

AON CORP  
Form 8-K  
October 14, 2010

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549

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**FORM 8-K**

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**CURRENT REPORT  
Pursuant To Section 13 or 15(d) of the  
Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): **October 14, 2010**

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**Aon Corporation**

(Exact name of registrant as specified in its Charter)

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**Delaware**  
(State or other jurisdiction  
of incorporation)

**1-7933**  
(Commission File Number)

**36-3051915**  
(I.R.S. Employer  
Identification No.)

**200 East Randolph Street, Chicago, Illinois**  
(Address of Principal Executive Offices)

**60601**  
(Zip Code)

Registrant's telephone number, including area code: **(312) 381-1000**

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**Not Applicable**

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (*see* General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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**Item 2.05. Costs Associated with Exit or Disposal Activities.**

On October 14, 2010, Aon Corporation ( Aon ) committed to a restructuring plan in connection with the merger of Hewitt Associates, Inc. ( Hewitt ) with and into a wholly-owned subsidiary of Aon (the Merger ), which, as previously announced, was completed on October 1, 2010. The restructuring plan, which will continue through the end of 2013, is intended to streamline operations across the combined organization.

The restructuring plan is expected to result in cumulative costs of approximately \$325 million through the end of the plan, primarily encompassing workforce reduction and real estate rationalization costs. The total estimated cost of \$325 million consists of approximately \$180 million in employee termination costs (all of which is expected to be incurred in cash) and approximately \$145 million in real estate rationalization costs (of which approximately \$95 million is expected to be incurred in cash). An estimated 1,500 to 1,800 positions globally, predominantly non-client facing, are expected to be eliminated as part of the plan.

Aon expects to deliver total annual savings of around \$355 million in 2013, including approximately \$280 million of annual savings related to the restructuring plan, and additional savings in areas such as information technology, procurement and public company costs.

All of the components of the restructuring plan are not finalized and actual total savings, costs and timing may vary from those estimated due to changes in the scope or assumptions underlying the restructuring plan.

***Safe Harbor Statement***

This communication contains certain statements related to future results, or states Aon's intentions, beliefs and expectations or predictions for the future which are forward-looking statements as that term is defined in the Private Securities Litigation Reform Act of 1995. 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 that could impact results include: the possibility that the expected efficiencies and cost savings from the proposed transaction will not be realized, or will not be realized within the expected time period; the loss of key employees following the Merger; the risk that the Aon and Hewitt businesses will not be integrated successfully; disruption from the proposed transaction making it more difficult to maintain business and operational relationships with customers, partners and others; general economic conditions in different countries in which Aon does business around the world; changes in global equity and fixed income markets that could affect the return on invested assets; fluctuations in exchange and interest rates that could impact revenue and expense; rating agency actions that could affect Aon's ability to borrow funds; changes in the funding status of Aon's various defined benefit pension plans and the impact of any increased pension funding resulting from those changes; Aon's ability to implement restructuring initiatives and other initiatives intended to yield cost savings, and the ability to achieve those cost savings; the impact on risk and insurance services commission revenues of changes in the availability of, and the premium insurance carriers charge for, insurance and reinsurance products, including the impact on premium rates and market capacity attributable to catastrophic events; the outcome of inquiries from regulators and investigations related to compliance with the U.S. Foreign Corrupt Practices Act and non-U.S. anti-corruption laws; the impact of investigations brought by U.S. state attorneys general, U.S. state insurance regulators, U.S. federal prosecutors, U.S. federal regulators, and regulatory authorities in the U.K. and other countries; the impact of class actions and individual lawsuits including client class actions, securities class actions, derivative actions and ERISA class actions; the cost of resolution of other contingent liabilities and loss contingencies, including potential liabilities arising from error and omissions claims against Aon; the extent to which Aon retains existing clients and attract new businesses; the extent to which Aon manages certain risks created in connection with the various services, including fiduciary and advisory services, among others, that Aon currently provides, or will provide in the future, to clients; the impact of, and potential challenges in complying with, legislation and regulation in the jurisdictions in which Aon operates, particularly given the global scope of Aon's businesses and the possibility of conflicting regulatory requirements across jurisdictions in which Aon does business; and the ability to realize the anticipated benefits to Aon of the Benfield merger. Further information concerning Aon and its business, including factors that potentially could materially affect Aon's financial results, is

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contained in Aon's and Hewitt's filings with the Securities and Exchange Commission (the SEC). See Aon's and Hewitt's Annual Reports on Form 10-K and Annual Reports to Stockholders for the fiscal years ended December 31, 2009 and September 30,

2009, respectively, and other public filings with the SEC for a further discussion of these and other risks and uncertainties applicable to our businesses. Aon does not undertake, and expressly disclaims, any duty to update any forward-looking statement whether as a result of new information, future events or changes in its expectations, except as required by law.

**SIGNATURES**

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.

Date: October 14, 2010

**Aon Corporation**

By:

/s/ Christa Davies  
Christa Davies  
*Executive Vice President and Chief Financial Officer*