

During the first quarter of 2008, MMC's 3.625% five-year fixed rate \$250 million senior notes matured. MMC used cash on hand to fund the maturing notes. There were no commercial paper borrowings outstanding at December 31, 2008 or 2007.

MMC and certain of its foreign subsidiaries maintain a \$1.2 billion multi-currency revolving credit facility. Subsidiary borrowings under the facility are unconditionally guaranteed by MMC. The facility expires in December 2010. The interest rate on this facility varies based upon the level of usage of the facility and MMC's credit ratings. The facility requires MMC to maintain certain coverage and leverage ratios which are tested quarterly. There were no borrowings outstanding under this facility at December 31, 2008 or 2007.

Additional credit facilities, guarantees and letters of credit are maintained with various banks, primarily related to operations located outside the United States, aggregating \$285 million at December 31, 2008 and \$265 million at December 31, 2007. There were no outstanding borrowings under these facilities at December 31, 2008 or December 31, 2007.

Scheduled repayments of long-term debt in 2009 and in the four succeeding years are \$408 million, \$559 million, \$8 million, \$259 million and \$259 million, respectively.

### **13. Financial Instruments**

The estimated fair value of MMC's significant financial instruments is provided below. Certain estimates and judgments were required to develop the fair value amounts. The fair value amounts shown below are not necessarily indicative of the amounts that MMC would realize upon disposition, nor do they indicate MMC's intent or ability to dispose of the financial instrument.

December 31, (In millions of dollars)	2008		2007	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Cash and cash equivalents	\$ 1,685	\$ 1,685	\$ 2,133	\$ 2,133
Long-term investments	\$ 137	\$ 137	\$ 66	\$ 66
Short-term debt	\$ 408	\$ 407	\$ 260	\$ 260
Long-term debt	\$3,194	\$2,959	\$3,604	\$3,616

**Cash and Cash Equivalents:** The estimated fair value of MMC's cash and cash equivalents approximates their carrying value.

**Long-term Investments:** Long-term investments include available for sale securities recorded at quoted market prices as discussed below. MMC also has certain additional long-term investments, for which there are no readily available market prices, amounting to \$91 million and \$43 million at December 31, 2008 and 2007, respectively, which are carried on a cost basis. MMC monitors these investments for impairment and makes appropriate reductions in carrying values when necessary.

MMC had available for sale securities with an aggregate fair value of \$21 million and \$23 million at December 31, 2008 and 2007, respectively, which are carried at market value under SFAS 115. The Company recorded gross unrealized gains of \$24 million and gross unrealized losses of \$8 million at December 31, 2008 compared with gross unrealized gains of \$22 million recorded at December 31, 2007. These amounts have been excluded from earnings and reported, net of deferred income taxes, in accumulated other comprehensive loss, which is a component of stockholders' equity.

The 2008 unrealized gain of \$24 million relates to the portion of insurance fiduciary funds which MMC holds to satisfy fiduciary obligations that are invested in high quality debt securities which are generally held to maturity.

MMC recorded net gains/(losses) associated with its available for sale securities of \$(3) million, \$20 million and \$35 million, in 2008, 2007 and 2006, respectively. Proceeds from the sale of available for sale securities for the years ended December 31, 2008, 2007 and 2006 were \$19 million, \$29 million and \$52 million, respectively. Gross realized gains/(losses) on available for sale securities sold during 2008, 2007 and 2006 amounted to \$(3) million, \$20 million and \$35 million, respectively. The cost of

securities sold is determined using the average cost method for equity securities. The gains and losses described above are included in investment income (loss) in the consolidated statements of income.

MMC also holds investments in certain private equity fund partnerships which are accounted for using the equity method and other investments that are held at cost. MMC recorded gains (losses) from such investments of \$(9) million, \$148 million and \$166 million in 2008, 2007 and 2006, respectively. The loss in 2008 included a \$6.3 million loss related to the decline in value of securities that were carried at cost. These losses were other than temporary. During 2007 and 2006, MMC did not record any losses related to the decline in value of its equity method investments or investments carried at cost that were other than temporary. The gains and losses described above are included in investment income (loss) in the consolidated statements of income.

In 2007, MMC's investment in Trident II, L.P. met the thresholds which require disclosure of summarized financial information under Regulation S-X. The consolidated information presented below reflects the most recently available financial statements at September 30, 2008 and December 31, 2007 and 2006.

<i>(In millions of dollars)</i>	September 30, 2008	December 31, 2007	December 31, 2006
<b>Assets</b>			
Investments at fair value	\$ 785	\$903	\$1,004
Other assets	42	47	152
Total assets	\$ 827	\$950	\$1,156
<b>Liabilities</b>			
Net assets (Partners' Capital)	\$ 827	\$950	\$1,156
For the nine months ended September 30			
<i>(In millions of dollars)</i>			
Investment income	\$ 21	\$ 19	\$ 19
Expenses	1	2	3
Net investment income	20	17	16
Realized gains	6	154	202
Unrealized appreciation	(118)	112	59
Net (decrease) increase in net assets	\$ (92)	\$283	\$ 277

**Short-term and Long-term Debt:** The fair value of MMC's short-term debt, which consists primarily of term debt maturing within the next year, approximates its carrying value. The estimated fair value of MMC's long-term debt is based on discounted future cash flows using current interest rates available for debt with similar terms and remaining maturities.

#### 14. Integration and Restructuring Costs

##### Actions Initiated in 2008

In 2008, MMC implemented restructuring actions resulting in charges totaling \$262 million, primarily related to severance and benefits, and other related charges totaling \$50 million related to the loss of \$28 million on the sale of the U.K. restructuring businesses and accelerated amortization. These costs were incurred as follows: Risk and Insurance Services—\$218 million, Consulting—\$40 million, Risk Consulting & Technology—\$45 million, and Corporate—\$9 million. These activities resulted in the elimination of approximately 1,660 positions at Marsh, 360 positions at Guy Carpenter, 490 positions at Mercer, 300 positions at Risk Consulting & Technology and 85 positions at Corporate. In addition, Marsh outsourced approximately 700 positions as part of its U.K. back office outsourcing initiative. As of December 31, 2008, the remaining liability for the restructuring initiatives were approximately \$97 million primarily related to severance and benefit payments and future lease obligations.

### Actions Initiated Prior to 2008

In 2008, MMC recorded \$73 million of restructuring charges and other related charges of \$3 million, including a charge of \$62 million for future rent and real estate costs to exit five floors in MMC's New York headquarters building that was part of the restructuring plan announced in 2006, and \$11 million of charges related to the estimated costs of future rent associated with previously vacated properties in the U.K. and other locations. These amounts were included in corporate expenses. As of December 31, 2008, the remaining liability for the restructuring initiatives were approximately \$126 million primarily related to future severance and benefit payments and estimated future lease obligations.

The expenses associated with the restructuring plans are included in compensation and benefits and other operating expenses in the consolidated statements of income, and liabilities associated with these initiatives are classified on the consolidated balance sheets as accounts payable, other liabilities, or accrued salaries, depending on the nature of the items.

### **15. Common Stock**

In August 2007, MMC entered into an \$800 million accelerated share repurchase agreement with a financial institution counterparty. Under the terms of the agreement, MMC paid the full \$800 million purchase price and took delivery from the counterparty of an initial tranche of 21,320,530 shares of MMC common stock. This number of shares was the quotient of the \$800 million purchase price divided by a contractual "cap" price of \$37.5225 per share. Based on the market price of MMC's common stock over the subsequent settlement period, in March 2008 the counterparty delivered to MMC an additional 10,751,100 shares for no additional payment and the transaction was concluded. MMC thus repurchased a total of 32,071,630 shares at average price per share to MMC of \$24.9442. The repurchased shares were reflected as an increase to treasury shares (a decrease in shares outstanding) on the respective delivery dates. This transaction was effected under a \$1.5 billion share repurchase authorization granted by MMC's Board of Directors in August 2007. MMC remains authorized to repurchase additional shares of its common stock up to a value of \$700 million. There is no time limit on this authorization.

In May 2007, MMC entered into a \$500 million accelerated share repurchase agreement with a financial institution counterparty. Under the terms of the agreement, MMC paid the full \$500 million purchase price and took delivery from the counterparty of an initial tranche of 13,464,749 shares of MMC common stock. Based on the market price of MMC's common stock over the subsequent settlement period, in July 2007 the counterparty delivered to MMC an additional 2,555,519 shares for no additional payment and the transaction was concluded. MMC thus repurchased a total of 16,020,268 shares in the transaction, for a total cost of \$500 million and an average price per share to MMC of \$31.2105. The repurchased shares were reflected as an increase in treasury shares (a decrease in shares outstanding) on the respective delivery dates. This transaction was effected under a \$500 million share repurchase authorization granted by MMC's Board of Directors in May 2007.

### **16. Claims, Lawsuits and Other Contingencies**

#### MMC and Marsh Litigation and Regulatory Matters

##### *Brokerage Compensation Practices Settlement*

In January 2005, MMC and its subsidiary Marsh Inc. entered into an agreement with the New York State Attorney General ("NYAG") and the New York State Insurance Department to settle a civil complaint filed in New York State court by NYAG in October 2004 (the "NYAG Lawsuit") and a related citation issued by the Insurance Department. Among other things, the NYAG Lawsuit and the citation had alleged that Marsh's use of market service agreements with various insurance companies entailed fraudulent business practices, bid-rigging, illegal restraint of trade and other statutory violations.

Following the filing of the NYAG Lawsuit, various state regulators and attorneys general initiated investigations relating to the conduct alleged in the NYAG Lawsuit. Civil actions were filed against MMC, Marsh and certain Marsh subsidiaries by the State of Connecticut in January 2005, the State of Florida in March 2005 and the State of Ohio in August 2007. The complaints in these actions sought a variety of monetary damages and injunctive and other equitable relief and were based on a variety of legal theories, including unfair trade practices, antitrust, negligent misrepresentation, breach of fiduciary duty and state RICO laws. In the fourth quarter of 2008, MMC entered into a settlement with attorneys general in the states of Florida, Hawaii, Maryland, Michigan, Oregon, Texas and West Virginia; the Commonwealths of Massachusetts and Pennsylvania; and the Florida Department of Financial Services and the Florida Office of Insurance Regulation. As part of that settlement, the civil lawsuit brought by the State of Florida has been dismissed. The actions by the State of Connecticut and the State of Ohio, which assert claims based on unfair trade practices and antitrust, remain pending.

Numerous private party lawsuits have been commenced against MMC, one or more of its subsidiaries, and their current and former directors and officers, relating to matters alleged in the NYAG Lawsuit. These lawsuits include the following:

#### **Policyholder Claims**

- Various putative class actions purportedly brought on behalf of policyholders were consolidated into two actions in the U.S. District Court for the District of New Jersey (one on behalf of a purported class of "commercial" policyholders and the second on behalf of a purported class of "employee benefit" policyholders). The actions alleged a variety of legal theories, including those related to state tort, contract, fiduciary duty, federal and state antitrust and RICO theories, and sought a variety of remedies, including unspecified monetary damages, treble damages, disgorgement, restitution, punitive damages, declaratory and injunctive relief, and attorneys' fees and costs. The court dismissed all of the federal antitrust and RICO claims and all of the state law claims asserted in both actions, and the plaintiffs appealed. In June 2008, plaintiffs and the Marsh defendants entered into an agreement to settle the commercial and employee benefit policyholder putative class actions using the remainder available from the \$850 million fund created in connection with the settlement of the NYAG Lawsuit. The court approved the settlement on February 18, 2009.
- In July 2007, two putative class actions against MMC, Marsh, certain insurers and other insurance brokers purportedly brought on behalf of policyholders were filed in the U.S. District Courts for the Southern District of Florida and the Southern District of New York. These actions relate to the same practices alleged in the NYAG Lawsuit, but with respect to insurance coverage placed with Certain Underwriters at Lloyd's, London. These actions have been transferred to the District of New Jersey.
- Four class or representative actions on behalf of policyholders are pending in state courts. Nineteen actions instituted by individual policyholders and others are pending in federal and state courts relating to matters alleged in the NYAG Lawsuit. Two putative class actions and an individual policyholder action are pending in Canada.

#### **Shareholder Claims**

Following the announcement of the NYAG Lawsuit and related actions taken by MMC, MMC's stock price dropped from approximately \$45 per share to a low of approximately \$22.75 per share. The number of shares outstanding at the time was approximately 526 million. The plaintiffs in the securities claims described below have asserted damages in the billions of dollars.

- A purported securities class action against MMC, Marsh and certain of their former officers is pending in the U.S. District Court for the Southern District of New York. Plaintiffs make factual allegations similar to those asserted in the NYAG Lawsuit, including that MMC artificially inflated its share price by making misrepresentations and omissions relating to Marsh's

market service agreements and business practices. Plaintiffs also allege that MMC failed to disclose alleged anti-competitive and illegal practices at Marsh, such as "bid-rigging" and soliciting fictitious quotes. Plaintiffs allege violations of Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 and Section 11 of the Securities Act of 1933 and seek unspecified damages. MMC has responded to the complaint and discovery in this matter is ongoing.

- Three individual shareholder actions against MMC and others were pending in state courts. All three of the actions have been dismissed; the plaintiffs in each action either have appealed or may appeal.
- A purported ERISA class action is pending against MMC and various current and former employees, officers and directors in the U.S. District Court for the Southern District of New York on behalf of participants and beneficiaries of an MMC retirement plan. The complaint alleges, among other things, that in light of the alleged misconduct described in the NYAG Lawsuit, the defendants knew or should have known that the investment of the plan's assets in MMC stock was imprudent, that certain defendants failed to provide plan participants with complete and accurate information about MMC stock, that certain defendants responsible for selecting, removing and monitoring other fiduciaries did not comply with ERISA, and that MMC knowingly participated in other defendants' breaches of fiduciary duties. The complaint seeks, among other things, unspecified compensatory damages, injunctive relief and attorneys' fees and costs. Discovery is underway in this matter.
- Several shareholder derivative actions are pending against MMC's current and former directors and officers. Most of these actions have been consolidated into two proceedings, one in the Court of Chancery of the State of Delaware, and one in the U.S. District Court for the Southern District of New York. These actions allege, among other things, breach of fiduciary duties with respect to the alleged misconduct described in the NYAG Lawsuit, and that the defendants are liable for and must contribute to or indemnify MMC for any related damages MMC has suffered. The consolidated action in federal court in New York has been stayed in favor of the state derivative action in Delaware, which remains in its preliminary stages.

#### **Other Claims**

- A shareholder derivative suit pending in the Delaware Court of Chancery against the directors and officers of American International Group, Inc. ("AIG") names as additional defendants MMC, Marsh, certain Marsh subsidiaries and certain former officers and employees. The suit alleges that the MMC and Marsh defendants engaged in conspiracy and fraud with respect to the alleged misconduct described in the NYAG Lawsuit, and that the MMC and Marsh corporate defendants aided and abetted current and former directors and officers of AIG in breaching their fiduciary duties to AIG with respect to AIG's participation in the alleged misconduct. The complaint seeks damages including the return of all contingent commissions paid by AIG to MMC and Marsh. The MMC and Marsh corporate defendants have moved to dismiss the claims.

#### **Other Governmental Inquiries and Claims Relating to MMC and its Subsidiaries**

- In December 2007, the Alaska Retirement Management Board filed a civil lawsuit against Mercer (US) Inc. in Alaska state court for alleged professional negligence in actuarial services that Mercer provided to the Alaska Division of Retirement and Benefits relating to the Alaska Public Employees Retirement System and the Alaska Teachers Retirement System. The complaint alleges damages of "at least \$1.8 billion." Discovery is underway in this matter.
- In October 2007, the State of Connecticut brought a civil action against Guy Carpenter in Connecticut state court, alleging that Guy Carpenter violated the state's antitrust and unfair trade practices laws by engaging in allocation of markets, price-fixing and other allegedly improper conduct by taking part in the operation of several reinsurance facilities over a period

of decades. The complaint alleges damages to Guy Carpenter's insurance company clients and their customers, as well as to the general economy of Connecticut, and seeks monetary damages, civil penalties, attorneys' fees, costs and injunctive and other equitable relief. Discovery is underway in this matter.

- In March 2006, Milwaukee County and the Employees Retirement System of the County of Milwaukee and its Pension Board filed a civil lawsuit against Mercer (US) Inc. in the U.S. District Court for the Eastern District of Wisconsin alleging professional negligence in the provision of actuarial services and seeking damages in excess of \$300 million. The court has denied a summary judgment motion by Mercer seeking dismissal of the plaintiffs' claims. The case is scheduled for trial beginning in May 2009.
- Our activities are regulated extensively under the laws of the United States and its various states, the European Union and its member states, and the other jurisdictions in which we operate. Therefore, in the ordinary course of business, in addition to private party lawsuits, we may be subject to investigations, lawsuits and/or other regulatory actions undertaken by governmental authorities.

### **Putnam-Related Matters**

On August 3, 2007, Great-West Lifeco Inc. ("GWL") completed its purchase of Putnam Investments Trust. Under the terms of the stock purchase agreement with GWL, a copy of which was included as an exhibit to MMC's Current Report on Form 8-K filed on February 1, 2007, MMC agreed to indemnify GWL in the future with respect to certain Putnam-related litigation and regulatory matters. The matters described below directly involve MMC and/or may be subject to these indemnification obligations:

#### *"Market-timing" Related Matters*

In 2003 and 2004, Putnam entered into settlements with the SEC and the Commonwealth of Massachusetts with respect to excessive short-term trading by, among others, certain former Putnam employees in shares of the Putnam mutual funds (the "Putnam Funds").

- MMC and Putnam were named in a substantial number of civil complaints, filed in various state and federal courts, alleging "market-timing" and, in some cases, "late trading" activities. The actions filed in or removed to federal court have been transferred, along with actions against other mutual fund complexes, to the U.S. District Court for the District of Maryland. The following summarizes the consolidated matters pending in the District of Maryland:
  - Two putative class actions by investors in certain Putnam Funds are pending against Putnam. One action asserts claims under Sections 10(b) and 20(a) of the Securities Exchange Act of 1934, and Section 36(b) of the Investment Company Act of 1940. The other action purports to assert derivative claims on behalf of all Putnam Funds under Section 36(b) of the Investment Company Act. Both suits seek to recover unspecified damages allegedly suffered by the Putnam Funds and their investors as a result of purported market-timing and late trading activity in certain Putnam Funds. On December 30, 2008, the court granted in part Putnam's motion for summary judgment in the non-derivative action, and denied plaintiffs' motion for class certification pending resolution of all summary judgment issues. In the derivative action, the court denied Putnam's motion for summary judgment.
  - A complaint asserting shareholder derivative claims, purportedly on behalf of MMC, was filed against current and former members of MMC's Board of Directors, two of Putnam's former officers, and MMC as a nominal defendant. This action alleges violation of fiduciary duties in failing to provide oversight regarding market-timing in the Putnam Funds. This action has been stayed pursuant to an agreement of the parties.

- MMC, Putnam, and certain of their current and former officers, directors and employees are defendants in purported ERISA class actions, one brought by participants in an MMC retirement plan and the other brought by participants in a Putnam retirement plan. The actions allege, among other things, that, in view of the market-timing that was allegedly allowed to occur at Putnam, the investment of the plans' funds in MMC stock and the Putnam Funds was imprudent and constituted a breach of fiduciary duties to plan participants. Both actions seek unspecified damages and equitable relief. Following a September 2006 dismissal of the action regarding the Putnam plan, the plaintiff appealed the decision to the Fourth Circuit Court of Appeals. In June 2008, the appellate court reversed the dismissal and remanded the case for further proceedings.
- Certain Putnam entities were named as defendants in a suit brought in the District Court of Travis County, Texas by a former institutional client, the Employee Retirement System of Texas. Plaintiff alleged that Putnam breached its investment management advisory agreement and did not make appropriate disclosures regarding alleged market-timing activity at the time the investment management advisory agreement was executed. The majority of plaintiff's claims were dismissed or withdrawn in January 2008. The trial court dismissed plaintiff's remaining claim for breach of contract in June 2008. Plaintiffs have appealed the dismissals and Putnam has appealed an adverse ruling on its counterclaim for unpaid management fees.

## **Other Contingencies Relating to MMC and its Subsidiaries**

### *Errors and Omissions Claims*

- MMC and its subsidiaries are subject to a significant number of other claims, lawsuits and proceedings in the ordinary course of business. Such claims and lawsuits consist principally of alleged errors and omissions in connection with the performance of professional services. Certain of these claims, including the actions filed against Mercer by the State of Alaska and the County of Milwaukee, seek damages, including punitive damages, in amounts that could, if awarded, be significant. MMC has varying levels of third-party insurance coverage, depending on the policy year. To the extent that expected losses exceed MMC's retention in any policy year, MMC records an asset for the amount that MMC expects to recover under any available third-party insurance programs. The policy limits and coverage terms of the third-party insurance vary to some extent by policy year, but MMC is not aware of coverage defenses or other obstacles to coverage that would limit recoveries in years prior to policy year 2001-2002 in a material amount. In policy years subsequent to 2001-2002, the availability of third-party insurance has declined significantly, such that the Company has, for example, limited third-party insurance for the claims asserted by the State of Alaska and the County of Milwaukee. MMC utilizes internal actuarial and other estimates, and case level reviews by inside and outside counsel, to establish loss reserves, in accordance with SFAS No. 5 ("Accounting for Contingencies"), to provide for its loss retention. These reserves are reviewed quarterly and adjusted as developments warrant.

### *Guarantees*

- In connection with its acquisition of U.K.-based Sedgwick Group in 1998, MMC acquired several insurance underwriting businesses that were already in run-off, including River Thames Insurance Company Limited ("River Thames"), which MMC sold in 2001. Sedgwick guaranteed payment of claims on certain policies underwritten through the Institute of London Underwriters (the "ILU") by River Thames. The policies covered by this guarantee are reinsured up to £40 million by a related party of River Thames. Payment of claims under the reinsurance agreement is collateralized by segregated assets held in a trust. As of December 31, 2008, the reinsurance coverage exceeded the best estimate of the projected liability of the policies covered by the guarantee. To the extent River Thames or the reinsurer is unable to meet its obligations under those policies, a claimant may seek to recover from MMC under the guarantee.

- From 1980 to 1983, MMC owned indirectly the English & American Insurance Company (“E&A”), which was a member of the ILU. The ILU required MMC to guarantee a portion of E&A’s obligations. After E&A became insolvent in 1993, the ILU agreed to discharge the guarantee in exchange for MMC’s agreement to post an evergreen letter of credit that is available to pay claims by policyholders on certain E&A policies issued through the ILU and incepting between July 3, 1980 and October 6, 1983. In April 2006, a lawsuit was commenced in the Commercial Court in London against MMC and the ILU by an assignee of an E&A policyholder that purported to have a claim against the MMC letter of credit in the amount of approximately \$8.5 million and sought a judicial declaration of its rights as an assignee of a policyholder claim. MMC contested the claim and the lawsuit was discontinued by the plaintiff in May 2007. MMC expects the plaintiff or others to continue to pursue this claim against the MMC letter of credit. MMC anticipates that additional claimants may seek to recover against the letter of credit.

The proceedings and other matters described in this Note 16 on Claims, Lawsuits and Other Contingencies may expose MMC to liability for significant monetary damages and other forms of relief. Where a loss is both probable and reasonably estimable, MMC has established reserves in accordance with SFAS No. 5, “Accounting for Contingencies”. Except as specifically set forth above, MMC’s management is unable, at the present time, to provide a reasonable estimate of the range of possible loss attributable to the foregoing matters or the impact they may have on MMC’s consolidated results of operations or financial position (over and above MMC’s existing loss reserves) or MMC’s cash flows (to the extent not covered by insurance). This is primarily because many of these cases remain in their early stages and only limited discovery has taken place. Adverse determinations in one or more of the matters discussed above could have a material impact on MMC’s financial condition, results of MMC’s operations or cash flows in a future period.

## **17. Segment Information**

MMC’s organization structure and segment reporting is based on the types of services provided. Under this organizational structure, MMC’s business segments are:

- **Risk and Insurance Services**, comprising insurance services (Marsh) and reinsurance services (Guy Carpenter);
- **Consulting**, comprising Mercer and Oliver Wyman Group; and
- **Risk Consulting & Technology**, which is comprised of Kroll.

The accounting policies of the segments are the same as those used for the consolidated financial statements described in Note 1. The information in the following table excludes the results of Putnam, Kroll Security International, Crump, Price Forbes and SCMS, which are classified as discontinued operations as described in Note 5. Revenues are attributed to geographic areas on the basis of where the services are performed. Segment performance is evaluated based on segment operating income, which includes directly related expenses, and charges or credits related to integration and restructuring but not MMC corporate-level expenses.

Selected information about MMC's operating segments and geographic areas of operation follows:

For the Years Ended December 31, (In millions of dollars)	Revenue	Operating Income (Loss)	Total Assets	Depreciation and Amortization	Capital Expenditures
<b>2008—</b>					
Risk and Insurance Services	\$ 5,466(a)	\$ 460	\$ 7,704	\$188	\$135
Consulting	5,196(b)	555	4,156	111	113
Risk Consulting & Technology	993(c)	(497)(f)	1,887	82	50
Total Operating Segments	11,655	518	13,747	381	298
Corporate/Eliminations	(68)	(255)	1,459(e)	23	89
Assets of Discontinued Operations	—	—	—	—	—
<b>Total Consolidated</b>	<b>\$11,587</b>	<b>\$ 263</b>	<b>\$15,206</b>	<b>\$404</b>	<b>\$387</b>
<b>2007—</b>					
Risk and Insurance Services	\$ 5,400(a)	\$ 342	\$ 9,091	\$214	\$136
Consulting	4,884(b)	606	4,438	94	99
Risk Consulting & Technology	987(c)	98	2,538	80	43
Total Operating Segments	11,271	1,046	16,067	388	278
Corporate/Eliminations	(94)	(200)	1,292(e)	19	85
Assets of Discontinued Operations	—	—	—	—	—
<b>Total Consolidated</b>	<b>\$11,177</b>	<b>\$ 846</b>	<b>\$17,359</b>	<b>\$407</b>	<b>\$363</b>
<b>2006—</b>					
Risk and Insurance Services	\$ 5,263(a)	\$ 477	\$ 9,651	\$230	\$133
Consulting	4,224(b)	465	3,804	92	88
Risk Consulting & Technology	973(c)	143	2,363	90	46
Total Operating Segments	10,460	1,085	15,818	412	267
Corporate/Eliminations	(120)	(137)(d)	398(e)	11	6
Assets of Discontinued Operations	—	—	1,921	—	34
<b>Total Consolidated</b>	<b>\$10,340</b>	<b>\$ 948</b>	<b>\$18,137</b>	<b>\$423</b>	<b>\$307</b>

- (a) Includes inter-segment revenue (\$5 million in 2008, \$7 million in 2007 and \$0 million in 2006) and interest income on fiduciary funds (\$139 million in 2008, \$177 million in 2007 and \$168 million in 2006).
- (b) Includes inter-segment revenue (\$52 million in 2008, \$79 million in 2007 and \$108 million in 2006).
- (c) Includes inter-segment revenue (\$11 million in 2008, \$8 million in 2007 and \$12 million in 2006).
- (d) Corporate expenses in 2006 include a \$74 million credit for the gain from the sale of five (5) floors of MMC's New York headquarters building.
- (e) Corporate assets primarily include insurance recoverables, pension related assets, the owned portion of MMC's headquarters building and intercompany eliminations.
- (f) Includes a goodwill impairment charge of \$540 million.

Operating Segment Revenue by Product is as follows:

For the Years Ended December 31, <i>(In millions of dollars)</i>	2008	2007	2006
<b>Risk and Insurance Services</b>			
Marsh	\$ 4,632	\$ 4,498	\$ 4,383
Guy Carpenter	834	902	880
Total Risk and Insurance Services	<b>5,466</b>	5,400	5,263
<b>Consulting</b>			
Mercer	3,642	3,368	3,020
Oliver Wyman Group	1,554	1,516	1,204
Total Consulting	<b>5,196</b>	4,884	4,224
<b>Risk Consulting &amp; Technology</b>			
	993	987	973
Total Operating Segments	<b>11,655</b>	11,271	10,460
Corporate/Eliminations	<b>(68)</b>	(94)	(120)
<b>Total</b>	<b>\$11,587</b>	<b>\$11,177</b>	<b>\$10,340</b>

Information by geographic area is as follows:

For the Years Ended December 31, <i>(In millions of dollars)</i>	2008	2007	2006
<b>Revenue</b>			
United States	\$ 5,398	\$ 5,379	\$ 5,229
United Kingdom	1,984	2,099	1,990
Continental Europe	2,064	1,794	1,540
Other	2,209	1,999	1,701
	<b>11,655</b>	11,271	10,460
Corporate/Eliminations	<b>(68)</b>	(94)	(120)
	<b>\$11,587</b>	<b>\$11,177</b>	<b>\$10,340</b>
 <b>December 31, <i>(In millions of dollars)</i></b>	 <b>2008</b>	 <b>2007</b>	 <b>2006</b>
<b>Fixed Assets, Net</b>			
United States	\$ 603	\$ 585	\$ 593
United Kingdom	148	208	224
Continental Europe	86	90	80
Other	132	109	93
	<b>\$ 969</b>	<b>\$ 992</b>	<b>\$ 990</b>

**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

To the Board of Directors and Stockholders of  
Marsh & McLennan Companies, Inc.  
New York, New York

We have audited the accompanying consolidated balance sheets of Marsh & McLennan Companies, Inc. and subsidiaries (the "Company") as of December 31, 2008 and 2007, and the related consolidated statements of income, stockholders' equity and comprehensive income, and of cash flows for each of the three years in the period ended December 31, 2008. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of Marsh & McLennan Companies, Inc. and subsidiaries as of December 31, 2008 and 2007, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2008, in conformity with accounting principles generally accepted in the United States of America.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the Company's internal control over financial reporting as of December 31, 2008, based on the criteria established in *Internal Control—Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated February 27, 2009 expressed an unqualified opinion on the Company's internal control over financial reporting.

/s/ Deloitte & Touche LLP  
New York, New York  
February 27, 2009

**Marsh & McLennan Companies, Inc. and Subsidiaries**  
**SELECTED QUARTERLY FINANCIAL DATA AND**  
**SUPPLEMENTAL INFORMATION (UNAUDITED)**

	<u>First Quarter</u>	<u>Second Quarter</u>	<u>Third Quarter</u>	<u>Fourth Quarter</u>
<i>(In millions of dollars, except per share figures)</i>				
<b>2008:</b>				
Revenue	\$3,039	\$3,048	\$2,838	\$2,662
Operating (loss) income	\$ (88)	\$ 182	\$ 70	\$ 99
(Loss) income from continuing operations	\$ (215)	\$ 55	\$ 18	\$ 73
(Loss) income from discontinued operations	\$ 5	\$ 10	\$ (26)	\$ 7
Net (Loss) income	\$ (210)	\$ 65	\$ (8)	\$ 80
<b>Basic Per Share Data:</b>				
(Loss) income from continuing operations	\$ (0.41)	\$ 0.11	\$ 0.04	\$ 0.14
Income (loss) from discontinued operations	\$ 0.01	\$ 0.02	\$ (0.06)	\$ 0.02
Net (loss) income	\$ (0.40)	\$ 0.13	\$ (0.02)	\$ 0.16
<b>Diluted Per Share Data:</b>				
(Loss) income from continuing operations	\$ (0.41)	\$ 0.11	\$ 0.03	\$ 0.14
Income (loss) from discontinued operations	\$ 0.01	\$ 0.02	\$ (0.05)	\$ 0.01
Net (loss) income	\$ (0.40)	\$ 0.13	\$ (0.02)	\$ 0.15
<b>Dividends Paid Per Share</b>	<b>\$ 0.20</b>	<b>\$ 0.20</b>	<b>\$ 0.20</b>	<b>\$ 0.20</b>
<b>2007:</b>				
Revenue	\$2,761	\$2,785	\$2,716	\$2,915
Operating income	\$ 336	\$ 239	\$ 116	\$ 155
Income from continuing operations	\$ 228	\$ 140	\$ 80	\$ 90
Income (loss) from discontinued operations	\$ 40	\$ 37	\$1,865	\$ (5)
Net income	\$ 268	\$ 177	\$1,945	\$ 85
<b>Basic Per Share Data:</b>				
Income from continuing operations	\$ 0.41	\$ 0.26	\$ 0.15	\$ 0.17
Income from discontinued operations	\$ 0.08	\$ 0.06	\$ 3.49	\$ —
Net income	\$ 0.49	\$ 0.32	\$ 3.64	\$ 0.17
<b>Diluted Per Share Data:</b>				
Income from continuing operations	\$ 0.41	\$ 0.25	\$ 0.15	\$ 0.17
Income (loss) from discontinued operations	\$ 0.06	\$ 0.06	\$ 3.45	\$ (0.01)
Net income	\$ 0.47	\$ 0.31	\$ 3.60	\$ 0.16
<b>Dividends Paid Per Share</b>	<b>\$ 0.19</b>	<b>\$ 0.19</b>	<b>\$ 0.19</b>	<b>\$ 0.19</b>

As of February 20, 2009, there were 8,505 stockholders of record.

**Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.**

None.

**Item 9A. Controls and Procedures.**

**Disclosure Controls and Procedures.** Based on their evaluation, as of the end of the period covered by this annual report on Form 10-K, MMC's chief executive officer and chief financial officer have concluded that MMC's disclosure controls and procedures (as defined in Rules 13a-15(e) or 15d-15(e) under the Securities Exchange Act of 1934) are effective.

**Internal Control over Financial Reporting.**

**(a) Management's Annual Report on Internal Control Over Financial Reporting.**

**MANAGEMENT'S ANNUAL REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING**

The management of Marsh & McLennan Companies, Inc. is responsible for establishing and maintaining adequate internal control over financial reporting for MMC. MMC's internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

MMC's internal control over financial reporting includes those policies and procedures relating to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of MMC; the recording of all necessary transactions to permit the preparation of MMC's consolidated financial statements in accordance with generally accepted accounting principles; the proper authorization of receipts and expenditures in accordance with authorizations of MMC's management and directors; and the prevention or timely detection of the unauthorized acquisition, use or disposition of assets that could have a material effect on MMC's consolidated financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Management evaluated the effectiveness of MMC's internal control over financial reporting as of December 31, 2008 under the supervision and with the participation of the Company's principal executives and financial officers. In making this evaluation, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in Internal Control – Integrated Framework. Based on its evaluation, management determined that MMC maintained effective internal control over financial reporting as of December 31, 2008.

Deloitte & Touche LLP, the Independent Registered Public Accounting Firm that audited and reported on MMC's consolidated financial statements included in this annual report on Form 10-K, also issued an attestation report on the effectiveness of MMC's internal control over financial reporting as of December 31, 2008.

(b) Attestation Report of the Registered Public Accounting Firm.

## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of  
Marsh & McLennan Companies, Inc.  
New York, New York

We have audited the internal control over financial reporting of Marsh & McLennan Companies, Inc. and subsidiaries (the "Company") as of December 31, 2008, based on criteria established in *Internal Control—Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission. The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying management's annual report on internal control over financial reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed by, or under the supervision of, the Company's principal executive and principal financial officers, or persons performing similar functions, and effected by the Company's board of directors, management, and other personnel to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Because of the inherent limitations of internal control over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may not be prevented or detected on a timely basis. Also, projections of any evaluation of the effectiveness of the internal control over financial reporting to future periods are subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2008, based on the criteria established in *Internal Control—Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated financial statements as of and for the year ended December 31, 2008 of the Company and our report dated February 27, 2009 expressed an unqualified opinion on those financial statements.

/s/ Deloitte & Touche LLP  
New York, New York  
February 27, 2009

(c) *Changes in Internal Control Over Financial Reporting.*

There have been no changes in MMC's internal control over financial reporting during the quarter ended December 31, 2008 that have materially affected, or are reasonably likely to materially affect, MMC's internal control over financial reporting.

**Item 9B. Other Information.**

None.

### **PART III**

**Item 10. Directors, Executive Officers and Corporate Governance.**

Information as to the directors and nominees for the board of directors of MMC is incorporated herein by reference to the material set forth under the heading "Item 1—Election of Directors" in the 2009 Proxy Statement.

The executive officers of MMC are Ben Allen, Orlando D. Ashford, Peter J. Beshar, M. Michele Burns, John Drzik, Brian Duperreault, E. Scott Gilbert, Daniel S. Glaser, David Nadler, Vanessa A. Wittman and Peter Zaffino. Information with respect to these individuals is provided in Part I, Item 1 above under the heading "Executive Officers of MMC".

The information set forth in the 2009 Proxy Statement in the sections "Transactions with Management and Others; Other Information—Section 16(a) Beneficial Ownership Reporting Compliance", "Corporate Governance—Codes of Conduct" and "Board of Directors and Committees—Committees—Audit Committee" is incorporated herein by reference.

**Item 11. Executive Compensation.**

The information set forth in the sections "Board of Directors and Committees—Director Compensation" and "Compensation of Executive Officers" in the 2009 Proxy Statement is incorporated herein by reference.

**Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.**

The information set forth in the sections "Stock Ownership of Management and Certain Beneficial Owners" and "Equity Compensation Plan Information" in the 2009 Proxy Statement is incorporated herein by reference.

**Item 13. Certain Relationships and Related Transactions, and Director Independence.**

The information set forth in the sections "Corporate Governance—Director Independence", "Corporate Governance—Review of Related-Person Transactions" and "Transactions with Management and Others; Other Information" in the 2009 Proxy Statement is incorporated herein by reference.

**Item 14. Principal Accountant Fees and Services.**

The information set forth under the heading "Ratification of Selection of Independent Registered Public Accounting Firm—Fees of Independent Registered Public Accounting Firm" in the 2009 Proxy Statement is incorporated herein by reference.

## PART IV

### Item 15. Exhibits and Financial Statement Schedules.

The following documents are filed as a part of this report:

1. Consolidated Financial Statements:

Consolidated Statements of Income for each of the three years in the period ended December 31, 2008

Consolidated Balance Sheets as of December 31, 2008 and 2007

Consolidated Statements of Cash Flows for each of the three years in the period ended December 31, 2008

Consolidated Statements of Stockholders' Equity and Comprehensive Income for each of the three years in the period ended December 31, 2008

Notes to Consolidated Financial Statements

Report of Independent Registered Public Accounting Firm

Other:

Selected Quarterly Financial Data and Supplemental Information (Unaudited) for fiscal years 2008 and 2007

Five-Year Statistical Summary of Operations

2. All required Financial Statement Schedules are included in the Consolidated Financial Statements or the Notes to Consolidated Financial Statements.

3. The following exhibits are filed as a part of this report:

- (3.1) Restated Certificate of Incorporation of Marsh & McLennan Companies, Inc. (incorporated by reference to MMC's Current Report on Form 8-K dated July 17, 2008)
- (3.2) Amended and Restated By-Laws of Marsh & McLennan Companies, Inc. (incorporated by reference to MMC's Current Report on Form 8-K dated September 18, 2008)
- (4.1) Indenture dated as of June 14, 1999 between MMC and State Street Bank and Trust Company, as trustee (incorporated by reference to MMC's Registration Statement on Form S-3, Registration No. 333-108566)
- (4.2) First Supplemental Indenture dated as of June 14, 1999 between MMC and State Street Bank and Trust Company, as trustee (incorporated by reference to MMC's Quarterly Report on Form 10-Q for the quarter ended June 30, 1999)
- (4.3) Second Supplemental Indenture dated as of February 19, 2003 between MMC and U.S. Bank National Association (as successor to State Street Bank and Trust Company), as trustee (incorporated by reference to MMC's Quarterly Report on Form 10-Q for the quarter ended March 31, 2003)
- (4.4) Third Supplemental Indenture dated as of July 30, 2003 between MMC and U.S. National Bank Association (as successor to State Street Bank and Trust Company), as trustee (incorporated by reference to MMC's Quarterly Report on Form 10-Q for the quarter ended June 30, 2003)
- (4.5) Indenture dated as of March 19, 2002 between MMC and State Street Bank and Trust Company, as trustee (incorporated by reference to MMC's Registration Statement on Form S-4, Registration No. 333-87510)
- (4.6) Indenture, dated as of July 14, 2004, between MMC and The Bank of New York, as trustee (incorporated by reference to MMC's Quarterly Report on Form 10-Q for the quarter ended June 30, 2004)
- (4.7) First Supplemental Indenture, dated as of July 14, 2004, between MMC and The Bank of New York, as trustee (incorporated by reference to MMC's Quarterly Report on Form 10-Q for the quarter ended June 30, 2004)

- (4.8) Second Supplemental Indenture, dated as of September 16, 2005, between MMC and The Bank of New York, as trustee (incorporated by reference to MMC's Current Report on Form 8-K dated September 13, 2005)
- (10.1) Agreement between the Attorney General of the State of New York and the Superintendent of Insurance of the State of New York, and Marsh & McLennan Companies, Inc., Marsh Inc. and their subsidiaries and affiliates dated January 30, 2005 (incorporated by reference to MMC's Current Report on Form 8-K dated January 31, 2005)
- (10.2) Amendment No. 1, effective as of January 30, 2005, to Agreement between the Attorney General of the State of New York and the Superintendent of Insurance of the State of New York, and Marsh & McLennan Companies, Inc., Marsh Inc. and their subsidiaries and affiliates dated January 30, 2005 (incorporated by reference to MMC's Quarterly Report on Form 10-Q for the quarter ended March 31, 2005)
- (10.3) Amendment No. 2, dated September 27, 2005, to Agreement between the Attorney General of the State of New York and the Superintendent of Insurance of the State of New York, and Marsh & McLennan Companies, Inc., Marsh Inc. and their subsidiaries and affiliates, dated January 30, 2005 (incorporated by reference to MMC's Quarterly Report on Form 10-Q for the quarter ended September 30, 2005)
- (10.4) Amendment No. 3, dated August 17, 2006, to the Agreement, dated January 30, 2005, as amended, among Marsh & McLennan Companies, Inc., Marsh Inc. and their subsidiaries and affiliates, the Attorney General of the State of New York and the Superintendent of Insurance of the State of New York (incorporated by reference to MMC's Current Report on Form 8-K dated August 17, 2006)
- (10.5) Amendment No. 4, signed August 6, 2007, to the Agreement, dated January 30, 2005, as amended, among Marsh & McLennan Companies, Inc., Marsh Inc. and their subsidiaries and affiliates, the Attorney General of the State of New York and the Superintendent of Insurance of the State of New York (incorporated by reference to MMC's Current Report on Form 8-K dated August 6, 2007)
- (10.6) Amendment No. 5, dated May 16, 2008, to the Agreement, dated January 30, 2005, as amended, among Marsh & McLennan Companies, Inc., Marsh Inc. and their subsidiaries and affiliates, the Attorney General of the State of New York and the Superintendent of Insurance of the State of New York (incorporated by reference to MMC's Current Report on Form 8-K dated June 3, 2008)
- (10.7) \*Marsh & McLennan Companies, Inc. 2000 Senior Executive Incentive and Stock Award Plan (incorporated by reference to MMC's Annual Report on Form 10-K for the year ended December 31, 1999)
- (10.8) \*Amendments to Marsh & McLennan Companies, Inc. 2000 Senior Executive Incentive and Stock Award Plan and 2000 Employee Incentive and Stock Award Plan (incorporated by reference to MMC's Quarterly Report on Form 10-Q for the quarter ended June 30, 2005)
- (10.9) \*Form of Awards under the 2000 Senior Executive Incentive and Stock Award Plan (incorporated by reference to MMC's Quarterly Report on Form 10-Q for the quarter ended September 30, 2004)
- (10.10) \*Additional Forms of Awards under the 2000 Senior Executive Incentive and Stock Award Plan (incorporated by reference to MMC's Quarterly Report on Form 10-Q for the quarter ended March 31, 2005)
- (10.11) \*Form of Restricted Stock Award under the MMC 2000 Senior Executive Incentive and Stock Award Plan (incorporated by reference to MMC's Current Report on Form 8-K dated May 18, 2005)
- (10.12) \*Stock Option and Restricted Stock Unit Award to Brian Duperreault under the 2000 Senior Executive Incentive and Stock Award Plan

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\* Management contract or compensatory plan or arrangement required to be filed as an exhibit pursuant to Item 15(b) of Form 10-K.

- (10.13) \*Marsh & McLennan Companies, Inc. 2000 Employee Incentive and Stock Award Plan (incorporated by reference to MMC's Annual Report on Form 10-K for the year ended December 31, 2001)
- (10.14) \*Form of Awards under the 2000 Employee Incentive and Stock Award Plan (incorporated by reference to MMC's Quarterly Report on Form 10-Q for the quarter ended September 30, 2004)
- (10.15) \*Additional Forms of Awards under the 2000 Employee Incentive and Stock Award Plan (incorporated by reference to MMC's Quarterly Report on Form 10-Q for the quarter ended March 31, 2005)
- (10.16) \*Form of Long-term Incentive Award under the 2000 Senior Executive Incentive and Stock Award Plan and the 2000 Employee Incentive and Stock Award Plan (incorporated by reference to MMC's Quarterly Report on Form 10-Q for the quarter ended March 31, 2006)
- (10.17) \*Form of 2007 Long-term Incentive Award under the 2000 Senior Executive Incentive and Stock Award Plan and the 2000 Employee Incentive and Stock Award Plan (incorporated by reference to MMC's Quarterly Report on Form 10-Q for the quarter ended March 31, 2007)
- (10.18) \*Form of 2008 Long-term Incentive Award under the 2000 Senior Executive Incentive and Stock Award Plan and the 2000 Employee Incentive and Stock Award Plan (incorporated by reference to MMC's Quarterly Report on Form 10-Q for the quarter ended March 31, 2008)
- (10.19) \*Form of Deferred Stock Unit Award under the 2000 Senior Executive Incentive and Stock Award Plan and the 2000 Employee Incentive and Stock Award Plan (incorporated by reference to MMC's Annual Report on Form 10-K for the year ended December 31, 2007)
- (10.20) \*Form of Deferred Stock Unit Award, dated as of January 1, 2009, under the 2000 Senior Executive Incentive and Stock Award Plan and the 2000 Employee Incentive and Stock Award Plan
- (10.21) \*Amendments to Certain MMC Equity-Based Awards Due to U.S. Tax Law Changes Affecting Equity-Based Awards granted under the 2000 Senior Executive Incentive and Stock Award Plan and the 2000 Employee Incentive and Stock Award Plan, effective January 1, 2009
- (10.22) \*Section 409A Amendment Document, effective as of January 1, 2009
- (10.23) \*Marsh & McLennan Companies Supplemental Savings & Investment Plan (formerly the Marsh & McLennan Companies Stock Investment Supplemental Plan), Amendment and Restatement effective January 1, 2009
- (10.24) \*Marsh & McLennan Companies Special Sevérance Pay Plan (incorporated by reference to MMC's Annual Report on Form 10-K for the year ended December 31, 1996)
- (10.25) \*Marsh & McLennan Companies Benefit Equalization Plan and Marsh & McLennan Companies Supplemental Retirement Plan, as Amended and Restated effective January 1, 2009
- (10.26) \*Marsh & McLennan Companies, Inc. Form of Senior Executive Severance Pay Plan (incorporated by reference to MMC's Quarterly Report on Form 10-Q for the Quarter ended March 31, 2008)
- (10.27) \*Marsh & McLennan Companies Senior Management Incentive Compensation Plan (incorporated by reference to MMC's Annual Report on Form 10-K for the year ended December 31, 1994)
- (10.28) \*Marsh & McLennan Companies, Inc. Directors Stock Compensation Plan-January 1, 2009 Restatement
- (10.29) \*Description of compensation arrangements for non-executive directors of MMC (incorporated by reference to MMC's Quarterly Report on Form 10-K for the quarter ended March 31, 2007)

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\* Management contract or compensatory plan or arrangement required to be filed as an exhibit pursuant to Item 15(b) of Form 10-K.

- (10.30) \*Employment Agreement, dated as of December 19, 2005, between Marsh & McLennan Companies, Inc. and M. Michele Burns (incorporated by reference to MMC's Current Report on Form 8-K dated December 16, 2005)
- (10.31) \*Amendment No. 1, dated as of September 25, 2006, to Employment Agreement, dated December 19, 2005, between Marsh & McLennan Companies, Inc. and M. Michele Burns (incorporated by reference to MMC's Quarterly Report on Form 10-Q for the quarter ended September 30, 2006)
- (10.32) \*Amendment No. 2, dated as of December 12, 2008, to Employment Agreement, dated December 19, 2005, between Marsh & McLennan Companies, Inc. and M. Michele Burns
- (10.33) \*Employment Agreement, dated as of January 29, 2008, between Marsh & McLennan Companies, Inc. and Brian Duperreault (incorporated by reference to MMC's Current Report on Form 8-K dated January 29, 2008)
- (10.34) \*Letter Agreement, dated August 18, 2008, between Marsh & McLennan Companies, Inc. and Vanessa A. Wittman (incorporated by reference to MMC's Current Report on Form 8-K dated August 18, 2008)
- (10.35) \*Employment Agreement, dated as of September 25, 2006, between Marsh & McLennan Companies, Inc. and Matthew B. Bartley (incorporated by reference to MMC's Quarterly Report on Form 10-Q for the quarter ended September 30, 2006)
- (10.36) \*Employment Agreement, dated as of July 1, 2005, by and between Marsh & McLennan Companies, Inc. and David H. Spiller (incorporated by reference to MMC's Quarterly Report on Form 10-Q for the quarter ended March 31, 2007)
- (10.37) \*Employment Agreement, dated as of July 20, 2005, by and between Marsh & McLennan Companies, Inc. and Michael G. Cherkasky (incorporated by reference to MMC's Current Report on Form 8-K dated July 25, 2005)
- (10.38) \*Separation and Release Agreement, dated February 15, 2008, between Marsh & McLennan Companies, Inc. and Michael G. Cherkasky (incorporated by reference to MMC's Current Report on Form 8-K dated February 15, 2008)
- (10.39) Settlement Agreement, dated as of July 18, 2008, by and between Providence Equity L.L.C., US Investigations Services, Inc., Marsh & McLennan Companies, Inc., and Michael G. Cherkasky (incorporated by reference to MMC's Current Report on Form 8-K dated July 18, 2008)
- (10.40) \*Amended and Restated Limited Partnership Agreement of Marsh & McLennan Affiliated Fund, L.P. dated October 12, 1999 (incorporated by reference to MMC's Annual Report on Form 10-K for the year ended December 31, 2001)
- (12) Statement Re: Computation of Ratio of Earnings to Fixed Charges
- (14) Code of Ethics for Chief Executive and Senior Financial Officers (incorporated by reference to MMC's Annual Report on Form 10-K for the year ended December 31, 2002)
- (21) List of Subsidiaries of MMC (as of 2/18/2009)
- (23) Consent of Independent Registered Public Accounting Firm
- (31.1) Rule 13a-14(a)/15d-14(a) Certification of Chief Executive Officer
- (31.2) Rule 13a-14(a)/15d-14(a) Certification of Chief Financial Officer
- (32) Section 1350 Certifications

\* Management contract or compensatory plan or arrangement required to be filed as an exhibit pursuant to Item 15(b) of Form 10-K.

## SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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.

MARSH & McLENNAN COMPANIES, INC.

Dated: February 27, 2009

By /s/ BRIAN DUPERREAULT

Brian Duperreault

President and Chief Executive Officer

Each person whose signature appears below hereby constitutes and appoints Luciana Fato, Kate J. Brennan and Jean McConney, and each of them singly, such person's lawful attorneys-in-fact and agents, with full power to them and each of them to sign for such person, in the capacity indicated below, any and all amendments to this Annual Report on Form 10-K filed with the Securities and Exchange Commission.

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities indicated this 27th day of February, 2009.

Name	Title	Date
<u>/s/ BRIAN DUPERREAULT</u> Brian Duperreault	Director, President & Chief Executive Officer	February 27, 2009
<u>/s/ VANESSA A. WITTMAN</u> Vanessa A. Wittman	Executive Vice President & Chief Financial Officer	February 27, 2009
<u>/s/ ROBERT J. RAPPORT</u> Robert J. Rapport	Senior Vice President & Controller (Chief Accounting Officer)	February 27, 2009
<u>/s/ LESLIE M. BAKER, JR.</u> Leslie M. Baker, Jr.	Director	February 27, 2009
<u>/s/ ZACHARY W. CARTER</u> Zachary W. Carter	Director	February 27, 2009
<u>/s/ OSCAR FANJUL</u> Oscar Fanjul	Director	February 27, 2009
<u>/s/ STEPHEN R. HARDIS</u> Stephen R. Hardis	Director	February 27, 2009
<u>/s/ GWENDOLYN S. KING</u> Gwendolyn S. King	Director	February 27, 2009
<u>/s/ THE RT. HON. LORD LANG OF MONKTON, DL</u> The Rt. Hon. Lord Lang of Monkton, DL	Director	February 27, 2009
<u>/s/ BRUCE P. NOLOP</u> Bruce P. Nolop	Director	February 27, 2009

Name	Title	Date
<u>/s/ MARC D. OKEN</u> Marc D. Oken	Director	February 27, 2009
<u>/s/ DAVID A. OLSEN</u> David A. Olsen	Director	February 27, 2009
<u>/s/ MORTON O. SCHAPIRO</u> Morton O. Schapiro	Director	February 27, 2009
<u>/s/ ADELE SIMMONS</u> Adele Simmons	Director	February 27, 2009

## CERTIFICATIONS

I, Brian Duperreault, certify that:

1. I have reviewed this Annual Report on Form 10-K of Marsh & McLennan Companies, Inc. (the "Registrant");
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;
4. The Registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:
  - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) Evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) Disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the Registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and
5. The Registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of the Registrant's board of directors (or persons performing the equivalent functions):
  - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and
  - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

Date: February 27, 2009

/s/ BRIAN DUPERREAU

Brian Duperreault  
President and Chief Executive Officer

## CERTIFICATIONS

I, Vanessa A. Wittman, certify that:

1. I have reviewed this annual report on Form 10-K of Marsh & McLennan Companies, Inc. (the "registrant");
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 27, 2009

/s/ VANESSA A. WITTMAN

Vanessa A. Wittman  
Executive Vice President & Chief Financial Officer

Certification of Chief Executive Officer and Chief Financial Officer

The certification set forth below is being submitted in connection with the Annual Report on Form 10-K for the year ended December 31, 2008 of Marsh & McLennan Companies, Inc. (the "Report") for the purpose of complying with Rule 13a-14(b) or Rule 15d-14(b) under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and Section 1350 of Chapter 63 of Title 18 of the United States Code.

Brian Duperreault, the President and Chief Executive Officer, and Vanessa A. Wittman, the Executive Vice President & Chief Financial Officer, of Marsh & McLennan Companies, Inc. each certifies that, to the best of his or her knowledge:

1. the Report fully complies with the requirements of Section 13(a) or 15(d) of the Exchange Act; and
2. the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Marsh & McLennan Companies, Inc.

Date: February 27, 2009

/s/ BRIAN DUPERREAUL

Brian Duperreault  
President and Chief Executive Officer

Date: February 27, 2009

/s/ VANESSA A. WITTMAN

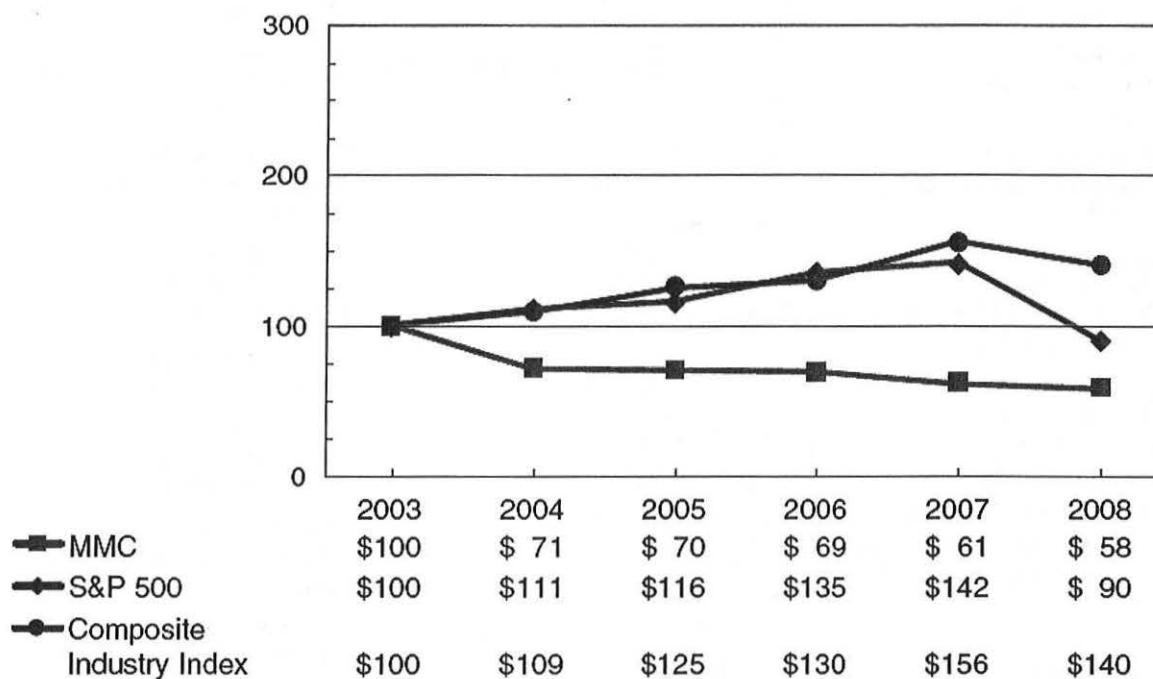
Vanessa A. Wittman  
Executive Vice President & Chief Financial Officer

## STOCK PERFORMANCE GRAPH

The following graph compares the annual cumulative stockholder return for the five-year period ended December 31, 2008 on: MMC common stock; the Standard & Poor's 500 Stock Index; and a management-constructed composite industry index. The graph assumes an investment of \$100 on December 31, 2003 in MMC common stock and each of the two indices, with dividends reinvested. Returns on the industry index reflect allocation of the total amount invested among the constituent stocks on a pro rata basis according to each issuer's start-of-the-year market capitalization. The Composite Industry Index consists of Aon Corporation, Arthur J. Gallagher & Co., Hewitt Associates, Inc., Watson Wyatt Worldwide, Inc., and Willis Group Holdings Limited.

### COMPARISON OF CUMULATIVE TOTAL STOCKHOLDER RETURN

(\$100 invested 12/31/03 with dividends reinvested)



# Board of Directors and Executive Officers

## Board of Directors

**Leslie M. Baker, Jr.**  
Former Chairman and Chief Executive Officer, Wachovia Corporation

**Zachary W. Carter**  
Partner, Dorsey & Whitney LLP

**Brian Duperreault**  
President and Chief Executive Officer

**Oscar Fanjul**  
Vice Chairman, Omega Capital  
Former Chairman and Chief Executive Officer, Repsol

**Stephen R. Hardis**  
Independent Chairman  
Former Chairman and Chief Executive Officer, Eaton Corporation

**Gwendolyn S. King**  
President, Podium Prose  
Former Commissioner, Social Security Administration

**The Rt. Hon. Lord Lang of Monkton, DL**  
Former Member of British Parliament  
Former British Secretary of State for Trade and Industry

**Bruce P. Nolop**  
Chief Financial Officer, E\*Trade Financial Corporation

**Marc D. Oken**  
Managing Partner, Falfurrias Capital Partners  
Former Chief Financial Officer, Bank of America Corporation

**David A. Olsen**  
Former Chairman and Chief Executive Officer, Johnson & Higgins

**Morton O. Schapiro**  
President, Williams College

**Adele Simmons**  
Vice Chair, Chicago Metropolis 2020  
President, Global Philanthropy Partnership

## Committees of the Board

**Audit**  
Marc D. Oken, Chair  
Leslie M. Baker, Jr.  
Zachary W. Carter  
Bruce P. Nolop  
David A. Olsen

**Compensation**  
The Rt. Hon. Lord Lang of Monkton, DL, Chair  
Oscar Fanjul  
Stephen R. Hardis  
Morton O. Schapiro

**Compliance**  
Zachary W. Carter, Chair  
Leslie M. Baker, Jr.  
David A. Olsen

**Corporate Responsibility**  
Adele Simmons, Chair  
Bruce P. Nolop  
David A. Olsen

**Directors and Governance**  
Gwendolyn S. King, Chair  
Stephen R. Hardis  
The Rt. Hon. Lord Lang of Monkton, DL  
Morton O. Schapiro  
Adele Simmons

**Executive**  
Stephen R. Hardis, Chair  
Zachary W. Carter  
Brian Duperreault  
Gwendolyn S. King  
The Rt. Hon. Lord Lang of Monkton, DL  
Marc D. Oken

**Finance**  
Leslie M. Baker, Jr., Chair  
Brian Duperreault  
Oscar Fanjul  
Stephen R. Hardis  
The Rt. Hon. Lord Lang of Monkton, DL  
Bruce P. Nolop  
Marc D. Oken

## Executive Officers

**Ben F. Allen**  
President and Chief Executive Officer, Kroll

**Orlando D. Ashford**  
Senior Vice President, Human Resources

**Peter J. Beshar**  
Executive Vice President and General Counsel

**M. Michele Burns**  
Chairman and Chief Executive Officer, Mercer

**John P. Drzik**  
President and Chief Executive Officer, Oliver Wyman Group

**Brian Duperreault**  
President and Chief Executive Officer

**E. Scott Gilbert**  
Senior Vice President and Chief Compliance Officer

**Daniel S. Glaser**  
Chairman and Chief Executive Officer, Marsh

**David A. Nadler**  
Vice Chairman, Office of the CEO

**Vanessa A. Wittman**  
Executive Vice President and Chief Financial Officer

**Peter Zaffino**  
President and Chief Executive Officer, Guy Carpenter

# Shareholder Information

## Annual Meeting

The 2009 annual meeting of shareholders will be held at 10 a.m., Thursday, May 21, in the 2nd floor auditorium of the McGraw-Hill Building, 1221 Avenue of the Americas, New York City.

## Investor Information

Shareholders of record inquiring about reinvestment and payment of dividends, consolidation of accounts, stock certificate holdings, stock certificate transfers, and address changes should contact:

BNY Mellon Shareowner Services  
P.O. Box 358015  
Pittsburgh, PA 15252-8015  
Telephone: 800 457 8968 or  
201 680 6578 (Outside the U.S. and Canada)

E-mail inquiries: [shrelations@bnymellon.com](mailto:shrelations@bnymellon.com)  
BNY Mellon's website:  
[www.bnymellon.com/shareowner/isd](http://www.bnymellon.com/shareowner/isd)

For these services, shareholders in the United Kingdom and Europe should contact:

Computershare Investor Services  
Overseas Team  
P.O. Box 82, The Pavilions  
Bridgwater Road, Bristol BS99 7NH  
United Kingdom  
Telephone: 44 (0)870 702 0003  
E-mail inquiries:  
[www.investorcentre.co.uk/contactus](http://www.investorcentre.co.uk/contactus)

Shareholders who hold shares of MMC beneficially through a broker, bank or other intermediary organization should contact that organization for these services.

## BuyDIRECT Plan

Shareholders of record and other interested investors can purchase MMC common stock directly through MMC's transfer agent and the Administrator for the Plan, BNY Mellon. A brochure on the Plan is available on the BNY Mellon website or from our transfer agent:

BNY Mellon Shareowner Services  
P.O. Box 358035  
Pittsburgh, PA 15252-8035  
Telephone: 800 457 8968 or  
201 680 6578 (Outside the U.S. and Canada)  
E-mail inquiries: [shrelations@bnymellon.com](mailto:shrelations@bnymellon.com)  
BNY Mellon's website:  
[www.bnymellon.com/shareowner/isd](http://www.bnymellon.com/shareowner/isd)

## Financial Information

Copies of MMC's annual reports and Forms 10-K and 10-Q are available on the MMC website. These documents also may be requested by contacting:

Investor Relations  
Marsh & McLennan Companies, Inc.  
1166 Avenue of the Americas  
New York, NY 10036  
Telephone: 212 345 5475  
MMC's website: [www mmc.com](http://www mmc.com)

## Stock Listings

MMC's common stock (ticker symbol: MMC) is listed on the New York, Chicago and London Stock Exchanges.

## Officer Certifications

The company has filed the certifications required under Section 302 of the Sarbanes-Oxley Act of 2002 as Exhibit 31 to MMC's Annual Report on Form 10-K for the year ended December 31, 2008. In 2008, after our annual meeting of shareholders, the company filed with the New York Stock Exchange the CEO certification regarding its compliance with the NYSE corporate governance listing standards as required by NYSE Rule 303A.12(a).

## Procedures for Reporting Complaints and Concerns Regarding Accounting Matters

MMC is committed to complying with all applicable accounting standards, internal accounting controls, audit practices, and securities laws and regulations (collectively, "Accounting Matters"). To report a complaint or concern regarding Accounting Matters, you may contact the company by mail or telephone. You may review the company's procedures for handling complaints and concerns regarding Accounting Matters at [www mmc.com](http://www mmc.com).

### By mail:

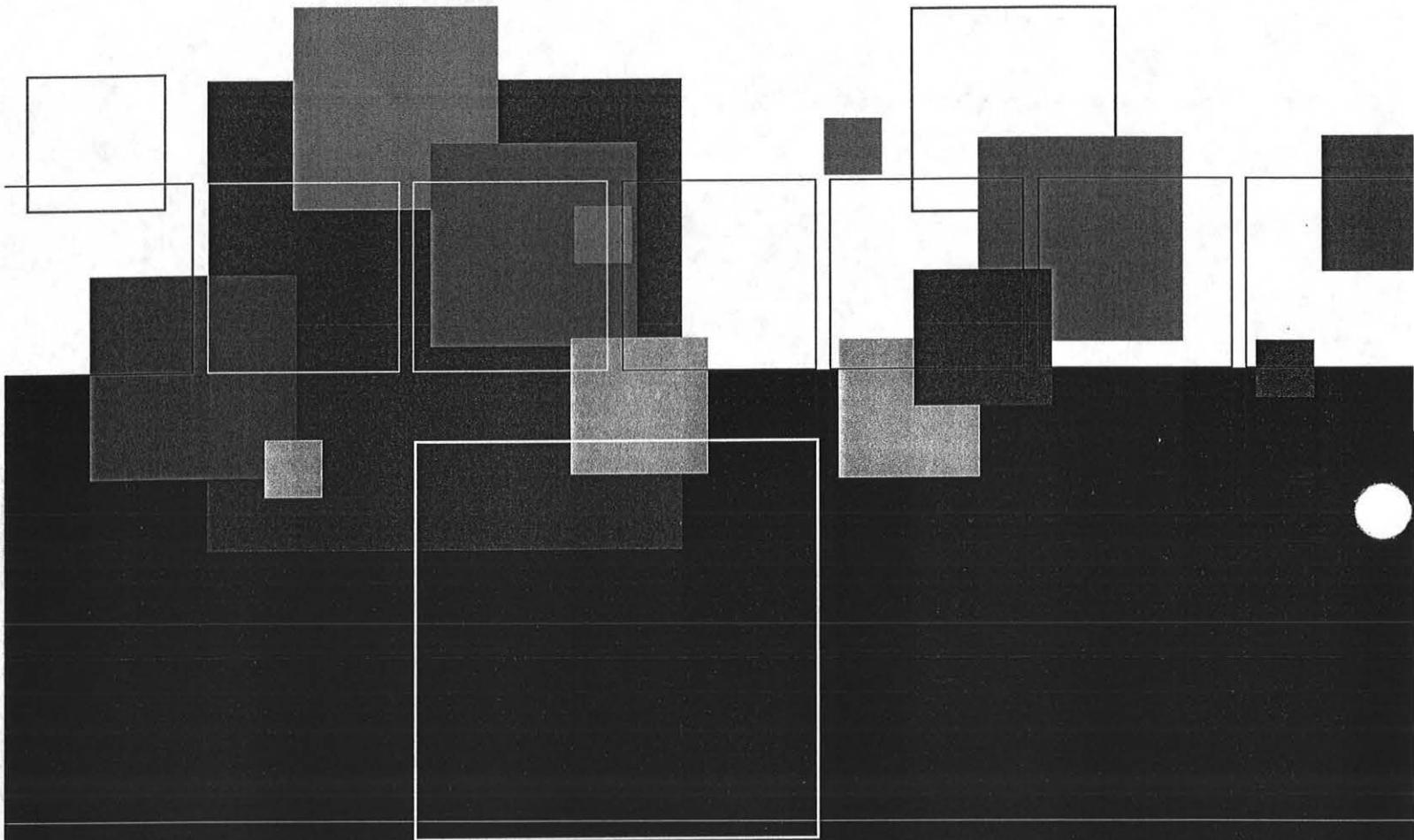
Marsh & McLennan Companies, Inc.  
Audit Committee  
c/o Corporate Secretary  
1166 Avenue of the Americas  
New York, NY 10036

### By telephone:

MMC Ethics & Compliance Line  
In Canada and the United States: 800 381 2105  
Outside Canada and the United States: Use your country's AT&T Direct® Service number to reach the MMC Ethics & Compliance Line toll-free.



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GUY CARPENTER OLIVER WYMAN



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New York, NY 10036  
[www.mmc.com](http://www.mmc.com)