

AON CORP  
Form S-3ASR  
June 09, 2006

As filed with the Securities and Exchange Commission on June 9, 2006

Registration No. 333-

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

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**FORM S-3**

**REGISTRATION STATEMENT  
Under  
THE SECURITIES ACT OF 1933**

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**Aon Corporation**

(Exact Name of Registrant as Specified in Its Charter)

**Delaware**  
(State or Other Jurisdiction of Incorporation or Organization)

**36-3051915**  
(I.R.S. Employer Identification Number)

**200 East Randolph Street, Chicago, Illinois 60601, (312) 381-1000**  
(Address, Including Zip Code, and Telephone Number,  
Including Area Code, of Registrant's Principal Executive Offices)

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**D. Cameron Findlay**

**Executive Vice President and General Counsel  
Aon Corporation  
200 East Randolph Street  
Chicago, Illinois 60601**

**(312) 381-1000**

(Name, Address, Including Zip Code, and Telephone Number, Including Area Code, of Agent For Service)

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**Copies To:**

**Michael T. Kohler, Esq.  
Sidley Austin LLP  
787 Seventh Avenue New York, New York 10019  
(212) 839-5300**

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**Approximate Date of Commencement of Proposed Sale to the Public:** From time to time after this Registration Statement becomes effective.

If the only securities being registered on this Form are being offered pursuant to dividend or interest reinvestment plans, please check the following box.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, as amended (the Securities Act), other than securities offered only in connection with dividend or interest reinvestment plans, check the following box.

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If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o \_\_\_\_\_

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o \_\_\_\_\_

If this Form is a registration statement pursuant to General Instruction I.D. or a post-effective amendment thereto that shall become effective upon filing with the Commission pursuant to Rule 462(e) under the Securities Act, check the following box. x

If this Form is a post-effective amendment to a registration statement filed pursuant to General Instruction I.D. filed to register additional securities or additional classes of securities pursuant to Rule 413(b) under the Securities Act, check the following box. o

### CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Amount to be Registered(1)	Proposed Maximum Offering Price Per Unit(1)	Proposed Maximum Aggregate Offering Price(1)	Amount of Registration Fee(2)
Debt Securities				
Preferred Stock, par value \$1.00 per share				
Common Stock, par value \$1.00 per share				
Share Purchase Contracts				
Share Purchase Units				
Guarantees				

(1) An indeterminate aggregate initial offering price and number or amount of the securities of each identified class is being registered as may from time to time be sold at indeterminate prices. Separate consideration may or may not be received for securities that are issuable upon conversion of, or in exchange for, or upon exercise of, convertible or exchangeable securities.

(2) Deferred in reliance upon Rule 456(b) and Rule 457(r), except for \$28,202 that has already been paid with respect to \$117,776,000 aggregate initial offering price of securities of the Registrant that were previously registered pursuant to Registration Statement No. 333-74364, which was filed on December 3, 2001, and were not sold thereunder. Pursuant to Rule 457(p) under the Securities Act, such unutilized filing fee may be applied to the filing fee payable pursuant to this Registration Statement.

PROSPECTUS

*Aon Corporation*

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Debt Securities  
Preferred Stock  
Common Stock  
Convertible Securities  
Share Purchase Contracts  
Share Purchase Units  
Guarantees

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We will describe the specific terms of these securities in one or more supplements to this prospectus. The prospectus supplements may also add to, update or change information contained in this prospectus. You should read this prospectus and the applicable supplements carefully before you invest.

Our executive offices are located at 200 East Randolph Street, Chicago, Illinois 60601, and our telephone number is (312) 381-1000.

Our common stock is listed on the New York Stock Exchange under the symbol AOC.

**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.**

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We may sell securities directly or to or through underwriters, dealers or agents. For additional information on the method of sale, you should refer to the section entitled **Plan of Distribution**. The names of any underwriters, dealers or agents involved in the sale of any securities and the specific manner in which they may be offered will be set forth in the prospectus supplement covering the sale of those securities.

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The date of this Prospectus is June 9, 2006.

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## ABOUT THIS PROSPECTUS

This prospectus is part of a registration statement that we filed with the Securities and Exchange Commission, which we refer to as the SEC, utilizing a shelf registration process. Under this shelf process, we may offer the debt securities, preferred stock, common stock, convertible securities, share purchase contracts, share purchase units and guarantees described in this prospectus in one or more offerings. In this prospectus we will refer to the debt securities, preferred stock, common stock, convertible securities, share purchase contracts, share purchase units and guarantees collectively as the securities. We use the terms Aon Corporation, Aon, the Company, we, us and our to refer to Aon Corporation unless the context otherwise requires. This prospectus provides you with a general description of the securities we may offer. Each time we offer securities, we will provide you with a prospectus supplement and, if applicable, a pricing supplement. The prospectus supplement and any applicable pricing supplement will describe the specific terms of the securities being offered. The prospectus supplement and any applicable pricing supplement may also add, update or change the information in this prospectus. Please carefully read this prospectus, the applicable prospectus supplement and any applicable pricing supplement, together with the information contained in the documents referred to under the heading Where You Can Find More Information.

## WHERE YOU CAN FIND MORE INFORMATION

We file annual, quarterly, current and special reports, proxy statements, and other information with the SEC. You may read and copy any document we file with the SEC at the SEC's Public Reference Room at 100 F Street, N.E., Washington, D.C. 20549. You may obtain further information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. Our SEC filings are also available to the public over the Internet at the SEC's Web site at <http://www.sec.gov>. In addition, you may inspect our SEC filings at the offices of the New York Stock Exchange, 20 Broad Street, New York, New York 10005. You may find additional information about Aon Corporation and its subsidiaries at our Web site at <http://www.aon.com>. The information on our web site is not a part of this prospectus.

The SEC allows us to incorporate by reference into this prospectus the information we file with the SEC, which means that we can disclose important information to you by referring you to those documents. Any information referenced this way is considered to be part of this prospectus, and any information that we file later with the SEC will automatically update and supersede this information. We incorporate by reference the following documents that we have filed with the SEC and any future filings that we make with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934, as amended (the Exchange Act), after the date of the initial filing of the registration statement until we complete our sale of the securities to the public (other than information in such filings that were furnished, under applicable SEC rules, rather than filed):

- Annual Report on Form 10-K for the year ended December 31, 2005;
- Quarterly Report on Form 10-Q for the quarters ended March 31, 2006;
- Current Reports on Form 8-K dated February 8, 2006, March 16, 2006, April 12, 2006 and May 18, 2006; and
- The description of Aon Corporation's common stock contained in Item 12 of the registration statement on Form 10 filed on February 19, 1980 (when we were called Combined International Corporation), and any amendment or report which we have filed (or will file after the date of this prospectus and prior to the termination of this offering) for the purpose of updating such description, including Aon Corporation's Current Report on Form 8-K dated April 23, 1987 and Current Report on Form 8-K dated May 9, 2000.

This prospectus is part of a registration statement we have filed with the SEC relating to the securities. As permitted by SEC rules, this prospectus does not contain all of the information included in the registration statement and the accompanying exhibits and schedules we file with the SEC. You may refer to the registration statement and the exhibits and schedules for more information about us and our

securities. The registration statement and exhibits and schedules are also available at the SEC's Public Reference Room or through its Web site.

We will provide to each person, including any beneficial owner, to whom a prospectus is delivered, a copy of any or all of the information that has been incorporated by reference in this prospectus but not delivered with the prospectus. You may obtain a copy of these filings, at no cost, by writing to or telephoning us at the following address:

**Aon Corporation**  
**200 East Randolph Street**  
**Chicago, Illinois 60601**  
**Attention: Corporate Secretary**  
**Telephone: (312) 381-1000**

You should rely only on the information incorporated by reference or provided in this prospectus and the applicable prospectus supplement and in any pricing supplement. We have not authorized anyone else to provide you with different information. You should not assume that the information in this prospectus, any applicable prospectus supplement or any pricing supplement is accurate as of any date other than the date on the cover of the applicable document. Our business, financial condition and results of operations may have changed since that date. We are not making an offer of the securities in any state where the offer or sale is not permitted.

#### **INFORMATION CONCERNING FORWARD-LOOKING STATEMENTS**

This prospectus, the prospectus supplement, the documents incorporated by reference in this prospectus and other written or oral statements made from time to time by the Company may contain certain statements related to future results, or state our 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. Forward-looking statements relate to expectations or forecasts of future events. They use words such as anticipate, believe, could, estimate, expect, forecast, project, intend, plan, potential, will, and other words and terms of similar meaning in connection with a potential future events, circumstances or future operating or financial performance. You can also identify forward-looking statements by the fact that they do not relate strictly to historical or current facts. Any 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: general economic conditions in different countries in which we do 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 influence revenue and expense; rating agency actions that could affect our ability to borrow funds; funding of our various pension plans; changes in the competitive environment; our ability to implement restructuring initiatives and other initiatives intended to yield cost savings; our ability to execute the stock repurchase program; changes in commercial property and casualty markets and commercial premium rates that could impact revenues; changes in revenues and earnings due to the elimination of contingent commissions; other uncertainties surrounding a new compensation model; the impact of investigations brought by state attorneys general, state insurance regulators, federal prosecutors and federal regulators; 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; the difference in ultimate paid claims in our underwriting companies from actuarial estimates; and other factors disclosed under "Risk Factors" incorporated in this prospectus by reference to our Annual Report on Form 10-K for the year ended December 31, 2005.

Any or all of our forward-looking statements here or in other publications may turn out to be wrong, and there are no guarantees about our performance. We are under no obligation (and expressly disclaim any obligation) to update or alter any forward-looking statement, whether written or oral, that we may make from time to time, whether as a result of new information, future events or otherwise.

**THE COMPANY**

Aon Corporation, through its various subsidiaries worldwide, serves its clients through three operating segments:

- **Risk and Insurance Brokerage Services** acts as an advisor and insurance broker, helping clients manage their risks, and negotiating and placing insurance risk with insurance carriers through our global distribution network.
- **Consulting** provides advice and services to clients for employee benefits, compensation, management consulting, communications, human resource outsourcing and strategic human resource consulting.
- **Insurance Underwriting** provides specialty insurance products, including supplemental accident, health and life insurance; credit life, accident and health insurance; extended warranty products, and select property and casualty insurance products and services.

Our clients include corporations and businesses, insurance companies, professional organizations, independent agents and brokers, governments, and other entities. We also serve individuals through personal lines, affinity groups, and certain specialty operations.

Incorporated in 1979, Aon Corporation is the parent corporation of long-established and more recently formed companies. As of December 31, 2005, we had approximately 46,000 employees doing business in more than 120 countries and sovereignties. The mailing address of our principal executive offices is 200 East Randolph Street, Chicago, Illinois 60601, and the telephone number of our principal executive offices is (312) 381-1000.

**USE OF PROCEEDS**

Unless we state otherwise in the applicable prospectus supplement, we expect to use the net proceeds from the sale of the securities for general corporate purposes, including securities repurchase programs, capital expenditures, working capital, capital contributions to our insurance subsidiaries, repayment or reduction of long-term and short-term debt and the financing of acquisitions. We may invest funds that we do not immediately require in short-term marketable securities.

**RATIOS**

Our ratios of earnings to fixed charges and of earnings to combined fixed charges and preferred stock dividends for each of the periods indicated are as follows:

	Three Months Ended March 31,		Year Ended December 31,				
	2006	2005	2005	2004	2003	2002	2001
Ratio of earnings to fixed charges(1)	7.2	6.9	5.9	4.8	7.1	4.6	2.9
Ratio of earnings to combined fixed charges and preferred stock dividends(1)(2)	7.2	6.8	5.8	4.7	5.2	3.6	2.2

(1) As a result of the adoption of FIN 46 on December 31, 2003, we were required to deconsolidate our 8.205% mandatorily redeemable preferred capital securities. This decrease was offset by an increase in notes payable. Beginning in 2004, interest expense (\$14 million for both the three months ended March 31, 2006 and 2005 and \$58 million for both years ended December 31, 2005 and 2004) on these notes payable is reported as part of interest expense on the consolidated statements of income.

(2) Included in preferred stock dividends are \$57 million and \$54 million for the years ended December 31, 2003 and 2002, respectively, and \$66 million for the year ended December 31, 2001 of





pretax distributions on our 8.205% mandatorily redeemable preferred capital securities which are classified as minority interest on the consolidated statements of income.

For these ratios, earnings consist of income from continuing operations before provision for income taxes and minority interests, less the earnings from unconsolidated entities under the equity method of accounting, and fixed charges. Fixed charges include interest expense, interest credited on deposit type insurance contracts (for each of 2001, 2002 and 2004) and that portion of rental expense we deem to represent interest. Combined fixed charges and preferred stock dividends include preferred stock dividend requirements, interest expense, interest credited on deposit type insurance contracts (for each of 2001, 2002 and 2004) and that portion of rental expense we deem to represent interest. Preferred stock dividends consist of the pre-tax earnings required to pay dividends on all preferred stock. Our earnings, fixed charges and preferred stock dividends include the earnings, fixed charges and preferred stock dividends of Aon Corporation and its subsidiaries considered as one enterprise.

## DESCRIPTION OF DEBT SECURITIES

This prospectus describes certain general terms and provisions of our debt securities. When we offer to sell a particular series of debt securities, we will describe the specific terms of the series in a supplement or supplements to this prospectus. We will also indicate in the applicable prospectus supplement or supplements the extent to which the general terms and provisions described in this prospectus apply to a particular series of debt securities.

The debt securities we may offer pursuant to this prospectus will be unsecured obligations of Aon Corporation and will be either senior or subordinated debt. We will issue senior debt under an indenture dated as of September 15, 1992, as may be supplemented, between us and The Bank of New York Trust Company, N.A. ( The Bank of New York ), as the successor senior indenture trustee. We will issue subordinated debt under an indenture to be dated as of a date before the first issuance of subordinated debt, as may be supplemented, between us and The Bank of New York, as the subordinated indenture trustee. The senior debt indenture and the subordinated debt indenture are sometimes referred to in this prospectus individually as an indenture and collectively as the indentures and the senior indenture trustee and the subordinated indenture trustee are sometimes referred to in this prospectus individually as a trustee. We have summarized selected provisions of the indentures below. This is a summary and is not complete. It does not describe certain exceptions and qualifications contained in the indentures or the debt securities. If you would like more information on the provisions of either of the indentures, you should read the more detailed provisions of the applicable indenture, both of which have been incorporated by reference as exhibits to this registration statement. In the summary, we have included parenthetical references to the section numbers of the applicable indenture so that you can easily locate those provisions.

### General

The debt securities will be unsecured obligations of Aon Corporation. The indentures do not limit the amount of debt securities that we may issue under them. The indentures provide that we may issue debt securities from time to time in one or more series. We have previously issued debt securities pursuant to the senior debt indenture.

The debt securities issued under the senior debt indenture will be unsecured obligations and will rank equally with each other and with all of our other unsecured and unsubordinated indebtedness. The debt securities issued under the subordinated debt indenture will be subordinate and junior in right of payment, as more fully described in the subordinated debt indenture, to all of our senior indebtedness. See Subordination under the Subordinated Debt Indenture.

Because we are a holding company, the holders of the debt securities may not receive assets of our subsidiaries in a liquidation or recapitalization until the claims of our subsidiaries' creditors and insurance policyholders (in the case of insurance subsidiaries) are paid, except to the extent that we may have

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recognized claims against such subsidiaries. In addition, certain regulatory laws limit some of our subsidiaries, including Combined Insurance Company of America ( CICA ), from making payments to us of dividends and on loans and other transfers of funds.

We will include in a supplement to this prospectus and any pricing supplement the specific terms relating to the debt securities being offered. These terms will include some or all of the following:

- the title of the debt securities and whether the debt securities will be senior or subordinated debt;
- the total principal amount of the debt securities;
- the maturity date or dates of the debt securities;
- the interest rate or rates, if any (which may be fixed or variable) and, if applicable, the method used to calculate the interest rate;
- the date or dates from which interest will accrue and on which interest will be payable and the dates used to determine the persons to whom interest will be paid;
- the place or places where principal of, and any premium or interest on, the debt securities will be paid;
- whether (and if so, when and under what terms and conditions) the debt securities may be redeemed by us at our option or at the option of the holders;
- whether there will be a sinking fund;
- if other than United States dollars and denominations of \$1,000 or any multiple of \$1,000, the currency or currencies or currency unit or currency units and denomination in which the debt securities will be issued;
- if other than the principal amount, the portion of the principal amount of the debt securities that we will pay upon acceleration of the maturity date;
- whether we will issue the debt securities in registered or bearer ( unregistered ) form or both;
- if we issue debt securities in unregistered form, any restrictions on the exchange of one form for another and to the offer, sale and delivery of such unregistered securities;
- whether and under what circumstances and conditions we will pay additional amounts on the debt securities held by foreign persons in respect of any tax, assessment or governmental charge imposed on such holders with respect to the debt securities ( additional amounts );
- whether we will issue the debt securities in certificated or book-entry form;
- whether they will be convertible into shares of common stock and the terms and conditions governing such conversion; and
- any other terms of the series being offered, so long as they are not inconsistent with any provision of the applicable indenture. (Section 2.01)

If we denominate the purchase price of a series of debt securities in a foreign currency or currencies or a foreign currency unit or units, or if the principal of, any premium and interest on, and any additional amounts with respect to any series of debt securities is payable in a foreign

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currency or currencies or a foreign currency unit or units, we will describe any special United States federal income tax considerations in the applicable prospectus supplement.

We will pay principal and any interest, premium and additional amounts in the manner, at the places and subject to the restrictions set forth in the indentures, the debt securities and the applicable prospectus supplement. We will not impose a service charge for any transfer or exchange of debt securities, but we may require payment of a sum sufficient to cover any tax or other governmental charge that may be

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imposed. (Section 2.05) Unregistered debt securities and any related coupons will be transferable by delivery. (Section 2.05)

Unless otherwise indicated in the applicable prospectus supplement, we will issue debt securities in fully registered form, without coupons, in denominations of \$1,000 or multiples of \$1,000. (Sections 2.01 and 2.04)

We may offer to sell at a substantial discount below their stated principal amount, debt securities bearing no interest or interest at a rate that, at the time of issuance, is below the prevailing market rate. We will describe any special United States federal income tax considerations applicable to any of those discounted debt securities in the applicable prospectus supplement.

We may offer to sell debt securities in which the principal or interest will be determined by reference to one or more currency exchange rates, commodity prices, equity indices or other factors. The principal amount or payment of interest applicable to such debt securities may be greater than or less than the amount of principal or interest otherwise payable, depending upon the value of the applicable currency, commodity, equity index or other factor on the date on which such principal or interest is due. We will set forth in the applicable prospectus supplement information about the methods used to determine the amount of principal or interest payable on any date, the currencies, commodities, equity indices or other factors to which the amount payable on that date is linked and certain additional tax considerations applicable to such debt securities.

The senior debt securities will contain limits on our ability to incur certain secured indebtedness. See **Limitation on Liens under Senior Debt Securities**. The indentures do not restrict our ability to incur unsecured indebtedness or, subject to the restrictions described in **Consolidation and Merger**, to engage in reorganizations, restructurings, mergers, consolidations or similar transactions that have the effect of increasing our indebtedness. Accordingly, unless we state otherwise in the applicable prospectus supplement, the debt securities will not contain any provisions that afford holders protection against our incurring such indebtedness or engaging in certain reorganizations or transactions. As a result, we could become highly leveraged.

#### **Limitation on Liens under Senior Debt Securities**

In the case of debt securities issued under the senior debt indenture, we have agreed, among other things, to not, directly or indirectly, create, issue, assume, incur or guarantee any indebtedness for money borrowed which is secured by a mortgage, pledge, lien, security interest or other encumbrance of any nature on any of the present or future common stock of CICA (or any company besides us having direct or indirect control of CICA). This restriction will not apply if we ensure that the debt securities (together with, if we decide, any other indebtedness for money borrowed by us then existing or thereafter created which is not subordinate to the debt securities) will be secured equally and proportionately with (or, at our option, prior to) such other secured indebtedness for as long as such indebtedness is secured.

#### **Events of Default**

With respect to any series of debt securities, **event of default** means any of the following:

- we fail to pay the interest or any additional amount on any debt security of that series when due and such failure continues for 30 days;
- we fail to pay the principal