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Aon Plc (AON)

Q3 2024 Earnings Call

CORPORATE PARTICIPANTS

Gregory C. Case
Chief Executive Officer & Director, Aon Plc

Edmund J. Reese
Executive Vice President & Chief Financial Officer, Aon Plc

Eric J. Andersen
President, Aon Plc

OTHER PARTICIPANTS

Andrew Kligerman
Analyst, TD Cowen

Alex Scott
Analyst, Barclays Capital, Inc.

Elyse Greenspan
Analyst, Wells Fargo Securities LLC

Mike Zaremski
Analyst, BMO Capital Markets Corp.

Jimmy S. Bhullar
Analyst, JPMorgan Securities LLC

Grace H. Carter
Analyst, BofA Securities, Inc.

David Motemaden
Analyst, Evercore ISI

Dean Criscitiello
Analyst, Keefe, Bruyette & Woods, Inc.

Robert Cox
Analyst, Goldman Sachs & Co. LLC

MANAGEMENT DISCUSSION SECTION

Operator: Good morning, and thank you for holding. Welcome to Aon Plc's Third Quarter 2024 Conference Call. At this time, all parties will be in a listen-only mode until the question-and-answer portion of today's call. I would also like to remind all parties that this call is being recorded. If anyone has an objection, you may disconnect your line at this time.

It is important to note that some of the comments in today's call may constitute certain statements that are forward-looking in nature, as defined by the Private Securities Reform Act of 1995. Such statements are subject to certain risks and uncertainties that could cause actual results to differ materially from historical results or those anticipated. Information concerning risk factors that could cause such differences are described in the press release covering our third quarter 2024 results, as well as having been posted on our website.

It is now my pleasure to turn the call over to Greg Case, CEO of Aon Plc.

Gregory C. Case
Chief Executive Officer & Director, Aon Plc

Good morning, everyone. Welcome to our third quarter conference call. I'm joined by Edmund Reese, our CFO; and Eric Andersen, our President. And we're especially delighted to have Edmund here leading his first quarterly earnings call as our CFO. As in previous quarters, we posted a detailed financial presentation on our website and the webcast slides which Edmund will reference in his remarks.

To begin, we want to extend our deepest sympathies to those impacted by recent natural disasters, including from hurricanes, flooding, and typhoons around the world, particularly Hurricanes Helene and Milton. In these times of challenge, as communities endure the tragic loss of life and tremendous damage, our actions as a firm focus especially hard on helping businesses and communities respond and recover.

Through our 60,000 colleagues who make this possible, thank you in all you do and for your tireless commitment and dedication to our clients. Together, we're executing on our 3x3 Plan on each of the three pillars, delivering Risk Capital and Human Capital solutions to the Aon client leadership model, scaled by our Aon Business Services operating platform. This is a monumental effort, and we're seeing it in our results. Year-to-date financial performance represents great progress and puts us well on track to achieve our goals in 2024 and over the long term.

Highlighting our results and key messages from the quarter and year-to-date, in Q3, our team delivered 7% total organic revenue growth with all solution lines at 6% or greater and consistent organic revenue growth from Aon and NFP. With this organic growth and the addition of NFP, we delivered 26% total revenue growth, 28% adjusted operating income growth, and adjusted operating margin of 24.6%, an increase of 70 basis points year-over-year from our combined 2023 margin baseline. Year-to-date, we delivered 6% organic revenue growth, 15% total revenue growth, and 70 basis points of adjusted operating margin expansion from our baseline, including roughly five months with NFP, contributing to 15% adjusted operating income growth and 9% growth in earnings per share. We also made progress on de-levering, executing attractive M&A and returning capital to shareholders with $800 million of share buyback year-to-date.

NFP continues to perform exceptionally well, exactly in line with expectations for top line growth, cost of revenue synergies, free cash flow, and ongoing M&A activity, all executed through our independent and connected operating strategy.

Overall, we remain fully on track to achieve our financial guidance for mid single-digit or greater organic revenue growth, margin expansion, and double-digit free cash flow growth over the long term, all supported by disciplined capital management.

As we reflect on future client demand and our momentum, we would offer a few observations. In every industry and region, our clients are telling us that it's getting harder to make decisions across risk and people issues. They face increasing volatility as decision-making becomes more complex, requires deeper insights, stronger partnerships, and more innovative solutions. Businesses are demanding urgent action, and we're well-positioned to respond with exceptional solutions in our core business and with the development and delivery of content, capability, and expertise that helps clients effectively address their challenges.

Our 3x3 Plan is designed to meet these needs across the pillars of Risk Capital, Human Capital, Aon Client Leadership and Aon Business Services, leveraging our structure to unlock new integrated solutions to support our clients.

A recent client example highlights this opportunity across all three pillars of our plan. Our client, a leading global construction company, needed a partner who could help them place one of the largest insurance programs in the marketplace for their contractors with seamless support and connection across multiple geographies. Historically, the program consisted of multiple regional placements, creating inefficiencies which were growing with our client's own rapid business growth. To do this, our global team brought regional data and insights from our analytic tools together in a more efficient global placement, supported by enhanced service delivery.

Collectively, we delivered a program for our client that enabled them to maintain coverage, optimize their placement process, improve transparency, and deliver savings. Our team's seamless work demonstrated the differentiated value that we bring without silos, underscored by the financial advantage and innovation made possible through rich capital insights and Aon Business Services.

And as we think about Aon Business Services, our data and analytics were a meaningful part of this win. And this was only the beginning, not only for this client, but much more broadly. As we have often highlighted, a primary element of our strategy is bringing together our data, analytics, operations, and platforms to deliver insight in more powerful ways at scale. Because of the steps we've taken to build one platform, Aon Business Services, we can develop tools and capabilities that effectively use AI today and evolve in the future with capabilities like new climate risk data and our property analyzer, or get insight around medical innovation, demographics and claims, and our Health Risk Analyzer. The investments we are making are helping to ensure we can continue to evolve these advanced analytic tools and deliver differentiated value for clients that further strengthen our relationships and enable us to do more with them.

Finally, highlighting NFP. We remain even more excited than when we announced and closed the deal and remain exactly on track with our expectations. NFP's performance in the quarter continues to reinforce this thesis, reflecting great work by our combined teams. One area that we're really seeing strength is what we're building on NFP's strong client relationships, by bringing additional content, capabilities, and tools to our NFP team.

Let me briefly highlight two examples of how our independent and connected operating strategy is driving value for clients and is accretive to Aon's performance.

In our Commercial Risk business, NFP colleagues can now bring our CyQu tool to clients. This capability lets our clients analyze and understand their cyber risk in terms of underlying risk, mitigation factors, and insurance cost drivers. This is a powerful tool for clients of all sizes, and the benefit is resonating with our NFP teams and clients.

Similarly in Health Solutions, we're seeing great success with our health efficiency analyzer. This analytic capability helps clients understand health program dynamics across their population and across geographies, enabling actions to better assess drivers of spend, improve ROI, and manage health care investments for their people.

Finally, our independent and connected operating strategy is resonating with our NFP colleagues, and with our NFP M&A pipeline targets and with talented potential new hires who appreciate and understand the operating flexibility and additional value that being part of Aon can bring to their clients.

In summary, our Q3 and year-to-date results demonstrate strong progress against our financial guidance. We're taking meaningful steps to continue to deliver great capability to our clients through our 3x3 Plan, ensuring we bring relevant solutions to our clients, all enabled through Aon Business Services. We remain confident in our strategy, our financial guidance and outlook, and our ability to drive long-term value creation for our clients, our colleagues, and shareholders.

Now let me turn to Edmund for his thoughts on our financial results and outlook. Edmund?

Edmund J. Reese

Executive Vice President & Chief Financial Officer, Aon Plc

Thank you, Greg, and good morning, everyone. I joined Aon a little over three months ago, and I couldn't be more excited to be a part of this company given the opportunities ahead of us. My confidence in the financial model, delivering organic revenue growth, margin expansion, and double-digit free cash flow over the long term has only increased.

In the immediate term, I'm pleased to be here delivering the third quarter results. And before jumping into the detail, let me elevate what matters most. First, after a strong Q3, we're right on track to deliver a full year 2024, in line with our objectives and guidance, including mid single-digit or greater organic revenue growth, adjusted margin expansion, and free cash flow generation that allows us to de-lever while simultaneously returning $1 billion in capital to shareholders through share repurchases.

Second, our organic revenue growth reached 7% in the third quarter. Importantly, this performance was strong across the enterprise, with organic revenue growth of 6% or higher in each of our solution lines. This is a direct result of executing our 3x3 Plan and the investments that we're making to drive top line growth, beginning with our investment in higher client-facing talent in specialty areas, expanding our client group to now nearly 450 clients, and further expanding our integrated risk data predictive analyzers across property, casualty, D&O, cyber, and health.

And finally, the investment thesis on NFP remains as we're off to a strong start with NFP performing in line or better than the metrics that we measure in the business case. With five months of results since the acquisition, NFP's year-to-date organic revenue growth is strong. Retention is better than last year on top of a solid recruiting pipeline. And the M&A middle market growth engine is humming, having acquired $26 million in EBITDA year-to-date. These acquired firms are seeing value in our independent and connected model, connected to Aon content and capabilities while maintaining an independent distribution and service model.

Overall, we have momentum, and our continued execution of the 3x3 strategy in creating investment capacity and margin expansion by delivering on our restructuring saves gives me a high level of confidence in delivering on our near and long term financial objectives, including a double-digit three-year CAGR and free cash flow for 2023 through 2026.

I'll add one logistical note before turning to the results. You noticed that we took the opportunity to add content with the intention of providing additional transparency and clarity into our performance and expectations, and help you better understand the connection between our strategy and performance. You can expect that we'll have minor adjustments to refine our material over the next few calls to support greater engagement with our investors and our analysts.

So now turning to the third quarter results and the financial summary on slide 6. You see that we delivered 7% organic revenue growth in the third quarter. Adjusted operating margin was 24.6%, up 30 basis points. And I'll remind you that we look at our margin expansion relative to a 2023 baseline that includes NFP. And when doing so, operating margin expanded 70 basis points in the quarter. Adjusted EPS was up 17% to $2.72. And finally, we generated $951 million in free cash flow, bringing our total through three quarters to $1.7 billion.

Let's get into the details of these results, starting with organic revenue growth on slide 8. Organic revenue growth of 7% in Q3 2024 was at the high end of our mid single-digit or greater guidance range. Growth in Commercial Risk was again strong at 6% with all other solution lines growing at or above 7%.

In Commercial Risk, organic revenue growth was 6% in Q3 and reflected strength in our North American core P&C business, driven by net new business and strong retention, as well as double-digit growth in M&A services and continued strong performance in EMEA.

Reinsurance, with 7% organic revenue growth in Q3, was led by a balanced contribution to growth from our treaty and facultative placements. It's worth noting that our outlook on a seasonally smaller fourth quarter is for low single-digit growth given lower fac revenue and the impact of growing over an elevated Q4 2023. We expect full year organic growth to achieve our mid single-digit or greater growth objective.

Health Solutions delivered 9% organic revenue growth with double-digit growth in our international markets from new business and core, health and benefits, and data analytics driven sales in our talent business. The market demand environment continues to reflect increased health cost trends and positive impacts from enrollment levels. I'll also mention that in the fourth quarter, we'll be growing over an elevated Q4 2023.

And finally, Wealth Solutions organic revenue growth was 7%, driven by continued strong demand for pension risk transfer and regulatory changes across the UK and EMEA, and a positive contribution from NFP.

And let me also provide some additional color on NFP. NFP was accretive to Commercial Risk and Wealth Solutions and delivered mid single-digit growth in Health. NFP and Aon are both producing mid single-digit organic revenue growth, and NFP is performing in line with our business case.

Overall, organic revenue growth continues to be driven by net new business and strong retention. And I'll provide a little color on how net new business growth and market impact helped us deliver our 7% organic revenue growth.

As you think about the 7%, recurring new business from new logos and existing clients contributed 10 points to growth. And with continued high retention, net new business contributed 5 points to organic growth. The net market impact from growth in exposures and rate was 2 points. We saw flat rate impacts from Reinsurance with limited increases in rate benefit across Commercial, Health, and Wealth.

I'll also pause here and note that we continue to make great progress on our priority talent acquisition, with continuing focus on hiring specialty talent in construction, energy, and health, as well as in our enterprise client group. We expect these new colleagues to season and contribute to organic growth within 12 to 18 months, which contributes to our mid single-digit or better organic growth objective.

And one final point on revenue. Third quarter fiduciary investment income was up 6% over last year to $85 million. And as a reminder, we do not include fiduciary investment income in our organic revenue growth calculation. Of course, as interest rates decline, we expect an impact on income from fiduciary balances, which average $7.3 billion over the trailing 12 months.

For modeling purposes, I'll remind you that a 100-basis-point impact on rates has a full year impact of approximately $70 million on investment income. As interest rates decline, lower investment income does lower our margins. However, we still expect to drive adjusted operating margin expansion. Additionally, I'll point out that the earnings impact is partially offset by lower interest expense on our term loan debt.

The strength of our business model and our outlook for top and bottom line growth underpins our expectations that we will deliver double-digit free cash flow growth irrespective of interest rate movements.

On slide 10, operating income was up 28% to $915 million. Adjusted operating margins were 24.6% in the third quarter and 30.8% year-to-date. For the quarter, margins were up 30 basis points. From our combined baseline with NFP, margins expanded 70 basis points in the quarter and year-to-date. Adjusted operating margin continued to benefit from the scale in our business, particularly in Aon Business Services or ABS, our continued portfolio management and shift to higher margin businesses, as well as ongoing expense discipline, and importantly the benefit from our restructuring initiative to accelerate our 3x3 Plan.

Specifically, restructuring savings in the third quarter were $25 million, resulting in $70 million year-to-date savings and 70 basis points of contribution to adjusted operating margins. Looking ahead, we continue to expect $100 million of savings in 2024 and are well on track to achieve our stated goal of $350 million of run rate savings in 2026.

Additionally, the momentum in ABS gives us confidence in continued margin expansion over the long term as we standardize our operations and integrate our platforms. We remain committed to driving full year adjusted operating margin expansion in 2024 and over the long term from the NFP adjusted 2023 baseline of 30.6%.

Moving to interest, other income, and taxes on slide 11. Interest expense of $213 million was up $94 million versus last year, reflecting $7 billion in higher debt driven by the NFP acquisition. We expect $210 million of interest expense in Q4. Other income was $54 million higher year-over-year as we divested non-core personal lines and real estate advisory assets. The result of our continued focus on portfolio management is a higher growth and higher margin portfolio. And finally, the Q3 tax rate was 18% with year-over-year increase driven by growth in higher tax geographies, the unfavorable impact of discrete items, and policy changes across the globe. As we look forward, we expect to provide further color on 2025 tax rates during our year-end earnings call.

Turning now to free cash flow. We generated $1.7 billion of free cash flow year-to-date, reflecting strong operating income growth and continued working capital improvements. Our free cash flow is being impacted by extraordinary items, including NFP transaction and integration charges, restructuring and legal settlement expenses that we've previously communicated. We have line of sight on these items and remain confident in underlying free cash flow growth. We continue to expect a double-digit three-year CAGR on free cash flow from 2023 to 2026. And given our expectations on free cash flow, we are well-positioned to pay down $2.1 billion in debt in 2024.

As we look forward, we continue to have confidence in our ability to reduce our debt to EBITDA leverage ratio from 3.9 to 2.8 to 3 times in Q4 2025. I'll also highlight that through the first nine months of the year, we have returned $1.2 billion in capital to shareholders through the dividend and $800 million in share repurchases. We continue to estimate approximately $1 billion in share repurchases for 2024.

I'll end my prepared remarks on slide 13 with guidance and some concluding thoughts. With 7% organic growth and continued margin expansion, the third quarter reflects continued momentum in our business. We are executing on our 3x3 Plan and are pleased to see that execution come through in our results. We are reaffirming our full year guidance for 2024, including mid single-digit or greater organic revenue growth, adjusted operating margin expansion above our 2023 30.6% baseline, $100 million of savings in 2024 from our restructuring initiative, all contributing to double-digit free cash flow growth over 2023 to 2026.

Additionally, the investments that we're making, to hire in priority areas highlights the strength of our financial model and our ability to balance sustainable organic growth with growth investments while driving margin expansion and generating double-digit free cash flow growth over the long term. This financial model gives us confidence in meeting our 2024 to 2026 objectives and in driving sustainable long-term growth.

My prepared remarks give you a sense of why I'm excited to be the CFO of Aon, working with my 60,000 colleagues to build on Aon's long track record of performance. We have a clear strategy for growth, we are executing on that strategy, and making the investments in ABS, in middle market, and priority hires to sustain that growth on both the top and the bottom line. And as you can see in our 2024 third quarter and year-to-date results, that execution is driving strong performance.

So with that, let's jump into your questions. Melissa, I'll turn it back to you.

QUESTION AND ANSWER SECTION

Operator: Thank you. At this time, we'll be conducting a question-and-answer session. [Operator Instructions] Thank you. Our first question comes from the line of Andrew Kligerman with TD Cowen. Please proceed with your question.

Andrew Kligerman
Analyst, TD Cowen

Q

Hey. Good morning. So, very exciting to see the growth in Commercial Risk Solutions, and Edmund mentioned that you brought in talent in construction, energy, health, enterprise. So, maybe you could give a little color on those hirings. Are these high-level producers? Any sense of – are they a net-add to your producer staffing? And is there more to go in terms of hiring and net positive hiring?

Gregory C. Case
Chief Executive Officer & Director, Aon Plc

A

Andrew, really appreciate the question. And listen, as we step back and think about the 3x3 Plan and all that we've done to put this in place with Risk Capital, Human Capital, and the support of Aon Business Services, again, delivered through an enterprise approach, we took a moment to really step back and say, where can we add content and capability from a leadership standpoint that could truly be additive?

And we saw opportunities, as Edmund described very well, in construction, in energy, in health, in enterprise, and in a few other selected areas, very focused. And we've been very fortunate to bring in some great talent. We'll continue to do that. It will develop over time as we've described. And over the next 12 to 18 months, we'll see it really start to show up in results. But it's really been a terrific add in some priority areas.

But, Eric, do you want to talk more specifically about some of these leaders?

Eric J. Andersen
President, Aon Plc

A

Yeah. Sure, Greg. I would say, just picking up on your commentary there, certainly the ability to drive talent that exists in the industry over to our firm, a lot of it has to do with the investment in analytics and tools that give these client leaders an opportunity to do more with their clients. So, as you said, we're going to continue to make those investments in those priority areas where we see an opportunity to deliver real value to our clients.

I also, though, don't want to lose the point about the inorganic investment in talent that we're making. Certainly, the addition of NFP with their 8,000 colleagues drives a significant volume of relationships in the marketplace. That really is the underpinning of this independent and connected strategy where we're trying to provide more capability, specialty expertise like our construction capability, or our health care capability or et cetera to those client bases.

So, you've seen both organic hiring, you've seen inorganic hiring. And by the way, not just in the US we talk a lot about NFP, but certainly acquisition we did in France in the health space that also gives us more capability there, too. So, really excited about the new addition of talent. It merges well with our existing talent base, and really excited about what the opportunity is for us in the future.

Edmund J. Reese
Executive Vice President & Chief Financial Officer, Aon Plc
A

And, Andrew, the only thing I'd add to what Eric just said is, I think you know well, it takes some time for those priority hires to season. We think 12 to 18 months before you start to reach the peak levels of revenue. But we're comfortable – when we look at the growth in these lines that Eric just mentioned, we're comfortable that the talent is at the quality level and contributing. But overall, that will contribute to our mid single-digit or greater top line growth level. So, we continue to focus on this as a priority area for us.

Andrew Kligerman
Analyst, TD Cowen
Q

Yeah. That's really compelling. And also, as I looked at Health Solutions, and you called out double-digit growth in EMEA, Asia, the Pacific, and Latin America, is – are these markets just not as mature for Aon? Is this a big opportunity that we can expect to continue, potentially even double-digit growth in the out years?

Gregory C. Case
Chief Executive Officer & Director, Aon Plc
A

Listen again, Andrew. This is an area we talked about before, which is a category we love. Health, when you think about it overall, is just an area of demand where clients are facing more and more every day. And it's true across all geographies. We've got uniquely strong positions across the world, and you're seeing that reflected.

And I would emphasize the investment that Eric described before, and then Edmund described in his comments around Aon Business Services, these analyzers and this capability, means that our colleagues can be more effective in what they do every day on behalf of clients. Even the priority hires as they come in. This is not about numbers for us. It's about quality and capability.

And so we've got the leaders sort of in-region, very locally – local understanding, plus a global capability they can bring to bear with these analytics. And that's why we see a space with high demand and we have great capability to address it, which is why we see a lot of opportunity here.

Eric J. Andersen
President, Aon Plc
A

Hey, Greg, I would just pile in on that. Couple quick thoughts. One is, we're continuing to win new logos globally as clients sort of come to us looking for help. And just to go back to the question around outside the US, there's an – there is growth around the US, I would say, in two or three different buckets. One is within some of these countries where there is nationalized health. Think about the UK or the Netherlands. Those systems are under pretty significant financial pressure, and you're seeing nascent private markets form. And so that creates a lot of need for insight around analytics, around program construction, et cetera.

You're also seeing this global benefit wave where clients are trying to understand their global spend as they take care of their colleagues around the world and really looking to link together their strategy rather than just do it country by country by country. And so you've got certainly at the upper end of the segment these global clients that are trying to get a handle on everything and what they're spending around the world. But you've also got specific markets outside the US that have historically been nationalized health. You see nascent-forming private markets, which actually allow us to give clients really good insight as to the strategies to help them execute for their own colleagues within countries.

Edmund J. Reese
Executive Vice President & Chief Financial Officer, Aon Plc
A

Yeah. And I did call out the international markets, Andrew, because I think as you think across international or the different solutions that we have, health is a fast-growing opportunity for us and we're taking advantage of, as Eric just talked about. The diversity in our business is something that gives us confidence in the mid single-digit or greater growth level. So, you might see some solutions or markets growing at higher levels than the others, and it's that diversity that I think gives us confidence in the long-term sustainability of growing at those levels.

Andrew Kligerman
Analyst, TD Cowen
Q

Very helpful. Thank you.

Operator: Thank you. Our next question comes from the line of Alex Scott with Barclays. Please proceed with your question.

Alex Scott
Analyst, Barclays Capital, Inc.
Q

Hey. Good morning. First one I had is on free cash flow. It looks like some of the growth progress was coming in quicker than we would have expected. And I just wanted to see, is there anything abnormal in there or anything we should think about timing-wise headed into the end of the year?

Edmund J. Reese
Executive Vice President & Chief Financial Officer, Aon Plc
A

Free cash flow is coming right in line with what we've expected. Like, first – the first thing to think about is our objective, and we think we're right on track to be at a double-digit level when we think about our $3.2 billion in 2023 and where we expect to end in 2026. We know this year is being impacted by two or three I called out extraordinary items, the NFP, integration costs, the legal settlement costs impacting it, and the restructuring charges part of Aon United.

There could be some quarterly timing and movement in those numbers between quarters, but you know we run this company as an annual company. And when I think about it on a full year basis, it's right in line with what we expected. And most importantly, that's the thing that gives us confidence in being able to pay down the debt and to continue to have the type of capital return to both the dividends and the very important share repurchases that we've committed to for the year. So, nothing out of the ordinary from our expectations on that.

Alex Scott
Analyst, Barclays Capital, Inc.
Q

Got it. And then the other thing I wanted to ask about is net new business. I mean, that sounded like a pretty strong result. Can you talk about some of the places you've seen the most success there if we kind of dive down into the different businesses?

Eric J. Andersen
President, Aon Plc

A

Sure. Why don't I take a shot at that one, guys? Listen, I would say, in the priority hiring areas, there's a reason why there are priority hiring areas. There's a lot of activity in that space, whether it's in construction and/or health care, and we're seeing that across the globe. So, it's not just in sort of North America.

I would say if you step back and look across the segments, certainly the enterprise client space, which are our largest global clients, as they think about dealing with some of these big trends that are out there around weather and climate, around trade, around technology, around workforce, their needs are complicated. And so our ability to bring our analytics, we talk a lot about these analyzers and give them real insight, has really led to the opportunity to do more with them.

So, it's both existing clients doing more with them, as well as new clients that are new to the firm. So – but we're seeing it in priority areas, we're seeing it across the segments, and we're seeing it across the globe. So, it was really a strong quarter for us all the way around.

Edmund J. Reese
Executive Vice President & Chief Financial Officer, Aon Plc

A

And I would characterize it – when you look at the history, Alex, I'd characterize it as normal course of business for us to drive 10 points of growth from that new business and continue to have that strong retention. Those are the levers that drive the growth for Aon here. So, nothing new. And as Eric just said, we're seeing it across these different segments and different countries. I think that will continue to be the key driver of growth for us on the top line.

Alex Scott
Analyst, Barclays Capital, Inc.

Q

Got it. Very helpful. Thank you.

Operator: Thank you. Our next question comes from the line of Elyse Greenspan with Wells Fargo. Please proceed with your question.

Elyse Greenspan
Analyst, Wells Fargo Securities LLC

Q

Hi. Thanks. Good morning. My first question was on just the M&A and SPAC activity. I know you guys called out that there was double-digit growth within that business in Commercial Risk in the quarter. Where are we, I guess, compared to peak levels? And as those markets start to rebound, do you have a sense of how that could incrementally benefit Commercial Risk from here?

Gregory C. Case
Chief Executive Officer & Director, Aon Plc

A

Elyse, appreciate the question. Just to start – just for context overall, we said before we love the space, the space we developed over time. We continue to invest behind. It's got a lot of derivative connections, and we've really developed it in the downturn.

I would just – for context, just remind M&A volume, as you've heard on the investment banking calls, by the way, is still 13% below the 10-year average year-to-date. By the way, that's better than it was last year, which was much, much worse than that. So, it's come back a bit. You're starting to see that show up. Edmund described that very, very well. But over time, the dry powder out there, as we all know, is substantial.

And so our view, is this will be an area of real client value that we can deliver, and, as such, will show up across our – across Commercial Risk for us in a very positive way. But even beyond that in the other solution lines as well because a lot of things get connected with M&A activity. So, overall, we're – we've made progress, as Edmund described very well, and we expect it to continue over time.

Elyse Greenspan
Analyst, Wells Fargo Securities LLC

Q

Thanks. And then my second question is on tax. Edmund, I know you said that you would get into the 2025 tax discussion on the year-end call. But can you just help us think through the positive and negative factors, I guess, that you're considering relative to tax, and as you kind of think the update that you're going to give us in a few months?

Edmund J. Reese
Executive Vice President & Chief Financial Officer, Aon Plc

A

Yeah. Look, I – the first thing that I'd call out here, Elyse, is the fact that there's variability quarter-to-quarter. When you have a rate that's 22% in Q1, in Q2, and then 18% in Q3, it gives you some sense of why we're very cautious about the exact guidance that we give on this item because there's variability in a quarter – the quarter.

Recently, I don't think the items that impacted year-over-year for us have changed since – before my time and even now. We see the growth in the higher tax geographies as one driver of what happens to the tax rates; two, policy changes certainly are happening across the globe in different geographies right now.

In this particular quarter – to answer your question specifically, in this particular quarter, there was a positive discrete item last year during this time that has an impact on the tax rate in Q3 here as well. I think the key point from my perspective is, we have a tax rate that allows us to invest in the business. I mean, we finalize – we'll finalize fiscal year 2024 over the next couple of months here. You'll get insight on that, and we'll give more insight on 2025 as we get into the Q4 call, both on the baseline tax and any discrete items that we're aware of at that time.

Elyse Greenspan
Analyst, Wells Fargo Securities LLC

Q

Thank you.

Operator: Thank you. Our next question comes from the line of Mike Zaremski with BMO Capital Markets. Please proceed with your question.

Mike Zaremski
Analyst, BMO Capital Markets Corp.

Q

Hey. Good morning. Thank you for the color on unpacking some of the high-level components of the 7% organic. Just curious, would you be able or willing to kind of share as organic growth has accelerated a bit year-to-date? Has it come more so from the new business 10 points or from exposure maybe was lower than 2 points previously or – I kind of assume the retention. I think I'm – if I do the math, I'm backing the 95% that's kind of more stable, but I could be wrong. Any color there would be helpful.

Edmund J. Reese
Executive Vice President & Chief Financial Officer, Aon Plc

A

I mean, you have it exactly right. You – I mean, you have it exactly right, Mike. That 5 points, that means you backed into the right number on retention. The growth is coming from existing – from new business from existing clients selling more solutions as Eric was just talking about earlier, and adding new logos. And adding new logos. So, new business from that, offset by strong retention above 90%. And it was strong in Q3, and the levels that you're talking about are largely on. The market impact is the thing that we control less of. The rate impact and the pricing in that was only 2 points. It was a 2-point contribution to the net new business to get us to that 7 points overall.

So, again, I think that's in line with what the history has been. And what we expect is our efforts are the drivers of growth moving forward here.

Mike Zaremski
Analyst, BMO Capital Markets Corp.

Q

Okay. Got it. That 2 points isn't too meaningfully different than the kind of historical. Okay. Got it.

Edmund J. Reese
Executive Vice President & Chief Financial Officer, Aon Plc

A

Yeah. I must say, it's in line.

Mike Zaremski
Analyst, BMO Capital Markets Corp.

Q

Okay. And maybe just switching gears, curious on the NFP acquisition, clearly going well. At the time of the deal was announced, you did talk about potential for some fairly material revenue synergies. I think in some investors' minds, revenue synergies are a lot of hard work. Just curious if you think you'll be updating us on those going forward. Or any comments you'd like to make about revenue synergies [indiscernible] (00:39:35) from the deal?

Edmund J. Reese
Executive Vice President & Chief Financial Officer, Aon Plc

A

It's a great question because it's clearly a focus of ours. It's clearly a focus of ours. For sure, five months in Q3, the performance, right in line with or better than the business case. And mid single-digit in the quarter, accretive to Commercial and accretive to Wealth. As I think about the four financial objectives that we put out there, revenue synergies and OpEx was one of them. And Eric can jump in here, but we talked about the cross-sell that's going to NFP and coming from NFP. I feel very good about our expectations of $175 million in 2026 on the OpEx, synergy of $60 million by 2026 as well.

I talked about in line or better, and what I'd point to there is the EPS accretion as we think about 2025. We talked about it being neutral during that time. And I'd say, we're tracking to be better than that. So, we'll definitely give updates on those numbers, as well as the free cash flow, and the M&A performance is happening in NFP well.

But, Eric, I don't know if you want to add any color on that [indiscernible] (00:40:42)...

Eric J. Andersen
President, Aon Plc

A

Sure. Yeah. Let me add a little bit of color on it. I think the – so there are couple ways I would approach this. The independent and connected philosophy, when we sort of – we're talking to NFP about the opportunity to become part of Aon, was really about using those 8,000 people we talked about on that talent question around how we can actually deliver more capability for each other. And we are really seeing, whether it's an NFP client relationship that needs additional subject matter expertise, whether it's trade credit or transaction services or D&O or what have you or the CyQu example that Greg used.

So, the ability to partner relationships and expertise where we've already got a business relationship, we are really seeing that gather momentum. And that's just on the Risk side. On the Health side, it's very similar. Our health analyzer, being able to bring tools to their clients, being able to bring the pharmacy benefit, being able to bring the global connectivity.

So, we also were very conservative in how we look at revenue synergies, recognizing that those are really hard to pull off. But we thought that with this independent and connected strategy, our ability to actually bring that capability together, it's an education process.

And I think, as Edmund said, we're five months into this. And our ability to sort of showcase Aon capability, understand NFP relationships, and really begin to work together towards driving sort of client value, one of our hypotheses going into this was the mid-market segment is more risky and more complicated across Risk, Health, and Wealth. And our ability to bring that talent into that segment in a way that that segment can digest and use it was one of the key aspects of why we wanted to partner up with NFP. And so I do think that opportunity is starting to bear fruit for us as we go down the road.

And then the other piece I would offer is certainly our ability. When we go into the marketplace, whether it's commission rate standardization, how we actually bring all of the premium volume on the Risk side into the market, has also – is a concrete example of how sort of two or better than one in that example.

Gregory C. Case
Chief Executive Officer & Director, Aon Plc

A

And it's hard not to pile on with NFP, just given the progress that the teams have made jointly. But, listen, fundamentally, this is demand. We saw huge demand and opportunity in the middle market of all the issues that Eric just described. And our ability to actually bring content to what is an incredibly strong set of client relationships that NFP brings to the table, they're really exceptional, and that's really the combination.

The last piece I just would highlight, and we mentioned it in the opening comments, is not just on the day-to-day business as it currently exists. When – if you think about the M&A pipeline, independent and connected has real meaningful value there in terms of all the operating flexibility that we're describing in independent and connected with additional capability. And that's also actually showing up in talent, in hires who want to come, be part of it. So, as Edmund said, it's five months. We run everything piece at a time – step at a time. But it's really been a good start to the process, and we're more excited than ever.

Mike Zaremski
Analyst, BMO Capital Markets Corp.

Q

Thank you.

Operator: Thank you. Our next question comes from the line of Jimmy Bhullar with JPMorgan. Please proceed with your question.

Jimmy S. Bhullar
Analyst, JPMorgan Securities LLC

Q

Hi. Good morning. First, just had a question on organic growth and the contribution of NFP. I think, Greg, you mentioned that growth would have been consistent with NFP. I think you said the same thing last quarter as well, which I guess is a positive for your legacy business. But I would have assumed with the economics – economy being fairly strong, and then NFP being part of a larger organization, that that business would be growing a little bit faster. But maybe you could sort of unpack that for us.

Edmund J. Reese
Executive Vice President & Chief Financial Officer, Aon Plc

A

I think it's – Greg, you should pile on, but I think it simply comes back to we're five months in. As the revenue synergies come to fruition, what you'll have is the baseline growth, which I think is strong at mid single-digit levels, in line with what we have at Aon, which is what you're referencing from Greg's earlier comments. As the revenue synergies start to come through, I think you'll see higher levels of growth.

And as the acquisition, we had an objective of $50 million to $60 million in earnings and EBITDA from the acquisition that NFP does. As that comes on line as well, that will accelerate revenue growth as well. So, it's those – I think about it in those three components: the baseline growth, what comes from revenue synergies, and then what comes from the acquisition as well. And that's what we – we feel like we're right on track to be able to deliver.

Gregory C. Case
Chief Executive Officer & Director, Aon Plc

A

And I'd only add, Jimmy, listen, we – again, a quarter of progress, meaningful progress. We just posted for the overall Aon firm 7% organic growth, 7%. That's improvement and progression throughout the year. So, that's 7%. And as you know, NFP is five months in, and it's a important but relatively smaller part. Obviously, that's driven by core Aon, and then it was accretive with NFP.

So, from my standpoint, this is a really good formula. But you start, as you described, with the strength of Aon, the fundamental strength of Aon across all solution lines, and then we add the capability that Edmund and Eric have just described.

So, again, we're feeling very good about progression and really reinforcing the thesis mid single-digit or greater, improved margins, and double-digit free cash flow growth over the long term. So, for us, you just saw a quarter of progress, and then you saw NFP additive to that thesis.

Jimmy S. Bhullar
Analyst, JPMorgan Securities LLC

Q

Okay. And then just following up on margins, you've had steady margin expansion over time. How should we think about, like, margins improving going forward, especially if fiduciary investment income becomes a headwind? There is an offset, you mentioned, from lower floating rate debt. But should we assume that margin expansion would slow? Or, like, would you control discretionary spending or other items as well?

Edmund J. Reese
Executive Vice President & Chief Financial Officer, Aon Plc

A

Well, I think the short answer to the question is that we expect continued margin expansion here. But I'll actually start with the point that you made as well, which is we have this long history of margin expansion. I think there was a page in the release that showed over the last decade 100 basis points of margin expansion. That has continued in the Q3 and year-to-date with 70 basis points – at 70 basis points for both of those time periods.

That piece is largely driven after you net everything in and out. That's largely driven by the restructuring that we have. But we think it will continue moving forward because primarily of ABS, number one, the scale that we get in that business, as we – I said earlier, standardize the operations and integrate the platforms, number one. There's a long runway to drive margin expansion from that. But also, the portfolio management that we have, we're active with that. That continues to drive margin expansion for us. And then just the continued expense discipline.

Fiduciary investment income, call it less than 20 basis points, is our estimate this year in terms of its contribution to margin expansion. It's one of the levers that we use to create investment capacity and drive margin expansion. So, we think despite that sort of going away, that we'll continue to be able to have it. And for us, it really – is it margin expansion for the sake of margin expansion? What we want to do is create investment capacity to invest in ABS, to invest in the priority hires that Eric was just talking about earlier, and we think our financial model allows us to create that capacity and still deliver margin expansion, which allows us to drive the double-digit free cash flow that we're focused on.

Gregory C. Case
Chief Executive Officer & Director, Aon Plc

A

Just a punch line on that, Jimmy. Listen, again, Edmund's point. Last 12 years, we've done 100 basis points a year. Last 12 years – a year. And there were times there was zero fiduciary income, zero sort of in the context of that. And we didn't have Risk Capital. We didn't have Human Capital in its current construct. We didn't have Aon Business Services. Nor was enterprise client [ph] at the state of 10 (00:48:42), nor had we invested and been in the process as we are with the 3x3 Plan over 2024, 2025, and 2026 of investing $1 billion into strengthening and accelerating that.

So, for us, we think there's lots of momentum with lots more to come that shows up top line and margin. And again, as we reflect on margin, it's not a zero sum game. When we add more value to clients, we have more capability to clients, we're creating more value. And so in the context of that, our view is, we have the capacity to invest back into the business, as Edmund described, and the capacity to improve margin from an operating and an efficiency standpoint. And you're seeing that play out exactly as we had intended. And we have a long way to go, and we're excited about so far the distance traveled. But we're looking forward to building momentum through our 3x3 Plan and exiting 2026 with even more momentum than we had coming in.

Jimmy S. Bhullar
Analyst, JPMorgan Securities LLC

Q

Thank you.

Operator: Thank you. Our next question comes from line of Grace Carter with Bank of America. Please proceed with your question.

Grace H. Carter
Analyst, BofA Securities, Inc.

Q

Hi, everyone. I think you all said that NFP was accretive to organic growth in Commercial Risk and Wealth this quarter. Sorry if I missed this earlier, but would it be possible to quantify that impact?

Edmund J. Reese
Executive Vice President & Chief Financial Officer, Aon Plc

A

Good morning, Grace, first of all. Yeah. Look, I think it's important just to start with the fact that it is a new acquisition, and I appreciate the fact that folks want to parse out that business. It's important, though, for us that we think about our overall Aon United strategy. We intend to include that in our solution. It's included in our solution line numbers and our overall growth.

Since it's early, we are parsing it out right now. And it added less than [ph] 50 (00:50:34) basis points to any of the solutions that we – in terms of contribution to any of the solution growth that we've had. Again, it was positive to Commercial Risk, it was positive accretion to Wealth, with still strong single-digit growth in – mid single-digit growth in Health as well. So, we feel very good about the performance thus far. [indiscernible] (00:50:56)...

Eric J. Andersen
President, Aon Plc

A

Hey, Edmund. Maybe one pile on comment on this one is that when we went into this with the independent and connected model, the idea was not to spend a whole lot of time figuring out what bucket does the revenue fall in. So, when we work on a client opportunity with an NFP producer and an AON capability, we're not really focused on whether X belongs in NFP or Y belongs in Aon. And so the opportunity to kind of keep it separate, we really didn't want to do that because we felt that culturally and business opportunity-wise, it was more important to focus on just bring the capability, win the business, do the client work. And so the ability to kind of really parse it that way becomes more difficult over time as the teams really connect.

Grace H. Carter
Analyst, BofA Securities, Inc.

Q

Thank you. And I guess looking at Health and Wealth, could you remind us of the mix of offerings in those segments that might fall under the discretionary bucket versus the more defensive bucket? And whether the addition of NFP has noticeably impacted that mix going forward or not?

Gregory C. Case
Chief Executive Officer & Director, Aon Plc

A

Yeah. I'll start, and then Eric can add a couple of pieces of color commentary here as well. Listen, overall, this business on the Health side and on the Wealth side, like our Commercial Risk business and our Reinsurance business as well, are very high-retention businesses, and it really is universal across the board. There are certainly discrete areas where we provide advice on a project basis. But net-net, these are very, very retentive businesses across the board. And you've seen us benefit from that, and especially in areas like in Health where we're adding new logos. We add new logos. We keep new logos for a long time. But our ability to add them over the last 18 months has been exceptional. So, the characteristics here are absolutely fantastic. Demand profile, very, very good; and retention, exceptional.

Eric J. Andersen
President, Aon Plc

A

Yeah. Greg, maybe the only thing I would add when you think about the Wealth business in particular with the pension actuarial work around defined benefit plans, you – that work has to happen each year, and there is significant regulatory change that does create bespoke projects as time goes by. Those theoretically could be discretionary. But with the regulatory changes that continue to happen, whether it's global minimum pensions in the UK, similar work in the Netherlands, some work in the US, whereas the rules change and the plans themselves have to adapt to them, it just creates project work that does seemingly recur each year.

And then maybe on the Health side, Greg, you said it well. I think the core health and benefit offering, whether in the pharmacy work and even the talent work around salary transparency, there's just a lot of regulatory framework work that creates opportunity for us that theoretically is discretionary. But honestly, as it happens each year, it tends to repeat.

Gregory C. Case
Chief Executive Officer & Director, Aon Plc

A

And then you asked about NFP. And I would highlight is, this is a group. As Eric said, 8,000 colleagues who come to be part of Aon. I'm so excited to have them. But they bring great client relationships and extraordinary content and insight in health and benefits, and in wealth. So, on both pieces, it's not just accretive performance, it's accretive content. And it's really going both ways. We're bringing content to NFP, and NFP back to Aon. So, positive from our perspective.

Grace H. Carter
Analyst, BofA Securities, Inc.

Q

Thank you.

Operator: Thank you. Our next question comes from the line of David Motemaden with Evercore ISI. Please proceed with your question.

David Motemaden
Analyst, Evercore ISI

Q

Hi. Thanks. Good morning. Edmund, I think you mentioned that you guys have acquired $26 million in terms of EBITDA through the middle market. But I – so that's a little bit below the $45 million to $60 million that you guys have targeted for the year. Could you just comment on the achievability of that target?

Edmund J. Reese
Executive Vice President & Chief Financial Officer, Aon Plc

A

I was mentioning to the team earlier that I'm so close to the NFP corporate development team over there. I am more worried about us going over that number in terms of spending and capital deployment than coming under the number right now. The pipeline is rich. And hopefully, you picked up on Eric's comment – and maybe you should emphasize it, Eric – this independent and connected strategy and how it really is attractive to others out there in the market is driving a big pipeline of opportunities.

So, $26 million in EBITDA year-to-date when I look at that pipeline. And whether it all happens in 2024, which I think we're confident in, or if some spills over into 2025, I think we're right in line with the objectives that we have on the M&A front.

David Motemaden
Analyst, Evercore ISI

Q

Great. That's helpful. And then, Edmund, I really appreciate the detail you gave in terms of net new, as well as the market impact for the total company. Is there any way you could share that same detail for the Commercial Risk segment, specifically?

Edmund J. Reese
Executive Vice President & Chief Financial Officer, Aon Plc

A

The thing about it – look, you heard me mention in the beginning of my comments that we'll think about sharing more information as we move forward. So, we'll see exactly what it is. The numbers are actually quite similar when you look across our solution lines in terms of contribution from net new business and retention together – from new business and retention together versus market impact, except in the areas with like Wealth or Health where there's this piece that Eric was just talking about where there's advisory and the opportunity to be able to articulate value and drive benefit that our customers find valuable and we change sort of the composition of that growth.

Outside of that, it is quite similar across the different solution lines. And we're working through exactly what we're able to share and disclose moving forward on that.

David Motemaden
Analyst, Evercore ISI

Q

Great. Thanks. Looking forward to it.

Operator: Thank you. Our next question comes from line of Dean Criscitiello with KBW. Please proceed with your question.

Dean Criscitiello
Analyst, Keefe, Bruyette & Woods, Inc.

Q

Hi. You guys noted that aggregate pricing was flat this quarter, but I was curious if that – were there any differences between the middle market and larger accounts? Then you guys had any assumptions going forward on pricing?

Eric J. Andersen
President, Aon Plc

A

Why don't I take that one, guys? Listen, I think – and I think I've said it before, but I think it's always worth sort of saying where the pricing actually fits into the work that we do. So, we first start with our clients around, how do we actually identify and help them understand what risk they have as a business? And then we actually think through with them, what are your options to manage the risk, whether it's to finance it yourself, whether it's these captives that we've talked about in the past? And then ultimately, if you decide to transfer the volatility, how are you going to do that?

And as you sort of asked with the segments, I would say, there's multiple markets out there, whether it's – if the question was US, or whether it's outside the US and Latin America, and Europe and Asia, et cetera, and then there's industry [ph] band (00:58:06) and then there is segment [ph] band (00:58:07). So, you get a variety of different market approaches based on what the risks are of the individual clients. But if I were to bucket it for you, I would say on a property basis, I would say for those clients that deserve to see premium decreases based on their risk exposure, we are seeing that happen, and we continue to expect that.

I think casualty, especially in North America, and this is up and down the segments, continues to see pressure, whether it's because of increased loss cost, social inflation, things that you know well about, is driving pricing increases and a sort of restriction of appetite from the insurers. And then there's sort of bucket called specialty casualty from D&O, cyber, that type of thing. We're continuing to see a surplus of capital that's in that space, and so opportunities for clients to really obtain some premium relief for their different risk.

But, listen, there is ultimately capital in all the segments. And so we do see an opportunity for clients, whether you're a small client, a midsize client, or a large client to actually be able to make some buying choices based on surplus capital in some of the key areas.

Dean Criscitiello
Analyst, Keefe, Bruyette & Woods, Inc.

Q

Thank you for that. And then my follow-up. I was curious as we have lower interest rates than the expectation for additional interest rate cuts, have any implications on the growth outlook in either the Health or the Wealth segment?

Edmund J. Reese
Executive Vice President & Chief Financial Officer, Aon Plc

A

I think the big impact that we expect to experience from interest rate impacts is on the fiduciary investment income line. And as I've said in my prepared remarks, illustratively about 100 basis points has approximately a $70 million impact on that business. Of course, you need to think about the growth in those balances. You think about the lower expense that we have because of our term loan debt, as well you need to think about where the currencies are located, less than 60% are in the US, and then there – in euro and GBP.

That's the biggest impact on our business. And as I've said earlier, we still expect to be able to hit our objectives across the firm, across each of our solution lines, despite the interest rate environment. So, that's what I'd call out to you.

Dean Criscitiello
Analyst, Keefe, Bruyette & Woods, Inc.

Q

Got it. Thank you.

Gregory C. Case
Chief Executive Officer & Director, Aon Plc

A

Think about the overall [Technical Difficulty] (01:00:25) profile as it relates to Health and [Technical Difficulty] (01:00:29-01:00:34) – Health and Wealth. Listen, this opportunity is fundamentally unlimited on the Health side. This has gone up. This is health care inflation. And this is projected to be up 9%, 10%, again in 2025 is unbelievably challenged profile for our clients. And that really is the demand driver on the Health side, and similar on the Wealth side if we think about pension risk transfer and some of the other things that come with changing rate environments. The demand profile in both categories, both of which lines is exceptionally strong.

Operator: Thank you. Our final question comes from the line of Rob Cox with Goldman Sachs. Please proceed with your question.

Robert Cox
Analyst, Goldman Sachs & Co. LLC

Q

Hey. Thanks. First question I had on reinsurance brokerage. Some of your peers have said that the market might be centering on more muted property cat reinsurance pricing changes into next year. And I'm not sure what your view is on reinsurance demand growth, but I know it was quite strong this year. So, I'm curious how conducive you think the reinsurance brokerage environment might be into 2025.

Eric J. Andersen
President, Aon Plc

A

Great question. I expected somebody was going to ask us that question at some point. Listen, maybe I'll just open with an overarching thought that the reinsurance market is constructed to handle events like Helene and Milton. That's why it exists. It's doing great work. There's money flowing into the area for reconstruction. So, it's all good on that front.

I will say that, as we were going into the fall, you definitely had pressure from clients, which I think was rightly applied, around pricing and around attachment points based on the way the market had moved over the last three years, where there were significant program changes as reinsurers sort of changed their position.

Certainly, post these two events, there is conversations that are happening around, does it flatten the pricing? Does it slow the rate of descent? However you want to phrase it. And I would say that it's early. There is still substantial capital that's in the marketplace. And I would say that, depending on where you sit in the world, certainly the Europeans are pushing hard for price decreases, and, [ph] at (01:02:50) some point, relief based on where they sit. And I think as these negotiations take firmer sort of structure over the next 8 to 10 weeks, I think you're going to see clients continue to push, either for rate or for attachment point relief going forward. And we'll see where it turns out, and I look forward to talking to you about it the next time we're together.

Robert Cox
Analyst, Goldman Sachs & Co. LLC

Q

That's really helpful. If I could follow up with a question on cat bonds, appreciate you guys putting the 13% growth in cat bond issuance year-to-date in the press release. Could you help us think about the economics to Aon of cat bond placement versus traditional reinsurance brokerage?

Eric J. Andersen
President, Aon Plc

A

So, listen, those bonds – let me take a step-up for a second. In the end, our goal here is to get paid for value for what we deliver for clients, whether it's in the form of a reinsurance brokerage, whether it's in the form of cat bonds. These are very sophisticated clients, and we have very sophisticated discussions around what our value proposition is in the structure. So, we're agnostic to the tool that they use because they each have a role in their capital stack in terms of there are certain risks that belong in the capital markets. There are certain risk that belong in the reinsurance market. And our goal is to help the clients figure out which one it does.

So, for us, we're not – we're agnostic to whether it's a cat bond, whether it's a traditional reinsurance placement. But rest assured, the conversation with each of the clients around our value for what we're doing for them is very open and transparent. And so, for us, it doesn't really matter which way it goes because ultimately we're just trying to provide the right level of value to our clients.

Robert Cox
Analyst, Goldman Sachs & Co. LLC

Q

Thank you.

Operator: Thank you. Ladies and gentlemen, that concludes our question-and-answer session. I'll turn the floor back to Mr. Case for closing comments.

Gregory C. Case
Chief Executive Officer & Director, Aon Plc

Just want to say thanks for joining us, and we look forward to your call next time. And, again, have a great day, and appreciate you being part of the call today.

Operator: Thank you. This concludes today's conference call. You may disconnect your lines at this time. Thank you for your participation.