

Aon submits these comments in support of the proposed divestiture by Suncorp Group (“Suncorp”) of 100% of the issued shares of SBGH Limited (which owns 100% of the shares of Suncorp Bank) to Australian and New Zealand Banking Group Limited (the “Proposed Transaction”). Because the Proposed Transaction will leave Suncorp more focused on the insurance industry, Aon supports the divestiture because we believe this strategic focus will drive needed innovation in the insurance industry to address unmet client needs.

As Aon has previously informed the ACCC in connection with its proposed merger with Willis Towers Watson, the insurance industry is facing significant challenge, as businesses and other entities seeking insurance solutions often are not able to use the risk transfer that insurance represents to address certain emerging and long-tail risks that they face.

According to Aon’s 2021 Global Risk Management Surveyⁱ, nine of the top 10 risks identified by respondents were either only partially insurable or completely uninsurable. Indeed, of the full set of 60 risks identified, almost one-third were identified as only partially insurable. These include, for example: cyber attacks/data breach; pandemic risk/health crises; supply chain or distribution failure, political risk, intellectual property, corporate social responsibility/ESG and climate risk. Climate risk is of particular concern in Australia, which has seen significant costs and disruptions resulting from natural disasters. As a result, the ability of insureds to easily procure insurance for these more novel risks has been circumscribed. Aon believes that significant innovation in real time -- driven both by brokers and insurers -- is necessary to accelerate the creation of new solutions to address these risks, thereby meeting the needs of clients seeking to mitigate such risks.

While Aon is not present in the banking market and cannot speak to the competitive impacts of this transaction on that business segment, it can speak to the need to have more innovative insurance solutions to address unmet client need. If the Proposed Transaction is not consummated, Suncorp will continue to have a split focus on both its insurance and banking businesses, resulting in a need to address the management and capital requirements of both business segments. However, if Suncorp is able to divest its banking assets through the Proposed Transaction, it will be able to focus its management – and its capital – exclusively and more effectively on the critical work to develop more innovative solutions for the insurance industry.

ⁱ This [report](#) was based on a web-based survey of 2,344 risk decision makers from 16 industry clusters across 60 countries/territories that addressed both qualitative and quantitative risk issues. Responding risk managers, CROs, CFOs, treasurers and others provided feedback and insights into their insurance and risk management choices, interests and concerns. The Aon Centre for Innovation and Analytics conducted, collected and tabulated the responses. Other Aon insurance and industry specialists provided supporting analyses and helped interpret the findings.