$ —
Not accounted for as hedges ⁽³⁾	313	412	—	2	(2)	—
Total	\$ 925	\$ 1,041	\$ 6	\$ 29	\$ (4)	\$ —

(1) Included within Other current assets (\$2 million at September 30, 2022 and \$21 million at December 31, 2021) or Other non-current assets (\$4 million at September 30, 2022 and \$8 million at December 31, 2021).

(2) Included within Other current liabilities (\$3 million at September 30, 2022) and Other non-current liabilities (\$1 million at September 30, 2022).

(3) These contracts typically are for 90-day durations and executed close to the last day of the most recent reporting month, thereby resulting in nominal fair values at the balance sheet date.

The amounts of derivative gains (losses) recognized in the Condensed Consolidated Financial Statements are as follows (in millions):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
(Loss) Gain recognized in Accumulated other comprehensive loss	\$ (12)	\$ (6)	\$ (18)	\$ 5

The amounts of derivative gains (losses) reclassified from Accumulated other comprehensive loss to the Condensed Consolidated Statements of Income are as follows (in millions):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Total revenue	\$ —	\$ (1)	\$ 3	\$ (2)
Compensation and benefits	(1)	1	—	1
Total	\$ (1)	\$ —	\$ 3	\$ (1)

The Company estimates that approximately \$10 million of pretax loss currently included within Accumulated other comprehensive loss will be reclassified into earnings in the next twelve months.

During the three and nine months ended September 30, 2022, the Company recorded a loss of \$28 million and \$11 million, respectively, in Other income (expense) for foreign exchange derivatives not designated or qualifying as hedges. During the

three and nine months ended September 30, 2021, the Company recorded a loss of \$17 million and \$9 million, respectively, in Other income (expense) for foreign exchange derivatives not designated or qualifying as hedges.

14. Fair Value Measurements and Financial Instruments

Accounting standards establish a three tier fair value hierarchy that prioritizes the inputs used in measuring fair values as follows:

- Level 1 — observable inputs such as quoted prices for identical assets in active markets;
- Level 2 — inputs other than quoted prices for identical assets in active markets, that are observable either directly or indirectly; and
- Level 3 — unobservable inputs in which there is little or no market data which requires the use of valuation techniques and the development of assumptions.

The following methods and assumptions are used to estimate the fair values of the Company's financial instruments:

Money market funds consist of institutional prime, treasury, and government money market funds. The Company reviews treasury and government money market funds to obtain reasonable assurance that the fund net asset value is \$1 per share, and reviews the floating net asset value of institutional prime money market funds for reasonableness.

Equity investments consist of equity securities and equity derivatives valued using the closing stock price on a national securities exchange. Over-the-counter equity derivatives are valued using observable inputs such as underlying prices of the underlying security and volatility. On a sample basis, the Company reviews the listing of Level 1 equity securities in the portfolio, agrees the closing stock prices to a national securities exchange, and independently verifies the observable inputs for Level 2 equity derivatives and securities.

Fixed income investments consist of certain categories of bonds and derivatives. Corporate, government, and agency bonds are valued by pricing vendors who estimate fair value using recently executed transactions and proprietary models based on observable inputs, such as interest rate spreads, yield curves, and credit risk. Asset-backed securities are valued by pricing vendors who estimate fair value using DCF models utilizing observable inputs based on trade and quote activity of securities with similar features. Fixed income derivatives are valued by pricing vendors using observable inputs such as interest rates and yield curves. The Company obtains an understanding of the models, inputs, and assumptions used in developing prices provided by its vendors through discussions with the fund managers. The Company independently verifies the observable inputs, as well as assesses assumptions used for reasonableness based on relevant market conditions and internal Company guidelines. If an assumption is deemed unreasonable, based on internal Company guidelines, it is then reviewed by management and the fair value estimate provided by the vendor is adjusted, if deemed appropriate. These adjustments do not occur frequently and historically are not material to the fair value estimates used in the Condensed Consolidated Financial Statements.

Derivatives are carried at fair value, based upon industry standard valuation techniques that use, where possible, current market-based or independently sourced pricing inputs, such as interest rates, currency exchange rates, or implied volatility.

Debt is carried at outstanding principal balance, less any unamortized issuance costs, discount or premium. Fair value is based on quoted market prices or estimates using DCF analyses based on current borrowing rates for similar types of borrowing arrangements.

The following tables present the categorization of the Company's assets and liabilities that are measured at fair value on a recurring basis at September 30, 2022 and December 31, 2021 (in millions):

	Balance at September 30, 2022	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets				
Money market funds ⁽¹⁾	\$ 2,864	\$ 2,864	\$ —	\$ —
Other investments				
Government bonds	\$ 1	\$ —	\$ 1	\$ —
Derivatives ⁽²⁾				
Gross foreign exchange contracts	\$ 12	\$ —	\$ 12	\$ —
Liabilities				
Derivatives ⁽²⁾				
Gross foreign exchange contracts	\$ 9	\$ —	\$ 9	\$ —

	Balance at December 31, 2021	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets				
Money market funds ⁽¹⁾	\$ 2,918	\$ 2,918	\$ —	\$ —
Other investments				
Government bonds	\$ 1	\$ —	\$ 1	\$ —
Derivatives ⁽²⁾				
Gross foreign exchange contracts	\$ 40	\$ —	\$ 40	\$ —
Liabilities				
Derivatives ⁽²⁾				
Gross foreign exchange contracts	\$ 11	\$ —	\$ 11	\$ —

(1) Included within Fiduciary assets or Short-term investments in the Condensed Consolidated Statements of Financial Position, depending on their nature and initial maturity.

(2) Refer to Note 13 "Derivatives and Hedging" for additional information regarding the Company's derivatives and hedging activity.

There were no transfers of assets or liabilities between fair value hierarchy levels in the three and nine months ended September 30, 2022 or 2021. The Company recognized no realized or unrealized gains or losses in the Condensed Consolidated Statements of Income during the three and nine months ended September 30, 2022 or 2021 related to assets and liabilities measured at fair value using unobservable inputs.

The fair value of debt is classified as Level 2 of the fair value hierarchy. The following table provides the carrying value and fair value for the Company's term debt (in millions):

	September 30, 2022		December 31, 2021	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Current portion of long-term debt	\$ 500	\$ 498	\$ 499	\$ 507
Long-term debt	\$ 10,116	\$ 8,875	\$ 8,228	\$ 9,204

15. Claims, Lawsuits, and Other Contingencies

Aon and its subsidiaries are subject to numerous claims, tax assessments, lawsuits, and proceedings that arise in the ordinary course of business, which frequently include E&O claims. The damages claimed in these matters are or may be substantial, including, in many instances, claims for punitive, treble, or extraordinary damages. While Aon maintains meaningful E&O insurance and other insurance programs to provide protection against certain losses that arise in such matters, Aon has exhausted or materially depleted its coverage under some of the policies that protect the Company and, consequently, is self-insured or materially self-insured for some claims. Accruals for these exposures, and related insurance receivables, when applicable, are included in the Condensed Consolidated Statements of Financial Position and have been recognized in Other

general expense in the Condensed Consolidated Statements of Income to the extent that losses are deemed probable and are reasonably estimable. These amounts are adjusted from time to time as developments warrant. Matters that are not probable and reasonably estimable are not accrued for in the financial statements.

The Company has included in the current matters described below certain matters in which (1) loss (including interest and costs) is probable, (2) loss (including interest and costs) is reasonably possible (that is, more than remote but not probable), or (3) there exists the reasonable possibility of loss (including interest and costs) greater than the accrued amount. In addition, the Company may from time to time disclose matters for which the probability of loss could be remote but the claim amounts associated with such matters are potentially significant. The reasonably possible range of loss (including interest and costs) for the matters described below for which loss is estimable, in excess of amounts that are deemed probable and estimable and therefore already accrued, is estimated to be between \$0 and \$0.1 billion, exclusive of any insurance coverage. These estimates are based on available information as of the date of this filing. As available information changes, the matters for which Aon is able to estimate, and the estimates themselves, may change. In addition, many estimates involve significant judgment and uncertainty. For example, at the time of making an estimate, Aon may only have limited information about the facts underlying the claim, and predictions and assumptions about future court rulings and outcomes may prove to be inaccurate. Although management at present believes that the ultimate outcome of all matters described below, individually or in the aggregate, will not have a material adverse effect on the consolidated financial position of Aon, legal proceedings are subject to inherent uncertainties and unfavorable rulings or other events. Unfavorable resolutions could include substantial monetary or punitive damages imposed on Aon or its subsidiaries. If unfavorable outcomes of these matters were to occur, future results of operations or cash flows for any particular quarterly or annual period could be materially adversely affected.

Current Matters

On October 3, 2017, CCC invoked arbitration to pursue a claim that it asserts against Aon New Zealand. Aon provided insurance broking services to CCC in relation to CCC's 2010-2011 material damage and business interruption program. In December 2015, CCC settled its property and business interruption claim for its losses arising from the 2010-2011 Canterbury earthquakes against the underwriter of its material damage and business interruption program and the reinsurers of that underwriter. CCC contends that acts and omissions by Aon caused CCC to recover less in that settlement than it otherwise would have. CCC claims damages of approximately NZD 320 million (\$180 million at September 30, 2022 exchange rates) plus interest and costs. Aon believes that it has meritorious defenses and intends to vigorously defend itself against these claims.

Aon Hewitt Investment Consulting, Inc., now known as Aon Investments USA, Inc. ("Aon Investments"), Lowe's Companies, Inc. and the Administrative Committee of Lowe's Companies, Inc. (collectively "Lowe's") were sued on April 27, 2018 in the U.S. District Court for the Western District of North Carolina (the "Court") in a class action lawsuit brought on behalf of participants in the Lowe's 401(k) Plan (the "Plan"). Aon Investments provided investment consulting services to Lowe's under ERISA. The plaintiffs contend that in 2015 Lowe's imprudently placed the Hewitt Growth Fund in the Plan's lineup of investments, the Hewitt Growth Fund underperformed its benchmarks, and that Aon had a conflict of interest in recommending the proprietary fund for the Plan. The plaintiffs allege the Plan suffered over \$200 million in investment losses when compared to the eight funds it replaced. The plaintiffs allege that Aon Investments breached its duties of loyalty and prudence pursuant to ERISA. The matter was tried to the Court the last week of June 2021, and the Court entered judgment in favor of Aon on all claims on October 12, 2021. Plaintiffs have filed an appeal with the United States Court of Appeals for the Fourth Circuit. Aon believes it has meritorious defenses and intends to vigorously defend itself against these claims and appeal.

Aon faces legal action arising out of a fatal plane crash in November 2016. Aon U.K. Limited placed an aviation civil liability reinsurance policy for the Bolivian insurer of the airline. After the crash, the insurer determined that there was no coverage under the airline's insurance policy due to the airline's breach of various policy conditions. In November 2018, the owner of the aircraft filed a claim in Bolivia against Aon, the airline, the insurer and the insurance broker. The claim is for \$16 million plus any liability the owner has to third parties. In November 2019, a federal prosecutor in Brazil filed a public civil action naming three Aon entities as defendants, along with the airline, the insurer and the lead reinsurer. That claim seeks pecuniary damages for families affected by the crash in the sum of \$300 million; or, in the alternative, \$50 million; or, in the alternative, \$25 million; plus "moral damages" of an equivalent sum. Separately, in March 2020, the Brazilian Federal Senate invited Aon to give evidence to a Parliamentary Commission of Inquiry in an investigation into the accident. Aon is cooperating with that inquiry. In August 2020, 43 individuals (surviving passengers and estates of the deceased) filed a motion in the Circuit Court of the 11th Judicial Circuit in and for Miami-Dade County, Florida, seeking permission to commence proceedings against Aon (and the insurer and reinsurers) for claims totaling \$844 million. Finally, in April 2021, representatives of 16 passengers issued a claim against Aon in the High Court in England seeking damages under the Fatal Accidents Act 1976 in the sum of £29 million (\$31 million at September 30, 2022 exchange rates). Aon believes that it has meritorious defenses and intends to vigorously defend itself against these claims.

In April 2017, the FCA announced an investigation relating to suspected competition law breaches in the aviation and aerospace broking industry, which, for Aon in 2016, represented less than \$100 million in global revenue. The European Commission assumed jurisdiction over the investigation in place of the FCA, and the European Commission has now closed its investigation. Other antitrust agencies outside the E.U. are conducting formal or informal investigations regarding these matters. Aon intends to work diligently with all antitrust agencies concerned to ensure they can carry out their work as efficiently as possible. At this time, in light of the uncertainties and many variables involved, Aon cannot estimate the ultimate impact on our company from these investigations or any related private litigation, nor any damages, penalties, or fines related to them.

Settled/Closed Matters

A retail insurance brokerage subsidiary of Aon was sued on September 6, 2018 in the United States District Court for the Southern District of New York by a client, Pilkington North America, Inc., that sustained damage from a tornado to its Ottawa, Illinois property. The lawsuit sought between \$45 million and \$85 million in property and business interruption damages from either its insurer or Aon. The insurer contended that insurance proceeds were limited to \$15 million in coverage by a windstorm sub-limit purportedly contained in the policy procured by Aon for Pilkington. The insurer therefore tendered \$15 million to Pilkington and denied coverage for the remainder of the loss. Pilkington sued the insurer and Aon seeking full coverage for the loss from the insurer or, in the alternative, seeking the same damages against Aon on various theories of professional liability if the court found that the \$15 million sub-limit applied to the claim. In June 2022, the case was settled with no admission of liability on the part of Aon. In July 2022, Pilkington voluntarily dismissed all claims against Aon pursuant to the settlement.

Aon Investments and AGI were sued on September 16, 2020, in the U.S. District Court for the Southern District of New York by the Blue Cross and Blue Shield Association NEBC. Aon Investments and its predecessors provided investment advisory services to NEBC since 2009. The NEBC contended that it suffered investment losses exceeding \$2 billion in several Structured Alpha funds managed by AGI and recommended by Aon. The NEBC asserted claims against Aon Investments for breach of fiduciary duty and breach of co-fiduciary duty, and alleged that Aon Investments and AGI were jointly and severally liable for damages, which included the restoration of investment losses, disgorgement of fees and profits, and attorneys' fees. In March 2022, the NEBC voluntarily dismissed all claims against AGI pursuant to a settlement between the NEBC and AGI. In August 2022, the case was settled with no admission of liability on the part of Aon. In September 2022, NEBC and Aon each voluntarily dismissed all claims remaining in the action, including all claims asserted by NEBC against Aon, and all claims asserted by Aon against NEBC and third-party defendants, pursuant to the settlement.

Guarantees and Indemnifications

The Company provides a variety of guarantees and indemnifications to its customers and others. The maximum potential amount of future payments represents the notional amounts that could become payable under the guarantees and indemnifications if there were a total default by the guaranteed parties, without consideration of possible recoveries under recourse provisions or other methods. These amounts may bear no relationship to the expected future payments, if any, for these guarantees and indemnifications. Any anticipated amounts payable are included in the Financial Statements, and are recorded at fair value.

The Company expects that, as prudent business interests dictate, additional guarantees and indemnifications may be issued from time to time.

Guarantee of Registered Securities

On April 1, 2020, a scheme of arrangement under English law was completed, as described in the proxy statement filed with the SEC on December 20, 2019 (the "Ireland Reorganization"). In connection with the Ireland Reorganization, Aon plc and Aon Global Holdings plc, entered into various agreements pursuant to which they agreed to guarantee the obligations of Aon Corporation arising under issued and outstanding debt securities, which were previously guaranteed solely by Aon Global Limited and the obligations of Aon Global Limited arising under issued and outstanding debt securities, which were previously guaranteed solely by Aon Corporation. Those agreements include: (1) Second Amended and Restated Indenture, dated April 1, 2020, among Aon Corporation, Aon Global Limited, Aon plc, and Aon Global Holdings plc and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee") (amending and restating the Amended and Restated Indenture, dated April 2, 2012, among Aon Corporation, Aon Global Limited and the Trustee); (2) Amended and Restated Indenture, dated April 1, 2020, among Aon Corporation, Aon Global Limited, Aon plc, Aon Global Holdings plc and the Trustee (amending and restating the Indenture, dated December 12, 2012, among Aon Corporation, Aon Global Limited plc and the Trustee); (3) Second Amended and Restated Indenture, dated April 1, 2020, among Aon Corporation, Aon Global Limited, Aon plc, Aon Global Holdings plc and the Trustee (amending and restating the Amended and Restated Indenture, dated May 20, 2015, among Aon Corporation, Aon Global Limited and the Trustee); (4) Amended and Restated Indenture, dated April 1, 2020, among Aon Corporation, Aon Global Limited, Aon plc, Aon Global Holdings plc and the Trustee (amending and restating the Indenture, dated November 13, 2015, among Aon Corporation, Aon Global Limited and the Trustee); and (5) Amended and Restated

Indenture, dated April 1, 2020, among Aon Corporation, Aon Global Limited, Aon plc, Aon Global Holdings plc and the Trustee (amending and restating the Indenture, dated December 3, 2018, among Aon Corporation, Aon Global Limited and the Trustee).

Letters of Credit

Aon has entered into a number of arrangements whereby the Company's performance on certain obligations is guaranteed by a third party through the issuance of LOCs. The Company had total LOCs outstanding of approximately \$69 million at September 30, 2022, and \$75 million at December 31, 2021. These LOCs cover the beneficiaries related to certain of Aon's U.S. and Canadian non-qualified pension plan schemes and secure deductible retentions for Aon's own workers compensation program. The Company has also obtained LOCs to cover contingent payments for taxes and other business obligations to third parties, and other guarantees for miscellaneous purposes at its international subsidiaries.

Premium Payments

The Company has certain contractual contingent guarantees for premium payments owed by clients to certain insurance companies. The maximum exposure with respect to such contractual contingent guarantees was approximately \$132 million at September 30, 2022 compared to \$153 million at December 31, 2021.

16. Segment Information

The Company operates as one segment that includes all of Aon's operations, which as a global professional services firm provides a broad range of risk, health, and wealth solutions through four solution lines which make up its principal products and services. The CODM assesses the performance of the Company and allocates resources based on one segment: Aon United.

The Company's reportable operating segment has been determined using a management approach, which is consistent with the basis and manner in which the CODM uses financial information for the purposes of allocating resources and evaluating performance. The CODM assesses performance and allocates resources based on total Aon results against its key four metrics, including organic revenue growth, expense discipline, and collaborative behaviors that maximize value for Aon and its shareholders, regardless of which solution line it benefits.

As Aon operates as one segment, segment profit or loss is consistent with consolidated reporting as disclosed in the Condensed Consolidated Statements of Income. Refer to Note 3 "Revenue from Contracts with Customers" for further information on revenue by principal service line.

Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations

EXECUTIVE SUMMARY OF THIRD QUARTER 2022 FINANCIAL RESULTS

Aon plc is a leading global professional services firm providing a broad range of risk, health, and wealth solutions. Through our experience, global reach, and comprehensive analytics, we are better able to help clients meet rapidly changing, increasingly complex, and interconnected challenges. We are committed to accelerating innovation to address unmet and evolving client needs, so that our clients are better informed, better advised, and able to make better decisions to protect and grow their business. Management is focused on strengthening Aon and uniting the firm with one portfolio of capability enabled by data and analytics and one operating model to deliver additional insight, connectivity, and efficiency.

Financial Results

The following is a summary of our third quarter of 2022 financial results.

- Revenue was flat at \$2.7 billion compared to the prior year period due primarily to organic revenue growth of 5% and a 1% favorable impact from fiduciary investment income, offset by a 5% unfavorable impact if prior year period results were translated at current period foreign exchange rates (“foreign currency translation”) and a 1% unfavorable impact from acquisitions, divestitures, and other. For the first nine months of 2022, revenue increased \$236 million, or 3%, to \$9.3 billion compared to the prior year period due primarily to organic revenue growth of 7%, partially offset by a 4% unfavorable impact from foreign currency translation.
- Operating expenses were \$2.1 billion, a decrease of \$1.4 billion from the prior year period. The decrease was due primarily to the \$1.0 billion Termination Fee payment and certain transaction costs incurred related to terminating the combination with WTW in the prior year period (together, the “transaction costs”) and a \$138 million favorable impact from foreign currency translation, partially offset by an increase in expense associated with 5% organic revenue growth and investments in long-term growth. Operating expenses for the first nine months of 2022 were \$6.7 billion, a decrease of \$1.3 billion compared to the prior year period primarily due to transaction costs incurred in the prior year period and a \$271 million favorable impact from foreign currency translation, partially offset by an increase in expense related to 7% organic revenue growth.
- Operating margin increased to 21.9% from (29.6)% in the prior year period. The increase was driven by a decrease in operating expenses as listed above and organic revenue growth of 5%. Operating margin for the first nine months of 2022 increased to 28.4% from 12.2% in the prior period. The increase was primarily driven by a decrease in operating expenses as listed above and organic revenue growth of 7%.
- Due to the factors set forth above, Net income (loss) increased \$1.3 billion to \$418 million compared to the prior year period. For the first nine months of 2022, Net income increased \$1.5 billion to \$2.0 billion compared to the first nine months of 2021.
- Diluted net income (loss) per share was \$1.92 compared to \$(3.99) per share for the prior year period. During the first nine months of 2022, diluted net income earnings per share was \$9.00 compared to \$1.72 per share for the prior period.
- Cash flows provided by operating activities was \$2.2 billion for the first nine months of 2022, an increase of \$926 million from the prior year period, primarily due to the \$1.0 billion Termination Fee payment and additional payments related to terminating the combination with WTW and related costs in the prior year period, and strong operating income growth, partially offset by higher receivables and incentive compensation payments following strong performance in 2021.

We focus on four key metrics not presented in accordance with U.S. GAAP that we communicate to shareholders: organic revenue growth, adjusted operating margin, adjusted diluted earnings per share, and free cash flow. These non-GAAP metrics should be viewed in addition to, not instead of, our Condensed Consolidated Financial Statements. The following is our measure of performance against these four metrics for the third quarter of 2022:

- Organic revenue growth is a non-GAAP measure defined under the caption “Review of Consolidated Results — Organic Revenue Growth.” Organic revenue growth was 5% for the third quarter of 2022, driven by ongoing strong retention and net new business generation. Organic revenue growth was 7% for the first nine months of 2022, driven by ongoing strong retention and net new business generation.
- Adjusted operating margin, a non-GAAP measure defined under the caption “Review of Consolidated Results — Adjusted Operating Margin,” was 23.1% for the third quarter of 2022 compared to 22.1% in the prior year period. The increase in adjusted operating margin primarily reflects strong organic revenue growth, partially offset by increased expenses and investments in long-term growth. For the first nine months of 2022, adjusted operating margin was

30.0% compared to 29.2% for the prior year period. The increase in adjusted operating margin primarily reflects strong organic revenue growth, partially offset by increased expenses and investments in long-term growth.

- Adjusted diluted earnings per share, a non-GAAP measure defined under the caption “Review of Consolidated Results — Adjusted Diluted Earnings per Share,” was \$2.02 per share for the third quarter of 2022 and \$9.51 per share for the first nine months of 2022, compared to \$1.74 and \$8.31 per share for the respective prior year periods.
- Free cash flow, a non-GAAP measure defined under the caption “Review of Consolidated Results — Free Cash Flow,” increased in the first nine months of 2022 by \$902 million from the prior year period, to \$2.1 billion, reflecting an increase in cash flows from operations, partially offset by a \$24 million increase in capital expenditures.

COVID-19 PANDEMIC

The COVID-19 pandemic has resulted, and may continue to result, in significant economic disruption and volatility, although much progress has been made in the development and distribution of vaccines, contributing to overall improved economic conditions globally. We continue to closely monitor the situation and its impacts on our business. We continue to be fully operational and in compliance with governmental restrictions considering the impact on health and safety of our colleagues, their families, and our clients. We continue to deploy business continuity protocols and our Smart Working strategy to facilitate remote working capabilities to ensure the health and safety of our colleagues, to deliver results on behalf of clients, and to comply with public health and travel guidelines and restrictions.

As the situation continues to evolve, the scale and duration of the disruption and impact of COVID-19 cannot be predicted, and COVID-19 may adversely affect our business and results of operations. However, for the three and nine months ended September 30, 2022 the impacts of COVID-19 on our business results have lessened and we have seen overall strength across the firm. We continue to monitor the situation closely.

ENVIRONMENTAL, SOCIAL, AND GOVERNANCE

For many companies, the management of ESG risks and opportunities has become increasingly important, and ESG-related challenges, such as extreme weather events, supply chain disruptions and public health crises continue to create volatility and uncertainty for our clients. Aon offers a wide range of risk assessment, consulting and advisory solutions designed to address and manage ESG issues for clients, and to enable our clients to create more sustainable value. We view ESG risks as presenting an important opportunity for Aon to work together as one firm to address client needs and improve our impact on ESG matters.

RUSSIAN WAR IN UKRAINE

The Russian war in Ukraine, initiated on February 24, 2022, has resulted in certain sanctions being imposed by jurisdictions in which we operate, including the U.S., the E.U., and the U.K., on Russia and certain Russian companies and individuals. The Company’s operations in Russia and Ukraine continue to represent an immaterial portion of the Company’s global operations and the war has not had a material impact on the Company’s global operations as of September 30, 2022.

The Company continues to monitor the potential impacts on the business and the ancillary impacts that the military conflict could have on other global operations.

REVIEW OF CONSOLIDATED RESULTS

Summary of Results

Our consolidated results are as follows (in millions):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Revenue				
Total revenue	\$ 2,696	\$ 2,702	\$ 9,349	\$ 9,113
Expenses				
Compensation and benefits	1,532	1,835	4,938	5,182
Information technology	133	130	371	359
Premises	71	98	216	251
Depreciation of fixed assets	37	56	115	138
Amortization and impairment of intangible assets	34	36	87	112
Other general expense	299	1,348	965	1,955
Total operating expenses	2,106	3,503	6,692	7,997
Operating income (loss)	590	(801)	2,657	1,116
Interest income	7	3	15	9
Interest expense	(103)	(80)	(296)	(237)
Other income (expense)	16	10	71	7
Income (loss) before income taxes	510	(868)	2,447	895
Income tax expense	92	23	467	460
Net income (loss)	418	(891)	1,980	435
Less: Net income attributable to noncontrolling interests	10	9	48	43
Net income (loss) attributable to Aon shareholders	\$ 408	\$ (900)	\$ 1,932	\$ 392
Diluted net income (loss) per share attributable to Aon shareholders	\$ 1.92	\$ (3.99)	\$ 9.00	\$ 1.72
Weighted average ordinary shares outstanding - diluted	212.6	225.4	214.6	227.7

Revenue

Total revenue was flat in the third quarter of 2022 compared to the third quarter of 2021. This reflects organic revenue growth of 5% and a 1% favorable impact from fiduciary investment income, offset by a 5% unfavorable impact from foreign currency translation and a 1% unfavorable impact from acquisitions, divestitures, and other. For the first nine months of 2022, revenue increased by \$236 million, or 3%, compared to the prior year period. This increase reflects organic revenue growth of 7%, partially offset by a 4% unfavorable impact from foreign currency translation.

Commercial Risk Solutions revenue decreased \$23 million, or 2%, to \$1.5 billion in the third quarter of 2022, compared to \$1.5 billion in the third quarter of 2021. Organic revenue growth was 5% in the third quarter of 2022, driven by strong growth across most major geographies, reflecting strong retention, new business generation, and management of the renewal book portfolio. Strength in retail brokerage was highlighted by double-digit growth in the UK, Asia, and Latin America, driven by continued strength in core P&C. U.S. retail brokerage was pressured primarily by transaction solutions, which declined primarily due to lower external deal volume. On average globally, exposures and pricing were modestly positive, resulting in a modestly positive market impact. For the first nine months of 2022, revenue increased \$105 million, or 2%, to \$4.9 billion, compared to \$4.8 billion in the first nine months of 2021. Organic revenue growth was 7% in the first nine months of 2022, driven by growth across every major geography, including double-digit growth in EMEA, Asia and the Pacific, and Latin America, driven by strong retention and management of the renewal book portfolio. Results also reflect strong growth in project-related work, partially offset by a decline in transaction solutions primarily due to lower external deal volume. On average globally, exposures and pricing were modestly positive, resulting in a modestly positive market impact overall.

Reinsurance Solutions revenue increased \$43 million, or 12%, to \$396 million in the third quarter of 2022, compared to \$353 million in the third quarter of 2021. Organic revenue growth was 7% in the third quarter of 2022, driven by strong growth in treaty, reflecting strong retention and new business generation, as well as solid growth in both facultative placements and the

Strategy and Technology Group. For the first nine months of 2022 revenue increased \$134 million, or 8%, to \$1.9 billion, compared to \$1.8 billion in the first nine months of 2021. Organic revenue growth was 7% in the first nine months of 2022, driven by continued net new business generation in treaty, as well as solid growth in both facultative placements and the Strategy and Technology Group. Market impact was modestly positive on results for the three and nine months ended September 30, 2022. The majority of revenue in our treaty portfolio is recurring in nature and is recorded in connection with the major renewal periods that take place throughout the first half of the year, while the second half of the year is largely driven by facultative placements and capital markets that are more transactional in nature.

Health Solutions revenue decreased \$3 million, or 1%, to \$494 million in the third quarter of 2022, compared to \$497 million in the third quarter of 2021. Organic revenue growth was 5% in the third quarter of 2022, driven by double-digit growth in Human Capital, driven by data and advisory solutions. Results also reflect growth globally in core health and benefits brokerage, driven by strong retention and management of the renewal book portfolio, partially offset by a negative impact from the timing of certain revenues, as described in the second quarter and prior year period. For the first nine months of 2022, revenue increased \$43 million, or 3%, to \$1.5 billion, compared to \$1.5 billion in the first nine months of 2021. Organic revenue growth was 8% in the first nine months of 2022, reflecting growth globally in core health and benefits brokerage, driven by strong retention and management of the renewal book portfolio. Strength in health and benefits included growth in advisory work related to wellbeing and resilience. Results also reflect double-digit growth in Human Capital, driven by data and advisory solutions.

Wealth Solutions revenue decreased \$25 million, or 7%, to \$326 million in the third quarter of 2022, compared to \$351 million in the third quarter of 2021. Organic revenue growth was 2% overall in the third quarter of 2022, driven by growth in Retirement, reflecting higher utilization rates and project work related to pension de-risking and ongoing impacts of regulatory changes. In Investments, a decrease in AUM-based delegated investment management revenue was partially offset by growth in project-related work. For the first nine months of 2022, revenue decreased \$48 million, or 5%, to \$1.0 billion, compared to \$1.1 billion in the first nine months of 2021. Organic revenue growth was 2% in the first nine months of 2022, reflecting growth in Retirement, primarily from higher utilization rates and project-related work. In Investments, growth in project-related work was offset by a decrease in AUM-based delegated investment management revenue.

Compensation and Benefits

Compensation and benefits expenses decreased \$303 million, or 17%, in the third quarter of 2022 compared to the third quarter of 2021. This decrease was primarily driven by a \$245 million decrease in transaction costs and a \$106 million favorable impact from foreign currency translation, partially offset by an increase in expense associated with 5% organic revenue growth. For the first nine months of 2022, compensation and benefits decreased \$244 million, or 5%, compared to the first nine months of 2021. The decrease was primarily driven by a \$245 million decrease in transaction costs and a \$214 million favorable impact from foreign currency translation, partially offset by an increase in expense associated with 7% organic revenue growth.

Information Technology

Information technology expenses, which represent costs associated with supporting and maintaining our infrastructure, increased \$3 million, or 2%, in the third quarter of 2022 compared to the third quarter of 2021. This increase was primarily driven by an increase in expense associated with 5% organic revenue growth, partially offset by a \$17 million decrease in transaction costs. For the first nine months of 2022, Information technology increased \$12 million, or 3%, compared to the first nine months of 2021. The increase was primarily driven by an increase in expense associated with 7% organic revenue growth, partially offset by a \$17 million decrease in transaction costs.

Premises

Premises expenses, which represent the cost of occupying offices in various locations throughout the world, decreased \$27 million, or 28%, in the third quarter of 2022 compared to the third quarter of 2021. This decrease was primarily driven by a \$22 million decrease in transaction costs and an \$8 million favorable impact from foreign currency translation. For the first nine months of 2022, Premises expenses decreased \$35 million, or 14%, compared to the first nine months of 2021. The decrease was primarily driven by a \$22 million decrease in transaction costs and a \$14 million favorable impact from foreign currency translation.

Depreciation of Fixed Assets

Depreciation of fixed assets primarily relates to software, leasehold improvements, furniture, fixtures, and equipment, computer equipment, buildings, and automobiles. Depreciation of fixed assets decreased \$19 million, or 34%, in the third quarter of 2022 compared to the third quarter of 2021. This decrease was primarily driven by a \$16 million decrease in

transaction costs. For the first nine months of 2022, Depreciation of fixed assets decreased \$23 million, or 17%, compared to the first nine months of 2021. The decrease was primarily driven by a \$16 million decrease in transaction costs.

Amortization and Impairment of Intangible Assets

Amortization and impairment of intangible assets primarily relates to finite-lived tradenames and customer-related, contract-based, and technology assets. Amortization and impairment of intangible assets decreased \$2 million, or 6%, in the third quarter of 2022 compared to the third quarter of 2021. For the first nine months of 2022, Amortization and impairment of intangibles decreased \$25 million, or 22%, compared to the first nine months of 2021.

Other General Expense

Other general expense in the third quarter of 2022 decreased \$1,049 million, or 78%, compared to the third quarter of 2021 due primarily to a decrease in transaction costs, partially offset by an increase in expense associated with 5% organic revenue growth, including an increase in travel and entertainment expense. For the first nine months of 2022, Other general expense decreased \$990 million, or 51%, compared to the prior year period due primarily to a decrease in transaction costs, partially offset by an increase in expense associated with 7% organic revenue growth, including an increase in travel and entertainment expense.

Interest Income

Interest income represents income earned on operating cash balances and other income-producing investments. It does not include interest earned on funds held on behalf of clients. During the third quarter of 2022, Interest income was \$7 million, compared to \$3 million in the third quarter of 2021. For the first nine months of 2022, Interest income was \$15 million, compared to \$9 million in the first nine months of 2021.

Interest Expense

Interest expense, which represents the cost of our debt obligations, was \$103 million for the third quarter of 2022, an increase of \$23 million, or 29%, from the third quarter of 2021. The increase primarily reflects an increase in total debt. For the first nine months of 2022, Interest expense was \$296 million, an increase of \$59 million, or 25%, from the prior year period. The increase primarily reflects an increase in total debt.

Other Income (Expense)

Other income was \$16 million for the third quarter of 2022, compared to \$10 million for the third quarter of 2021. Other income for the third quarter of 2022 primarily reflects net gains due to the favorable impact of exchange rates on the remeasurement of assets and liabilities in non-functional currencies. Other income was \$71 million for the first nine months of 2022, compared to \$7 million for the first nine months of 2021. Other income includes \$53 million of gains from the disposal of businesses in Commercial Risk Solutions and Wealth Solutions, compared to \$2 million in the prior year period.

Income (Loss) before Income Taxes

Due to the factors discussed above, Income (loss) before income taxes for the third quarter of 2022 was \$510 million, a 159% increase from \$(868) million in the third quarter of 2021, and Income before income taxes was \$2,447 million for the first nine months of 2022, a 173% increase from \$895 million for the first nine months of 2021.

Income Taxes

The effective tax rates on Net income (loss) were 18.0% and (2.6)% for the third quarter of 2022 and 2021, respectively. The effective tax rates on Net income were 19.1% and 51.4% for the first nine months ended September 30, 2022 and 2021, respectively.

For the three and nine months ended September 30, 2022, the quarter-to-date tax rate was primarily driven by the geographical distribution of income and certain discrete items. The year-to-date tax rate was primarily driven by the geographical distribution of income and certain discrete items, primarily the favorable impacts of share-based payments.

For the three and nine months ended September 30, 2021, the quarter-to-date tax rate was primarily driven by the impact of the Termination Fee. The year-to-date tax rate was primarily driven by the Termination Fee, the U.K. tax rate increase, and the tax benefit of share-based payments. The U.K. enacted legislation on June 10, 2021 which increased the corporate income tax rate from 19% to 25% with effect from April 1, 2023 and we remeasured our U.K. deferred tax assets and liabilities accordingly.

Net Income (Loss) Attributable to Aon Shareholders

Net income (loss) attributable to Aon shareholders for the third quarter of 2022 increased to \$408 million, or \$1.92 per diluted share, from \$(900) million, or \$(3.99) per diluted share, in the prior year period. Net income attributable to Aon shareholders for the first nine months of 2022 increased to \$1.9 billion, or \$9.00 per diluted share, from \$392 million, or \$1.72 per diluted share, in the prior year period.

Non-GAAP Metrics

In our discussion of consolidated results, we sometimes refer to certain non-GAAP supplemental information derived from consolidated financial information specifically related to organic revenue growth, adjusted operating margin, adjusted diluted earnings per share, adjusted net income attributable to Aon shareholders, adjusted net income per share, other income (expense), as adjusted, adjusted effective tax rate, free cash flow, and the impact of foreign exchange rate fluctuations on operating results. Management believes that these measures are important to make meaningful period-to-period comparisons and that this supplemental information is helpful to investors. Management also uses these measures to assess operating performance and performance for compensation. This non-GAAP supplemental information should be viewed in addition to, not instead of, our Condensed Consolidated Financial Statements.

Organic Revenue Growth

We use supplemental information related to organic revenue growth to help us and our investors evaluate business growth from existing operations. Organic revenue growth is a non-GAAP measure that includes the impact of certain intercompany activity and excludes the impact of changes in foreign exchange rates, fiduciary investment income, acquisitions, divestitures, transfers between revenue lines, and gains or losses on derivatives accounted for as hedges. This supplemental information related to organic revenue growth represents a measure not in accordance with U.S. GAAP and should be viewed in addition to, not instead of, our Condensed Consolidated Financial Statements. Industry peers provide similar supplemental information about their revenue performance, although they may not make identical adjustments. A reconciliation of this non-GAAP measure to the reported Total revenue is as follows (in millions, except percentages):

	Three Months Ended September 30,		% Change	Less: Currency Impact ⁽¹⁾	Less: Fiduciary Investment Income ⁽²⁾	Less: Acquisitions, Divestitures & Other	Organic Revenue Growth ⁽³⁾
	2022	2021					
Revenue							
Commercial Risk Solutions	\$ 1,482	\$ 1,505	(2)%	(5)%	1 %	(3)%	5 %
Reinsurance Solutions	396	353	12	(4)	3	6	7
Health Solutions	494	497	(1)	(4)	—	(2)	5
Wealth Solutions	326	351	(7)	(6)	—	(3)	2
Eliminations	(2)	(4)	N/A	N/A	N/A	N/A	N/A
Total revenue	\$ 2,696	\$ 2,702	— %	(5)%	1 %	(1)%	5 %

	Nine Months Ended September 30,		% Change	Less: Currency Impact ⁽¹⁾	Less: Fiduciary Investment Income ⁽²⁾	Less: Acquisitions, Divestitures & Other	Organic Revenue Growth ⁽³⁾
	2022	2021					
Revenue							
Commercial Risk Solutions	\$ 4,893	\$ 4,788	2 %	(4)%	— %	(1)%	7 %
Reinsurance Solutions	1,909	1,775	8	(3)	1	3	7
Health Solutions	1,546	1,503	3	(3)	—	(2)	8
Wealth Solutions	1,014	1,062	(5)	(4)	—	(3)	2
Eliminations	(13)	(15)	N/A	N/A	N/A	N/A	N/A
Total revenue	\$ 9,349	\$ 9,113	3 %	(4)%	— %	— %	7 %

- (1) Currency impact represents the effect on prior year period results if they were translated at current period foreign exchange rates.
- (2) Fiduciary investment income for the three months ended September 30, 2022 and 2021, was \$26 million and \$2 million, respectively. Fiduciary investment income for the nine months ended September 30, 2022 and 2021, was \$35 million and \$6 million, respectively.
- (3) Organic revenue growth includes the impact of certain intercompany activity and excludes the impact of changes in foreign exchange rates, fiduciary investment income, acquisitions, divestitures, transfers between revenue lines, and gains or losses on derivatives accounted for as hedges.

Adjusted Operating Margin

We use adjusted operating margin as a non-GAAP measure of our core operating performance. Adjusted operating margin excludes the impact of certain items, as listed below, because management does not believe these expenses are the best indicators of our core operating performance. This supplemental information related to adjusted operating margin represents a measure not in accordance with U.S. GAAP and should be viewed in addition to, not instead of, our Condensed Consolidated Financial Statements.

A reconciliation of this non-GAAP measure to the reported operating margin is as follows (in millions, except percentages):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Revenue	\$ 2,696	\$ 2,702	\$ 9,349	\$ 9,113
Operating income (loss) - as reported	\$ 590	\$ (801)	\$ 2,657	\$ 1,116
Amortization and impairment of intangible assets	34	36	87	112
Transaction costs and other charges related to the combination and resulting termination ⁽¹⁾	—	1,363	—	1,436
Legal settlements ⁽²⁾	—	—	58	—
Operating income - as adjusted	\$ 624	\$ 598	\$ 2,802	\$ 2,664
Operating margin - as reported	21.9 %	(29.6)%	28.4 %	12.2 %
Operating margin - as adjusted	23.1 %	22.1 %	30.0 %	29.2 %

(1) As part of the proposed combination with WTW, which was subsequently terminated in the third quarter of 2021, certain transaction costs were incurred by the Company through the third quarter of 2021. These costs included advisory, legal, accounting, valuation, and other professional or consulting fees related to the combination, including planned divestitures, some of which were terminated, as well as certain compensation expenses and expenses related to further steps on our Aon United operating model as a result of the termination. Additionally, this includes the \$1 billion Termination Fee paid in connection with the termination of the combination.

(2) In connection with certain legal settlements reached, a \$58 million charge was recognized in the second quarter of 2022.

Adjusted Diluted Earnings per Share

We use adjusted diluted earnings per share as a non-GAAP measure of our core operating performance. Adjusted diluted earnings per share excludes the items identified above, along with certain pension settlements, when applicable, and related income taxes, because management does not believe these expenses are representative of our core earnings. This supplemental information related to adjusted diluted earnings per share represents a measure not in accordance with U.S. GAAP and should be viewed in addition to, not instead of, our Condensed Consolidated Financial Statements. A reconciliation of this non-GAAP measure to reported diluted net income (loss) per share is as follows (in millions, except per share data and percentages):

	Three Months Ended September 30, 2022		
	U.S. GAAP	Adjustments	Non-GAAP Adjusted
Operating income	\$ 590	\$ 34	\$ 624
Interest income	7	—	7
Interest expense	(103)	—	(103)
Other income (expense)	16	—	16
Income before income taxes	510	34	544
Income tax expense ⁽¹⁾	92	12	104
Net income	418	22	440
Less: Net income attributable to noncontrolling interests	10	—	10
Net income attributable to Aon shareholders	\$ 408	\$ 22	\$ 430
Diluted net income per share attributable to Aon shareholders	\$ 1.92	\$ 0.10	\$ 2.02
Weighted average ordinary shares outstanding - diluted	212.6	—	212.6
Effective tax rates ⁽¹⁾	18.0 %		19.1 %

	Three Months Ended September 30, 2021		
	U.S. GAAP	Adjustments	Non-GAAP Adjusted
	Operating income (loss)	\$ (801)	\$ 1,399
Interest income	3	—	3
Interest expense	(80)	—	(80)
Other income (expense)	10	—	10
Income (loss) before income taxes	(868)	1,399	531
Income tax expense ⁽¹⁾	23	104	127
Net income (loss)	(891)	1,295	404
Less: Net income attributable to noncontrolling interests	9	—	9
Net income (loss) attributable to Aon shareholders	\$ (900)	\$ 1,295	\$ 395
Diluted net income (loss) per share attributable to Aon shareholders	\$ (3.99)	\$ 5.73	\$ 1.74
Weighted average ordinary shares outstanding - diluted ⁽²⁾	225.4	1.5	226.9
Effective tax rates ⁽¹⁾	(2.6)%		23.9 %

	Nine Months Ended September 30, 2022		
	U.S. GAAP	Adjustments	Non-GAAP Adjusted
	Operating income	\$ 2,657	\$ 145
Interest income	15	—	15
Interest expense	(296)	—	(296)
Other income (expense)	71	—	71
Income before income taxes	2,447	145	2,592
Income tax expense ⁽¹⁾	467	37	504
Net income	1,980	108	2,088
Less: Net income attributable to noncontrolling interests	48	—	48
Net income attributable to Aon shareholders	\$ 1,932	\$ 108	\$ 2,040
Diluted net income per share attributable to Aon shareholders	\$ 9.00	\$ 0.51	\$ 9.51
Weighted average ordinary shares outstanding - diluted	214.6	—	214.6
Effective tax rates ⁽¹⁾	19.1 %		19.4 %

	Nine Months Ended September 30, 2021		
	U.S. GAAP	Adjustments	Non-GAAP Adjusted
Operating income	\$ 1,116	\$ 1,548	\$ 2,664
Interest income	9	—	9
Interest expense	(237)	—	(237)
Other income (expense)	7	—	7
Income before income taxes	895	1,548	2,443
Income tax expense ⁽¹⁾	460	47	507
Net income	435	1,501	1,936
Less: Net income attributable to noncontrolling interests	43	—	43
Net income attributable to Aon shareholders	\$ 392	\$ 1,501	\$ 1,893
Diluted net income per share attributable to Aon shareholders	\$ 1.72	\$ 6.59	\$ 8.31
Weighted average ordinary shares outstanding - diluted ⁽²⁾	227.7	—	227.7
Effective tax rates ⁽¹⁾	51.4 %		20.8 %

- (1) Adjusted items are generally taxed at the estimated annual effective tax rate, except for the applicable tax impact associated with certain transaction costs and other charges related to the combination and resulting termination and certain legal and pension settlements, which are adjusted at the related jurisdictional rate. In addition, income tax expense for the nine months ended September 30, 2021 was adjusted to exclude the impact of remeasuring the net deferred tax liabilities in the U.K. as a result of the corporate income tax rate increase enacted in the second quarter of 2021.
- (2) The dilutive effect of potentially issuable shares was excluded from the calculation of the U.S. GAAP Weighted average ordinary shares outstanding for the three months ended September 30, 2021 due to the net loss recognized in the period.

Free Cash Flow

We use free cash flow, defined as cash flow provided by operations less capital expenditures, as a non-GAAP measure of our core operating performance and cash-generating capabilities of our business operations. This supplemental information related to free cash flow represents a measure not in accordance with U.S. GAAP and should be viewed in addition to, not instead of, our Condensed Consolidated Financial Statements. The use of this non-GAAP measure does not imply or represent the residual cash flow for discretionary expenditures. A reconciliation of this non-GAAP measure to the reported Cash provided by operating activities is as follows (in millions):

	Nine Months Ended September 30,	
	2022	2021
Cash provided by operating activities	\$ 2,177	\$ 1,251
Capital expenditures	(126)	(102)
Free cash flow	\$ 2,051	\$ 1,149

Impact of Foreign Exchange Rate Fluctuations

Because we conduct business in over 120 countries and sovereignties, foreign exchange rate fluctuations may have a significant impact on our business. Foreign exchange rate movements may be significant and may distort true period-to-period comparisons of changes in revenue or pretax income. Therefore, to give financial statement users meaningful information about our operations, we have provided an illustration of the impact of foreign currency exchange rates on our financial results. The methodology used to calculate this impact isolates the impact of the change in currencies between periods by translating the prior year quarter's revenue, expenses, and net income using the current quarter's foreign exchange rates.

Currency fluctuations had a favorable impact of \$0.04 and an unfavorable impact of \$0.24 on net income per diluted share during the three and nine months ended September 30, 2022, respectively, if prior year period results were translated at current period foreign exchange rates. Currency fluctuations had a favorable impact of \$0.02 and a favorable impact of \$0.13 on net income (loss) per diluted share during the three and nine months ended September 30, 2021, respectively, if 2020 results were translated at 2021 rates.

Currency fluctuations had an unfavorable impact of \$0.05 and an unfavorable impact of \$0.34 on adjusted diluted earnings per share during the three and nine months ended September 30, 2022, respectively, if prior year period results were translated at current period foreign exchange rates. Currency fluctuations had a favorable impact of \$0.02 and a favorable impact of \$0.24

on adjusted diluted earnings per share during the three and nine months ended September 30, 2021, respectively, if 2020 results were translated at 2021 rates. These translations are performed for comparative and illustrative purposes only and do not impact the accounting policies or practices for amounts included in our Condensed Consolidated Financial Statements.

LIQUIDITY AND FINANCIAL CONDITION

Liquidity

Executive Summary

We believe that our balance sheet and strong cash flow provide us with adequate liquidity. Our primary sources of liquidity in the near-term include cash flows provided by operations and available cash reserves; primary sources of liquidity in the long-term include cash flows provided by operations, debt capacity available under our credit facilities, and capital markets. Our primary uses of liquidity are operating expenses and investments, capital expenditures, acquisitions, share repurchases, pension obligations, and shareholder dividends. We believe that cash flows from operations, available credit facilities, available cash reserves, and the capital markets will be sufficient to meet our liquidity needs, including principal and interest payments on debt obligations, capital expenditures, pension contributions, and anticipated working capital requirements in the next twelve months and over the long-term. Although there continues to be uncertainties around future economic conditions due to COVID-19, we have largely returned to normal levels of liquidity and will continue to monitor our needs as economic conditions change.

Cash on our balance sheet includes funds available for general corporate purposes, as well as amounts restricted as to their use. Funds held on behalf of clients in a fiduciary capacity are segregated and shown together with uncollected insurance premiums in Fiduciary assets in our Condensed Consolidated Statements of Financial Position, with a corresponding amount in Fiduciary liabilities.

In our capacity as an insurance broker or agent, we collect premiums from insureds and, after deducting our commission, remit the premiums to the respective insurance underwriters. We also collect claims or refunds from underwriters on behalf of insureds, which are then returned to the insureds. Unremitted insurance premiums and claims are held by us in a fiduciary capacity. The levels of funds held on behalf of clients and liabilities can fluctuate significantly depending on when we collect the premiums, claims, and refunds, make payments to underwriters and insureds, and collect funds from clients and make payments on their behalf, and upon the impact of foreign currency movements. Funds held on behalf of clients, because of their nature, are generally invested in very liquid securities with highly rated, credit-worthy financial institutions. Fiduciary assets include funds held on behalf of clients comprised of cash and cash equivalents of \$6.5 billion and \$6.1 billion at September 30, 2022 and December 31, 2021, respectively, and fiduciary receivables of \$8.2 billion and \$8.3 billion at September 30, 2022 and December 31, 2021, respectively. While we earn investment income on the funds held in cash and money market funds, the funds cannot be used for general corporate purposes.

We maintain multicurrency cash pools with third-party banks in which various Aon entities participate. Individual Aon entities are permitted to overdraw on their individual accounts provided the overall global balance does not fall below zero. At September 30, 2022, non-U.S. cash balances of one or more entities may have been negative; however, the overall balance was positive.

The following table summarizes our Cash and cash equivalents, Short-term investments, and Fiduciary assets as of September 30, 2022 (in millions):

Asset Type	Statement of Financial Position Classification				Total
	Cash and Cash Equivalents	Short-term Investments	Fiduciary Assets		
Certificates of deposit, bank deposits, or time deposits	\$ 692	\$ —	\$ 3,890	\$ 4,582	
Money market funds	—	251	2,613	2,864	
Cash, Short-term investments, and funds held on behalf of clients	692	251	6,503	7,446	
Fiduciary receivables	—	—	8,196	8,196	
Total	\$ 692	\$ 251	\$ 14,699	\$ 15,642	

Cash and cash equivalents and funds held on behalf of clients increased \$550 million in 2022. A summary of our cash flows provided by and used for operating, investing, and financing activities is as follows (in millions):

	Nine Months Ended September 30,	
	2022	2021
Cash provided by operating activities	\$ 2,177	\$ 1,251
Cash used for investing activities	\$ (209)	\$ (116)
Cash used for financing activities	\$ (339)	\$ (594)
Effect of exchange rates on cash and cash equivalents and funds held on behalf of clients	\$ (1,079)	\$ (93)

Operating Activities

Net cash provided by operating activities during the nine months ended September 30, 2022 increased \$926 million, or 74%, from the prior year period to \$2,177 million. This amount represents Net income reported, generally adjusted for the following primary drivers including gains from sales of businesses, losses from sales of businesses, share-based compensation expense, depreciation expense, amortization and impairments, and other non-cash income and expenses, as well as changes in working capital that relate primarily to the timing of payments of accounts payable and accrued liabilities and collection of receivables.

Pension Contributions

Pension contributions were \$50 million for the nine months ended September 30, 2022, as compared to \$74 million for the nine months ended September 30, 2021. For the remainder of 2022, we expect to contribute approximately \$24 million in cash to our pension plans, including contributions to non-U.S. pension plans, which are subject to changes in foreign exchange rates.

Investing Activities

Cash flow used for investing activities was \$209 million during the nine months ended September 30, 2022, an increase of \$93 million compared to \$116 million of Cash flow used for investing activities in the prior year period. Generally, the primary drivers of cash flow used for investing activities are acquisitions of businesses, purchases of short-term investments, capital expenditures, and payments for investments. Generally, the primary drivers of cash flow provided by investing activities are sales of businesses, sales of short-term investments, and proceeds from investments. The gains and losses corresponding to cash flows provided by proceeds from investments and used for payments for investments are primarily recognized in Other income (expense) in our Condensed Consolidated Statements of Income.

Short-term Investments

Short-term investments decreased \$41 million as compared to December 31, 2021. As disclosed in Note 14 “Fair Value Measurements and Financial Instruments” of our Condensed Consolidated Financial Statements contained in Part I, Item 1 of this report, the majority of our investments carried at fair value are money market funds. These money market funds are held throughout the world with various financial institutions. We are not aware of any market liquidity issues that would materially impact the fair value of these investments.

Acquisitions and Dispositions of Businesses

During the first nine months of 2022, we completed four acquisitions for total consideration transferred of \$159 million. Cash consideration, net of cash and funds held on behalf of clients acquired was \$154 million. During the first nine months of 2022, we completed three dispositions. We had a net cash inflow related to dispositions of \$80 million for the first nine months of 2022. The pretax gains recognized in the Condensed Consolidated Statements of Income related to dispositions were \$6 million and \$53 million for the three and nine months ended September 30, 2022, respectively.

During the first nine months of 2021, we completed one acquisition and three businesses were sold. The pretax gains and losses recognized in the Condensed Consolidated Statement of Income related to dispositions were insignificant related to prior year acquisitions.

Capital Expenditures

Our additions to fixed assets, including capitalized software, which amounted to \$126 million and \$102 million for the nine months ended September 30, 2022 and 2021, respectively, primarily relate to the refurbishing and modernizing of office facilities, software development costs, and computer equipment purchases, much of which supports our flexible Smart Working strategy.

Financing Activities

Cash flow used for financing activities during the nine months ended September 30, 2022 was \$339 million, a decrease of \$255 million compared to \$594 million of Cash flow used for financing activities in the prior year period. Generally, the primary drivers of cash flow used for financing activities are repayments of debt, share repurchases, issuances of shares for employee benefit plans, dividends paid to shareholders, transactions with noncontrolling interests, and other financing activities, such as collection of or payments for deferred consideration in connection with prior year business acquisitions and divestitures. Generally, the primary drivers of cash flow provided by financing activities are issuances of debt and changes in net fiduciary liabilities.

Share Repurchase Program

We have a share repurchase program authorized by our Board of Directors. The Repurchase Program was established in April 2012 with \$5.0 billion in authorized repurchases, and was increased by \$5.0 billion in authorized repurchases in each of November 2014, June 2017, and November 2020, and by \$7.5 billion in February 2022 for a total of \$27.5 billion in repurchase authorizations.

The following table summarizes our share repurchase activity (in millions, except per share data):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Shares repurchased	4.2	4.4	8.7	5.7
Average price per share	\$ 284.39	\$ 283.38	\$ 289.14	\$ 272.11
Repurchase costs recorded to accumulated deficit	\$ 1,200	\$ 1,251	\$ 2,528	\$ 1,543

At September 30, 2022, the remaining authorized amount for share repurchases under the Repurchase Program was approximately \$6.7 billion. Under the Repurchase Program, the Company has repurchased a total of 158.4 million shares for an aggregate cost of approximately \$20.8 billion. For further information regarding the Repurchase Program, see Part II, Item 2 of this report.

Borrowings

Total debt at September 30, 2022 was \$10.8 billion, an increase of \$1.4 billion compared to December 31, 2021. Further, commercial paper activity during the nine months ended September 30, 2022 and 2021 is as follows (in millions):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Total issuances ⁽¹⁾	\$ 2,979	\$ 1,074	\$ 10,680	\$ 2,174
Total repayments	(2,996)	(924)	(11,106)	(2,024)
Net repayments	\$ (17)	\$ 150	\$ (426)	\$ 150

(1) The proceeds of the commercial paper issuances are generally used for short-term working capital needs.

On September 12, 2022, Aon Corporation, a Delaware corporation, and Aon Global Holdings plc, a public limited company formed under the laws of England and Wales, both wholly owned subsidiaries of the Company, co-issued \$500 million of 5.00% Senior Notes due September 2032. The Company intends to use the net proceeds from the offering for general corporate purposes.

On February 28, 2022, Aon Corporation and Aon Global Holdings plc co-issued \$600 million of 2.85% Senior Notes due May 2027 and \$900 million of 3.90% Senior Notes due February 2052. The Company intends to use the net proceeds from the offering for general corporate purposes.

On December 2, 2021, Aon Corporation and Aon Global Holdings plc co-issued \$500 million aggregate principal amount of 2.60% Senior Notes due December 2031. The Company intends to use the net proceeds of the offering for general corporate purposes.

In November 2021, the Company's \$500 million 2.20% Senior Notes due November 2022 were classified as Short-term debt and current portion of long-term debt in the Condensed Consolidated Statements of Financial Position as the date of maturity was within one year.

On August 23, 2021, Aon Corporation and Aon Global Holdings plc co-issued \$400 million of 2.05% Senior Notes due August 2031 and \$600 million of 2.90% Senior Notes due August 2051. The Company intends to use the net proceeds from the offering for general corporate purposes.

On January 13, 2021, Aon Global Limited issued an irrevocable notice of redemption to holders of its 2.80% Senior Notes for the redemption of all \$400 million outstanding aggregate principal amount of the notes, which were set to mature in March 2021 and classified as Short-term debt and current portion of long-term debt as of December 31, 2020. The redemption date was on February 16, 2021 and resulted in an insignificant loss due to extinguishment.

Other Liquidity Matters

Distributable Profits

We are required under Irish law to have available “distributable profits” to make share repurchases or pay dividends to shareholders. Distributable profits are created through the earnings of the Irish parent company and, among other methods, through intercompany dividends or a reduction in share capital approved by the High Court of Ireland. Distributable profits are not linked to a U.S. GAAP reported amount (e.g., Retained earnings (accumulated deficit)). As of September 30, 2022 and December 31, 2021, we had distributable profits in excess of \$29.8 billion and \$32.7 billion, respectively. We believe that we will have sufficient distributable profits for the foreseeable future.

Credit Facilities

We expect cash generated by operations for 2022 to be sufficient to service our debt and contractual obligations, finance capital expenditures, and continue to pay dividends to our shareholders. Although cash from operations is expected to be sufficient to service these activities, we have the ability to access the commercial paper markets or borrow under our credit facilities to accommodate any timing differences in cash flows. Additionally, under current market conditions, we believe that we could access capital markets to obtain debt financing for longer-term funding, if needed.

As of September 30, 2022, we had two primary committed credit facilities outstanding: our \$1.0 billion multi-currency U.S. credit facility expiring in September 2026 and our \$750 million multi-currency U.S. credit facility expiring in October 2023. In aggregate, these two facilities provide approximately \$1.8 billion in available credit. Effective October 19, 2022, the expiration date of the \$750 million multi-currency U.S. credit facility was extended one year to October 2024.

Each of these primary committed credit facilities includes customary representations, warranties, and covenants, including financial covenants that require us to maintain specified ratios of adjusted consolidated EBITDA to consolidated interest expense and consolidated debt to consolidated adjusted EBITDA, tested quarterly. At September 30, 2022, we did not have borrowings under either facility, and we were in compliance with the financial covenants and all other covenants contained therein during the rolling 12 months ended September 30, 2022.

Shelf Registration Statement

On May 12, 2020, we filed a shelf registration statement with the SEC, registering the offer and sale from time to time of an indeterminate amount of, among other securities, debt securities, preference shares, class A ordinary shares and convertible securities. Our ability to access the market as a source of liquidity is dependent on investor demand, market conditions, and other factors.

Rating Agency Ratings

The major rating agencies’ ratings of our debt at October 28, 2022 appear in the table below.

	Ratings		Outlook
	Senior Long-term Debt	Commercial Paper	
Standard & Poor’s	A-	A-2	Stable
Moody’s Investor Services	Baa2	P-2	Stable
Fitch, Inc.	BBB+	F-2	Stable

Letters of Credit and Other Guarantees

We have entered into a number of arrangements whereby our performance on certain obligations is guaranteed by a third party through the issuance of a letter of credit. We had total LOCs outstanding of approximately \$69 million at September 30, 2022, compared to \$75 million at December 31, 2021. These LOCs cover the beneficiaries related to certain of our U.S. and Canadian non-qualified pension plan schemes and secure deductible retentions for our own workers compensation program. We

also have obtained LOCs to cover contingent payments for taxes and other business obligations to third parties, and other guarantees for miscellaneous purposes at our international subsidiaries.

We have certain contractual contingent guarantees for premium payments owed by clients to certain insurance companies. The maximum exposure with respect to such contractual contingent guarantees was approximately \$132 million at September 30, 2022, compared to \$153 million at December 31, 2021.

Guarantee of Registered Securities

In connection with the Ireland Reorganization, on April 1, 2020 Aon plc and Aon Global Holdings plc entered into various agreements pursuant to which they agreed to guarantee the obligations of Aon Corporation arising under issued and outstanding debt securities, which were previously guaranteed solely by Aon Global Limited and the obligations of Aon Global Limited arising under issued and outstanding debt securities, which were previously guaranteed solely by Aon Corporation. Those agreements included: (1) Second Amended and Restated Indenture, dated April 1, 2020, among Aon Corporation, Aon Global Limited, Aon plc, and Aon Global Holdings plc and the Trustee (amending and restating the Amended and Restated Indenture, dated April 2, 2012, among Aon Corporation, Aon Global Limited and the Trustee); (2) Amended and Restated Indenture, dated April 1, 2020, among Aon Corporation, Aon Global Limited, Aon plc, Aon Global Holdings plc and the Trustee (amending and restating the Indenture, dated December 12, 2012, among Aon Corporation, Aon Global Limited plc and the Trustee); (3) Second Amended and Restated Indenture, dated April 1, 2020, among Aon Corporation, Aon Global Limited, Aon plc, Aon Global Holdings plc and the Trustee (amending and restating the Amended and Restated Indenture, dated May 20, 2015, among Aon Corporation, Aon Global Limited and the Trustee); (4) Amended and Restated Indenture, dated April 1, 2020, among Aon Corporation, Aon Global Limited, Aon plc, Aon Global Holdings plc and the Trustee (amending and restating the Indenture, dated November 13, 2015, among Aon Corporation, Aon Global Limited and the Trustee); and (5) Amended and Restated Indenture, dated April 1, 2020, among Aon Corporation, Aon Global Limited, Aon plc, Aon Global Holdings plc and the Trustee (amending and restating the Indenture, dated December 3, 2018, among Aon Corporation, Aon Global Limited and the Trustee).

After the Ireland Reorganization, newly issued and outstanding debt securities by Aon Corporation are guaranteed by Aon Global Limited, Aon plc, and Aon Global Holdings plc, and include the following (collectively, the “Aon Corporation Notes”):

Aon Corporation Notes

2.20% Senior Notes due November 2022

8.205% Junior Subordinated Notes due January 2027

4.50% Senior Notes due December 2028

3.75% Senior Notes due May 2029

2.80% Senior Notes due May 2030

6.25% Senior Notes due September 2040

All guarantees of Aon plc, Aon Global Limited, and Aon Global Holdings plc of the Aon Corporation Notes are joint and several as well as full and unconditional. Senior Notes rank pari passu in right of payment with all other present and future unsecured debt which is not expressed to be subordinate or junior in rank to any other unsecured debt of Aon Corporation. There are no subsidiaries other than those listed above that guarantee the Aon Corporation Notes.

After the Ireland Reorganization, newly issued and outstanding debt securities by Aon Global Limited are guaranteed by Aon plc, Aon Global Holdings plc, and Aon Corporation, and include the following (collectively, the “Aon Global Limited Notes”):

Aon Global Limited Notes

4.00% Senior Notes due November 2023

3.50% Senior Notes due June 2024

3.875% Senior Notes due December 2025

2.875% Senior Notes due May 2026

4.25% Senior Notes due December 2042

4.45% Senior Notes due May 2043

4.60% Senior Notes due June 2044

4.75% Senior Notes due May 2045

All guarantees of Aon plc, Aon Global Holdings plc, and Aon Corporation of the Aon Global Limited Notes are joint and several as well as full and unconditional. Senior Notes rank pari passu in right of payment with all other present and future unsecured debt which is not expressed to be subordinate or junior in rank to any other unsecured debt of Aon Global Limited. There are no subsidiaries other than those listed above that guarantee the Aon Global Limited Notes.

Newly co-issued and outstanding debt securities by Aon Corporation and Aon Global Holdings plc (together, the “Co-Issuers”) are guaranteed by Aon plc and Aon Global Limited and include the following (collectively, the “Co-Issued Notes”):

Co-Issued Notes - Aon Corporation and Aon Global Holdings plc

2.85% Senior Notes due May 2027

2.05% Senior Notes due August 2031

2.60% Senior Notes due December 2031

5.00% Senior Notes due September 2032

2.90% Senior Notes due August 2051

3.90% Senior Notes due February 2052

All guarantees of Aon plc and Aon Global Limited of the Co-Issued Notes are joint and several as well as full and unconditional. Senior Notes rank pari passu in right of payment with all other present and future unsecured debt which is not expressed to be subordinate or junior in rank to any other unsecured debt of the Co-Issuers. There are no subsidiaries other than those listed above that guarantee the Co-Issued Notes.

Aon Corporation, Aon Global Limited, and Aon Global Holdings plc are indirect wholly owned subsidiaries of Aon plc. Aon plc, Aon Global Limited, Aon Global Holdings plc, and Aon Corporation together comprise the “Obligor group”. The following tables set forth summarized financial information for the Obligor group.

Adjustments are made to the tables to eliminate intercompany balances and transactions between the Obligor group. Intercompany balances and transactions between the Obligor group and non-guarantor subsidiaries are presented as separate line items within the summarized financial information. These balances are presented on a net presentation basis, rather than a gross basis, as this better reflects the nature of the intercompany positions and presents the funding or funded position that is to be received or owed. No balances or transactions of non-guarantor subsidiaries are presented in the summarized financial information, including investments of the Obligor group in non-guarantor subsidiaries.

Obligor Group
Summarized Statement of Income Information

<i>(millions)</i>	Nine Months Ended September 30, 2022	
Revenue	\$	—
Operating loss	\$	(79)
Expense from non-guarantor subsidiaries before income taxes	\$	(597)
Net loss	\$	(827)
Net loss attributable to Aon shareholders	\$	(827)

Obligor Group
Summarized Statement of Financial Position Information

<i>(millions)</i>	As of	
	September 30, 2022	December 31, 2021
Receivables due from non-guarantor subsidiaries	\$ 4,609	\$ 1,646
Other current assets	87	57
Total current assets	\$ 4,696	\$ 1,703
Non-current receivables due from non-guarantor subsidiaries	\$ 462	\$ 498
Other non-current assets	938	882
Total non-current assets	\$ 1,400	\$ 1,380
Payables to non-guarantor subsidiaries	\$ 22,476	\$ 13,509
Other current liabilities	5,935	2,013
Total current liabilities	\$ 28,411	\$ 15,522
Non-current payables to non-guarantor subsidiaries	\$ 2,340	\$ 7,139
Other non-current liabilities	11,326	9,512
Total non-current liabilities	\$ 13,666	\$ 16,651

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

There have been no changes in our critical accounting policies, which include revenue recognition, pensions, goodwill and other intangible assets, contingencies, share-based payments, and income taxes, as discussed in our Annual Report on Form 10-K for the year ended December 31, 2021.

NEW ACCOUNTING PRONOUNCEMENTS

As described in Note 2 “Accounting Principles and Practices” to our Financial Statements contained in Part I, Item 1, all issued, but not yet effective, guidance has been deemed not applicable or not significant to the Financial Statements.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

We are exposed to potential fluctuations in earnings, cash flows, and the fair values of certain of our assets and liabilities due to changes in interest rates and foreign exchange rates. To manage the risk from these exposures, we enter into a variety of derivative instruments. We do not enter into derivatives or financial instruments for trading or speculative purposes.

The following discussion describes our specific exposures and the strategies we use to manage these risks. Refer to Note 2 “Summary of Significant Accounting Principles and Practices” in the Notes to Consolidated Financial Statements as discussed in Part II, Item 8 of the Company’s Annual Report on Form 10-K for the year ended December 31, 2021 for a discussion of our accounting policies for financial instruments and derivatives.

Foreign Exchange Risk

We are subject to foreign exchange rate risk. Our primary exposures include exchange rates between the U.S. dollar and the euro, the British pound, the Canadian dollar, the Australian dollar, the Indian rupee, and the Japanese yen. We use over-the-counter options and forward contracts to reduce the impact of foreign currency risk to our financial statements.

Additionally, some of our non-U.S. brokerage subsidiaries receive revenue in currencies that differ from their functional currencies. Our U.K. subsidiaries earn a portion of their revenue in U.S. dollars, euro, and Japanese yen, but most of their expenses are incurred in British pounds. At September 30, 2022, we have hedged approximately 45% of our U.K. subsidiaries' expected exposures to U.S. dollar, euro, and Japanese yen transactions for the years ending December 31, 2022 and 2023, respectively. We generally do not hedge exposures beyond three years.

We also use forward and option contracts to economically hedge foreign exchange risk associated with monetary balance sheet exposures, such as intercompany notes and short-term assets and liabilities that are denominated in a non-functional currency and are subject to remeasurement.

The translated value of revenues and expenses from our international brokerage operations are subject to fluctuations in foreign exchange rates. If we were to translate prior year results at current quarter exchange rates, diluted net income per share would have a favorable \$0.04 impact and an unfavorable \$0.24 impact during the three and nine months ended September 30, 2022, respectively. Further, adjusted diluted earnings per share, a non-GAAP measure as defined and reconciled under the caption "Review of Consolidated Results — Adjusted Diluted Earnings Per Share," would have an unfavorable \$0.05 impact and an unfavorable \$0.34 impact during the three and nine months ended September 30, 2022, respectively, if we were to translate prior year results at current quarter exchange rates.

Interest Rate Risk

Our fiduciary investment income is affected by changes in international and domestic short-term interest rates. We monitor our net exposure to short-term interest rates and, as appropriate, hedge our exposure with various derivative financial instruments. This activity primarily relates to brokerage funds held on behalf of clients in the U.S. and in continental Europe. A decrease in global short-term interest rates adversely affects our fiduciary investment income.

Item 4. Controls and Procedures

Evaluation of disclosure controls and procedures. We have conducted an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), as of the end of the period covered by this quarterly report of September 30, 2022. Based on this evaluation, our chief executive officer and chief financial officer concluded that our disclosure controls and procedures were effective such that the information relating to Aon, including our consolidated subsidiaries, required to be disclosed in our SEC reports is recorded, processed, summarized and reported within the time periods specified in appropriate statute, SEC rules and forms, and is accumulated and communicated to Aon's management, including our chief executive officer and chief financial officer, as appropriate to allow timely decisions regarding required disclosure.

Changes in internal control over financial reporting. No changes in Aon's internal control over financial reporting (as defined in Rule 13a-15(f) under the Exchange Act) occurred during the quarter ended September 30, 2022 that have materially affected, or that are reasonably likely to materially affect, Aon's internal control over financial reporting.

Part II Other Information

Item 1. Legal Proceedings

See Note 15 “Claims, Lawsuits, and Other Contingencies” to our Financial Statements contained in Part I, Item 1 of this report, which is incorporated by reference herein.

Item 1A. Risk Factors

The risk factors set forth in the “Risk Factors” section in Part I, Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2021 reflect certain risks associated with existing and potential lines of business and contain “forward-looking statements” as discussed in “Information Concerning Forward-Looking Statements” elsewhere in this report. Readers should consider them in addition to the other information contained in this report as our business, financial condition or results of operations could be adversely affected if any of these risks actually occur.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Issuer Purchases of Equity Securities

The following information relates to the purchase of equity securities by Aon or any affiliated purchaser during each month within the third quarter of 2022:

Period	Total Number of Shares Purchased	Average Price Paid per Share ⁽¹⁾	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs ⁽²⁾	Maximum Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs ⁽¹⁾⁽²⁾
7/1/22 - 7/31/22	903,685	\$ 276.64	903,685	\$ 7,642,262,747
8/1/22 - 8/31/22	2,030,250	\$ 290.61	2,030,250	\$ 7,052,261,833
9/1/22 - 9/30/22	1,285,513	\$ 280.03	1,285,513	\$ 6,692,274,874
	<u>4,219,448</u>	\$ 284.39	<u>4,219,448</u>	\$ 6,692,274,874

(1) Does not include commissions paid to repurchase shares.

(2) The Repurchase Program was established in April 2012 with \$5.0 billion in authorized repurchases and was increased by \$5.0 billion in authorized repurchases in each of November 2014, June 2017, and November 2020, and by \$7.5 billion in February 2022 for a total of \$27.5 billion in repurchase authorizations.

Unregistered Sales of Equity Securities

We did not make any unregistered sales of equity in the third quarter of 2022.

Item 3. Defaults Upon Senior Securities

Not Applicable.

Item 4. Mine Safety Disclosures

Not Applicable.

Item 5. Other Information

Not Applicable.

Item 6. Exhibits

Exhibits — The exhibits filed with this report are listed on the attached Exhibit Index.

Signature

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Aon plc
(Registrant)

October 28, 2022

By: /s/ Michael Neller
Michael Neller
SENIOR VICE PRESIDENT AND
GLOBAL CONTROLLER
(Principal Accounting Officer and duly authorized officer of
Registrant)

Exhibit Index

Exhibit Number	Description of Exhibit
3.1	Memorandum and Articles of Association of Aon plc (Incorporated by reference to Exhibit 3.1 to Aon's Current Report on Form 8-K filed with the SEC on June 4, 2021)
4.1	Amended and Restated Indenture, dated April 1, 2020, among Aon Corporation, Aon plc, AGL, AGH and the Trustee (amending and restating the Indenture, dated December 3, 2018, among Aon Corporation, AGL and the Trustee) (included in Exhibit 4.6 to the Current Report on Form 8-K12B filed by Aon plc on April 1, 2020).
4.2	Fourth Indenture Supplement, dated as of September 12, 2022, among Aon Corporation, AGH, the Guarantors and the Trustee (Incorporated by reference to Exhibit 4.2 to Aon's Current Report on Form 8-K filed with the SEC on September 12, 2022).
4.3	Form of 5.000% Senior Notes due 2032 (including the Guarantees) (Incorporated by reference to Exhibit 4.2 to Aon's Current Report on Form 8-K filed with the SEC on September 12, 2022).
10.1	Amendment No. 3 to the Credit Agreement among Aon plc, Aon Corporation, Aon Global Holdings plc, Aon Global Limited, the lenders party thereto, and Citibank, N.A., as administrative agent, dated as of October 19, 2022 (Incorporated by reference to Exhibit 10.1 to Aon's Current Report on Form 8-K filed with the SEC on October 21, 2022).
22.1	Subsidiary Guarantors and Issuers of Guaranteed Securities
31.1*	Certification of CEO.
31.2*	Certification of CFO.
32.1*	Certification of CEO Pursuant to section 1350 of Title 18 of the United States Code.
32.2*	Certification of CFO Pursuant to section 1350 of Title 18 of the United States Code.
101*	Interactive Data Files. The following materials are filed electronically with this Quarterly Report on Form 10-Q: 101.SCH XBRL Taxonomy Extension Schema Document 101.CAL XBRL Taxonomy Calculation Linkbase Document 101.DEF XBRL Taxonomy Definition Linkbase Document 101.PRE XBRL Taxonomy Presentation Linkbase Document 101.LAB XBRL Taxonomy Calculation Linkbase Document
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

* Filed herewith
Indicates a management contract or compensatory plan or arrangement