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

FORM 10-Q

(Mark One)

☑ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the quarterly period ended September 30, 2010

or

o **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

Commission file number: 001-16503

WILLIS GROUP HOLDINGS PUBLIC LIMITED COMPANY

(Exact name of registrant as specified in its charter)

Ireland	**98-0352587**
(Jurisdiction of incorporation or organization)	*(I.R.S. Employer Identification No.)*

c/o Willis Group Limited
51 Lime Street, London, EC3M 7DQ, England
(Address of principal executive offices)

(011) 44-20-3124-6000
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☑ No o

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☑ No o

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer ☑	Accelerated filer o	Non-accelerated filer o (Do not check if a smaller reporting company)	Smaller reporting company o

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes o No ☑

As of October 29, 2010, there were outstanding 170,624,279 ordinary shares, nominal value $0.000115 per share and 40,000 ordinary shares, nominal value €1, of the Registrant.

WILLIS GROUP HOLDINGS PUBLIC LIMITED COMPANY

QUARTERLY REPORT ON FORM 10-Q
FOR THE QUARTER ENDED SEPTEMBER 30, 2010

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Certain Definitions

The following definitions apply throughout this quarterly report unless the context requires otherwise:

'We', 'Us', 'Company', 'Group', 'Willis' or 'Our'	Willis-Ireland and its subsidiaries and, prior to the effective time of the redomicile of the parent company discussed in Note 2 to the Notes to the Condensed Consolidated Financial Statements, Willis-Bermuda and its subsidiaries
'Willis Group Holdings' or 'Willis-Ireland'	Willis Group Holdings Public Limited Company, a company organized under the laws of Ireland
'Willis-Bermuda'	Willis Group Holdings Limited, a company organized under the laws of Bermuda
'shares'	The ordinary shares of Willis-Ireland, nominal value $0.000115 per share
'HRH'	Hilb Rogal & Hobbs Company

INFORMATION CONCERNING FORWARD-LOOKING STATEMENTS

We have included in this document 'forward-looking statements' within the meaning of Section 27A of the Securities Act of 1933, and Section 21E of the Securities Exchange Act of 1934, which are intended to be covered by the safe harbors created by those laws. These forward-looking statements include information about possible or assumed future results of our operations. All statements, other than statements of historical facts, included in this document that address activities, events or developments that we expect or anticipate may occur in the future, including such things as our outlook, future capital expenditures, growth in commissions and fees, business strategies, competitive strengths, goals, the benefits of new initiatives, growth of our business and operations, plans, and references to future successes are forward-looking statements. Also, when we use the words such as 'anticipate', 'believe', 'estimate', 'expect', 'intend', 'plan', 'probably', or similar expressions, we are making forward-looking statements.

There are important uncertainties, events and factors that could cause our actual results or performance to differ materially from those in the forward-looking statements contained in this document, including the following:

- the impact of any regional, national or global political, economic, business, competitive, market, environmental and regulatory conditions on our global business operations;
- the impact of current financial market conditions on our results of operations and financial condition, including as a result of any insolvencies or other difficulties experienced by our clients, insurance companies or financial institutions;
- our ability to continue to manage our significant indebtedness;
- our ability to compete effectively in our industry;
- our ability to implement or realize anticipated benefits of the Shaping Our Future, Right Sizing Willis, Funding for Growth initiatives or any other new initiatives;
- material changes in commercial property and casualty markets generally or the availability of insurance products or changes in premiums resulting from a catastrophic event, such as a hurricane, or otherwise;
- the volatility or declines in other insurance markets and the premiums on which our commissions are based, but which we do not control;
- our ability to retain key employees and clients and attract new business;
- the timing or ability to carry out share repurchases or take other steps to manage our capital and the limitations in our long-term debt agreements that may restrict our ability to take these actions;
- any fluctuations in exchange and interest rates that could affect expenses and revenue;
- rating agency actions that could inhibit our ability to borrow funds or the pricing thereof;
- a significant decline in the value of investments that fund our pension plans or changes in our pension plan funding obligations;
- our ability to achieve the expected strategic benefits of transactions;
- changes in the tax or accounting treatment of our operations;
- any potential impact from the US healthcare reform legislation;
- the potential costs and difficulties in complying with a wide variety of foreign laws and regulations and any related changes, given the global scope of our operations;
- our involvements in and the results of any regulatory investigations, legal proceedings and other contingencies;
- underwriting, advisory or reputational risks associated with non-core operations;
- our exposure to potential liabilities arising from errors and omissions and other potential claims against us; and
- the interruption or loss of our information processing systems or failure to maintain secure information systems.

The foregoing list of factors is not exhaustive and new factors may emerge from time to time that could also affect actual performance and results.

For additional factors see also Part I, Item 1A 'Risk Factors' included in Willis' Form 10-K for the year ended December 31, 2009. Copies of the 10-K are available online at *http://www.sec.gov* or *www.willis.com*.

Although we believe that the assumptions underlying our forward-looking statements are reasonable, any of these assumptions, and therefore also the forward-looking statements based on these assumptions, could themselves prove to be inaccurate. In light of the significant uncertainties inherent in the forward-looking statements included in this document, our inclusion of this information is not a representation or guarantee by us that our objectives and plans will be achieved.

Our forward-looking statements speak only as of the date made and we will not update these forward-looking statements unless the securities laws require us to do so. In light of these risks, uncertainties and assumptions, the forward-looking events discussed in this document may not occur, and we caution you against unduly relying on these forward-looking statements.

PART I — FINANCIAL INFORMATION

Item 1 — ***Financial Statements***

WILLIS GROUP HOLDINGS PUBLIC LIMITED COMPANY

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

	Three months ended September 30, 2010	Three months ended September 30, 2009	Nine months ended September 30, 2010	Nine months ended September 30, 2009
	(millions, except per share data)			
REVENUES				
Commissions and fees	$ 723	$ 714	$ 2,475	$ 2,401
Investment income	10	10	29	35
Other income	—	1	—	3
Total revenues	733	725	2,504	2,439
EXPENSES				
Salaries and benefits (including share-based compensation of $9 million, $11 million, $34 million and $26 million (Note 3))	(462)	(449)	(1,404)	(1,372)
Other operating expenses	(129)	(151)	(413)	(428)
Depreciation expense	(14)	(15)	(45)	(43)
Amortization of intangible assets	(22)	(29)	(64)	(76)
Net gain (loss) on disposal of operations	—	1	(2)	1
Total expenses	(627)	(643)	(1,928)	(1,918)
OPERATING INCOME	106	82	576	521
Interest expense	(40)	(47)	(124)	(128)
INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAXES AND INTEREST IN EARNINGS OF ASSOCIATES	66	35	452	393
Income taxes (Note 4)	(10)	29	(112)	(64)
INCOME FROM CONTINUING OPERATIONS BEFORE INTEREST IN EARNINGS OF ASSOCIATES	56	64	340	329
Interest in earnings of associates, net of tax	9	16	27	42
INCOME FROM CONTINUING OPERATIONS	65	80	367	371
Discontinued operations, net of tax	—	1	—	2
NET INCOME	65	81	367	373
Less: net income attributable to noncontrolling interests	(1)	(2)	(10)	(14)
NET INCOME ATTRIBUTABLE TO WILLIS GROUP HOLDINGS	$ 64	$ 79	$ 357	$ 359
AMOUNTS ATTRIBUTABLE TO WILLIS GROUP HOLDINGS SHAREHOLDERS				
Income from continuing operations, net of tax	$ 64	$ 78	$ 357	$ 357
Income from discontinued operations, net of tax	—	1	—	2
NET INCOME ATTRIBUTABLE TO WILLIS GROUP HOLDINGS	$ 64	$ 79	$ 357	$ 359
EARNINGS PER SHARE — BASIC AND DILUTED (Note 5)				
BASIC EARNINGS PER SHARE				
— Continuing operations	$ 0.38	$ 0.46	$ 2.10	$ 2.13
DILUTED EARNINGS PER SHARE				
— Continuing operations	$ 0.37	$ 0.46	$ 2.09	$ 2.13
CASH DIVIDENDS DECLARED PER SHARE	$ 0.26	$ 0.26	$ 0.78	$ 0.78

The accompanying notes are an integral part of these condensed consolidated financial statements.

WILLIS GROUP HOLDINGS PUBLIC LIMITED COMPANY

UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS

	September 30, 2010	December 31, 2009
	(millions, except share data)	
ASSETS		
Cash and cash equivalents	$ 141	$ 191
Fiduciary funds — restricted	1,760	1,683
Accounts receivable, net of allowance for doubtful accounts of $15 million in 2010 and $20 million in 2009	8,632	8,638
Fixed assets, net of accumulated depreciation of $277 million in 2010 and $257 million in 2009	356	352
Goodwill (Note 10)	3,275	3,277
Other intangible assets, net of accumulated amortization of $243 million in 2010 and $179 million in 2009 (Note 11)	507	572
Investments in associates	169	156
Deferred tax assets	53	82
Pension benefits asset	144	69
Other assets	715	603
TOTAL ASSETS	$ 15,752	$ 15,623
LIABILITIES AND EQUITY		
Accounts payable	$ 9,763	$ 9,686
Deferred revenue and accrued expenses	245	301
Deferred tax liabilities	12	29
Income taxes payable	63	46
Short-term debt (Note 12)	110	209
Long-term debt (Note 12)	2,202	2,165
Liability for pension benefits	155	187
Other liabilities	704	771
Total liabilities	13,254	13,394
COMMITMENTS AND CONTINGENCIES (Note 7)		
EQUITY		
Shares, $0.000115 nominal value; Authorized: 4,000,000,000; Issued and outstanding, 170,563,749 shares in 2010 and 168,661,172 shares in 2009. Shares, €1 nominal value; Authorized: 40,000; Issued and outstanding, 40,000 shares in 2010 and 2009	—	—
Additional paid-in capital	962	918
Retained earnings	2,083	1,859
Accumulated other comprehensive loss, net of tax (Note 14)	(572)	(594)
Treasury shares, at cost, 57,310 shares, $0.000115 nominal value in 2010 and 54,310 shares, $0.000115 nominal value in 2009 and 40,000 shares, €1 nominal value, in 2010 and 2009	(3)	(3)
Total Willis Group Holdings stockholders' equity	2,470	2,180
Noncontrolling interests	28	49
Total equity	2,498	2,229
TOTAL LIABILITIES AND EQUITY	$ 15,752	$ 15,623

The accompanying notes are an integral part of these condensed consolidated financial statements.

WILLIS GROUP HOLDINGS PUBLIC LIMITED COMPANY

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	Nine months ended September 30, 2010	2009
	(millions)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	$ 367	$ 373
Adjustments to reconcile net income to total net cash provided by operating activities:		
Income from discontinued operations	—	(2)
Net loss (gain) on disposal of operations, fixed and intangible assets and short-term investments	3	(3)
Depreciation expense	45	43
Amortization of intangible assets	64	76
Addition to provision for doubtful debts	—	1
Provision for deferred income taxes	13	(1)
Excess tax benefits from share-based payment arrangements	—	3
Share-based compensation (Note 3)	34	26
Undistributed earnings of associates	(22)	(31)
Non-cash Venezuela currency devaluation	12	—
Effect of exchange rate changes on net income	(1)	(1)
Changes in operating assets and liabilities, net of effects from purchase of subsidiaries:		
Fiduciary funds — restricted	(86)	118
Accounts receivable	4	368
Accounts payable	85	(363)
Additional funding of UK pension plan	(31)	—
Other assets	(84)	(83)
Other liabilities	(143)	(235)
Net cash provided by continuing operating activities	260	289
Net cash used in discontinued operating activities	—	(3)
Total net cash provided by operating activities	260	286
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds on disposal of fixed and intangible assets	6	12
Additions to fixed assets	(59)	(74)
Acquisitions of subsidiaries, net of cash acquired	(20)	1
Acquisition of investments in associates	(1)	(43)
Investment in Trident V Parallel Fund, LP (Note 7)	(2)	—
Proceeds from sale of operations, net of cash disposed	—	42
Proceeds on sale of short-term investments	—	20
Total net cash used in continuing investing activities	(76)	(42)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from draw down of revolving credit facility	95	65
Proceeds from issue of short-term debt, net of debt issuance costs	—	1
Repayments of debt	(181)	(910)
Senior notes issued, net of debt issuance costs	—	778
Proceeds from issue of shares	26	15
Excess tax benefits from share-based payment arrangements	—	(3)
Dividends paid	(132)	(130)
Acquisition of noncontrolling interests	(10)	(31)
Dividends paid to noncontrolling interests	(24)	(12)
Total net cash used in continuing financing activities	(226)	(227)
(DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(42)	17
Effect of exchange rate changes on cash and cash equivalents	(8)	10
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	191	176
CASH AND CASH EQUIVALENTS, END OF PERIOD	$ 141	$ 203
Cash and cash equivalents — reported as discontinued operations	—	—
Cash and cash equivalents — continuing operations	$ 141	$ 203

The accompanying notes are an integral part of these condensed consolidated financial statements.

WILLIS GROUP HOLDINGS PUBLIC LIMITED COMPANY

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

1. NATURE OF OPERATIONS

Willis Group Holdings and its subsidiaries provide a broad range of insurance and reinsurance broking and risk management consulting services to its clients worldwide, both directly and indirectly through its associates. The Company provides both specialized risk management advisory and consulting services on a global basis to clients engaged in specific industrial and commercial activities, and services to small, medium and major corporates through its retail operations.

In its capacity as an advisor and insurance broker, the Company acts as an intermediary between clients and insurance carriers by advising clients on risk management requirements, helping clients determine the best means of managing risk, and negotiating and placing insurance risk with insurance carriers through the Company's global distribution network.

2. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

The accompanying condensed consolidated financial statements ('Interim Financial Statements') have been prepared in accordance with accounting principles generally accepted in the United States of America ('US GAAP').

The Interim Financial Statements are unaudited but include all adjustments (consisting of normal recurring adjustments) which the Company's management considers necessary for a fair presentation of the financial position as of such dates and the operating results and cash flows for those periods. Certain information and footnote disclosures normally included in financial statements prepared in accordance with US GAAP have been condensed or omitted. However, the Company believes that the disclosures are adequate to make the information presented not misleading. The results of operations for the nine month period ended September 30, 2010 may not necessarily be indicative of the operating results for the entire fiscal year.

These Interim Financial Statements should be read in conjunction with the Company's consolidated balance sheets as of December 31, 2009 and 2008, and the related consolidated statements of operations, cash flows and changes in equity for each of the three years in the period ended December 31, 2009 included in the Current Report on Form 10-K filed with the Securities and Exchange Commission on February 26, 2010.

Redomicile to Ireland

On September 24, 2009, Willis Group Holdings was incorporated in Ireland, in order to effectuate the change of the place of incorporation of the parent company of the Group. Willis Group Holdings operated as a wholly-owned subsidiary of Willis-Bermuda until December 31, 2009, when the outstanding common shares of Willis-Bermuda were canceled and Willis Group Holdings issued ordinary shares with substantially the same rights and preferences on a one-for-one basis to the holders of the Willis-Bermuda common shares that were canceled. Upon completion of this transaction, Willis Group Holdings replaced Willis-Bermuda as the ultimate parent company and Willis-Bermuda became a wholly-owned subsidiary of Willis Group Holdings. Willis-Bermuda was subsequently liquidated.

This transaction was accounted for as a merger between entities under common control: accordingly, the historical financial statements of Willis-Bermuda for periods prior to this transaction are considered to be the historical financial statements of Willis Group Holdings. No changes in capital structure, assets or liabilities resulted from this transaction, other than Willis Group Holdings has provided a guarantee of amounts due under certain borrowing arrangements of two of its subsidiaries as described in notes 17 and 18.

2. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Devaluation of Venezuelan currency

With effect from January 1, 2010, the Venezuelan economy was designated as hyper-inflationary. The Venezuelan government also devalued the Bolivar Fuerte in January 2010. As a result of these actions, the Company recorded a $12 million charge in other operating expenses to reflect the re-measurement of its net assets denominated in Venezuelan Bolivar Fuerte at January 1, 2010.

Recent Accounting Pronouncements

Variable Interest Entities

In June 2009, the FASB issued new accounting guidance which amends the evaluation criteria to identify the primary beneficiary of a Variable Interest Entity ('VIE') and requires ongoing reassessment of whether an enterprise is the primary beneficiary of the VIE. This analysis identifies the primary beneficiary of a VIE as the enterprise that has both of the following characteristics:

- the power to direct the activities of a VIE that most significantly impact the entity's economic performance; and
- the obligation to absorb losses of the entity that could potentially be significant to the VIE or the right to receive benefits from the entity that could potentially be significant to the VIE.

This new accounting guidance became effective January 1, 2010. The implementation of this guidance did not have a material effect on the Company's financial position or results of operations.

3. SALARIES AND BENEFITS

Severance costs

The Company incurred severance costs of $14 million in the nine months ended September 30, 2010 (2009: $20 million). These costs relate to approximately 450 positions that have been or will be eliminated as part of the Company's continuing focus on managing expense. Of these costs, $3 million were incurred in the three months ended September 30, 2010 (2009: $2 million). Severance costs for these employees were recognized pursuant to the terms of their existing benefit arrangements or employment agreements.

Cash retention awards

The Company makes annual cash retention awards to its employees. Employees must repay a proportionate amount of these awards if they voluntarily leave the Company's employ (other than in the event of retirement or permanent disability) before a certain time period, currently three years. The Company makes cash payments to its employees in the year it grants these retention awards and recognizes these payments ratably over the period they are subject to repayment, beginning in the quarter in which the award is made. The unamortized portion of cash retention awards is recorded within other assets.

WILLIS GROUP HOLDINGS PUBLIC LIMITED COMPANY

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
(Unaudited)

3. SALARIES AND BENEFITS (Continued)

The following table sets out the amount of cash retention awards made and the related amortization of those awards for the three and nine months ended September 30, 2010 and 2009:

	Three months ended September 30,		Nine months ended September 30,	
	2010	2009	2010	2009
	(millions)			
Cash retention awards made	$ 4	$ 3	$189	$143
Amortization of cash retention awards included in salaries and benefits	28	22	88	66

Unamortized cash retention awards totaled $193 million as of September 30, 2010 (December 31, 2009: $98 million; September 30, 2009: $121 million).

Share-based compensation

The Company incurred share-based compensation, reported within salaries and benefits, of $34 million in the nine months ended September 30, 2010 (2009: $26 million) of which $9 million was incurred in the three months ended September 30, 2010 (2009: $11 million).

During the three and nine months ended September 30, 2009, the Company recorded $nil and a $5 million credit relating to the accumulated compensation expense for certain 2008 awards which were dependent upon performance targets which the Company no longer expects to achieve.

4. INCOME TAXES

The third quarter 2010 tax charge benefited from a $7 million release relating to uncertain tax positions due to the closure of the statute of limitations on assessments relating to previously unrecognized tax benefits. Excluding the benefit of this item, the effective tax rate for the three months ended September 30, 2010 was approximately 26 percent.

The effective tax rate for the nine months ended September 30, 2010 was impacted by:

- a $10 million benefit from prior year tax credits, including the $7 million for uncertain tax positions;
- an adverse impact from the $12 million charge relating to the devaluation of the Venezuelan currency for which no tax credits are available; and
- the tax impact of the net loss on disposal of operations.

Excluding these items, the effective tax rate for the nine months ended September 30, 2010 was approximately 26 percent, in line with full year 2009.

The third quarter 2009 tax charge benefited from two material tax credits:

- a $27 million release relating to a 2009 change in tax law. As at June 30, 2009, the Company held a provision of $27 million relating to tax that would potentially be payable should the unremitted earnings of its foreign subsidiaries be repatriated. Following a change in UK tax law effective in third quarter 2009, these earnings may now be repatriated without additional tax cost and, consequently, the provision has been released; and
- an $11 million release relating to uncertain tax positions due to the closure of the statute of limitations on assessments for previously unrecognised tax benefits.

4. INCOME TAXES (Continued)

Excluding the benefit of these tax credits, the effective tax rate for the three and nine months ended September 30, 2009 would have been 26 percent.

5. EARNINGS PER SHARE

Basic and diluted earnings per share are calculated by dividing net income attributable to Willis Group Holdings by the average number of shares outstanding during each period. The computation of diluted earnings per share reflects the potential dilution that could occur if dilutive securities and other contracts to issue shares were exercised or converted into shares or resulted in the issue of shares that then shared in the net income of the Company. At September 30, 2010, time-based and performance-based options to purchase 12.0 million and 8.5 million (2009: 13.5 million and 9.3 million) shares, respectively, and 1.6 million (2009: 1.1 million) restricted shares, were outstanding.

Basic and diluted earnings per share are as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2010	2009	2010	2009
	(millions, except per share data)			
Net income attributable to Willis Group Holdings	$ 64	$ 79	$ 357	$ 359
Basic average number of shares outstanding	170	168	170	168
Dilutive effect of potentially issuable shares	1	1	1	—
Diluted average number of shares outstanding	171	169	171	168
Basic earnings per share:				
Continuing operations	$ 0.38	$ 0.46	$ 2.10	$ 2.13
Discontinued operations	—	0.01	—	0.01
Net income attributable to Willis Group Holdings shareholders	$ 0.38	$ 0.47	$ 2.10	$ 2.14
Dilutive effect of potentially issuable shares	$ 0.01	—	$ 0.01	—
Diluted earnings per share:				
Continuing operations	$ 0.37	$ 0.46	$ 2.09	$ 2.13
Discontinued operations	—	0.01	—	0.01
Net income attributable to Willis Group Holdings shareholders	$ 0.37	$ 0.47	$ 2.09	$ 2.14

Options to purchase 13.4 million and 13.6 million shares were not included in the computation of the dilutive effect of stock options for the three and nine month periods ended September 30, 2010, respectively, because the effect was antidilutive (three and nine months ended September 30, 2009: 21.8 million and 22.4 million shares, respectively).

6. PENSION PLANS

The components of the net periodic benefit cost of the UK, US and international defined benefit plans are as follows:

	Three months ended September 30,					
	UK pension benefits		US pension benefits		Intl pension benefits	
	2010	2009	2010	2009	2010	2009
	(millions)					
Components of net periodic benefit cost:						
Service cost	$ 9	$ 5	$ —	$ —	$ 1	$ 2
Interest cost	25	25	11	10	2	2
Expected return on plan assets	(35)	(33)	(11)	(10)	(1)	(2)
Amortization of unrecognized prior service gain	(1)	(1)	—	—	—	—
Amortization of unrecognized actuarial loss	9	9	1	1	—	1
Net periodic benefit cost	$ 7	$ 5	$ 1	$ 1	$ 2	$ 3

	Nine months ended September 30,					
	UK pension benefits		US pension benefits		Intl pension benefits	
	2010	2009	2010	2009	2010	2009
	(millions)					
Components of net periodic benefit cost:						
Service cost	$ 27	$ 15	$ —	$ 7	$ 4	$ 5
Interest cost	74	71	31	30	6	6
Expected return on plan assets	(104)	(94)	(32)	(27)	(5)	(5)
Amortization of unrecognized prior service gain	(3)	(3)	—	—	—	—
Amortization of unrecognized actuarial loss	27	25	2	6	1	2
Curtailment gain	—	—	—	(12)	—	—
Net periodic benefit cost	$ 21	$ 14	$ 1	$ 4	$ 6	$ 8

For the nine months ended September 30, 2010, the Company had made contributions of $67 million, $30 million and $5 million to the UK, US and international defined benefit pension plans (2009: $33 million, $27 million and $5 million), respectively. The Company expects to contribute approximately $87 million to the UK defined benefit pension plan, $30 million to the US plan and $7 million to the international plans for the full year 2010.

Effective May 15, 2009, the Company closed the US defined benefit plan to future accrual. Consequently, a curtailment gain of $12 million was recognized during the nine months ended September 30, 2009.

7. COMMITMENTS AND CONTINGENCIES

Claims, Lawsuits and Other Proceedings

The Company is subject to various actual and potential claims, lawsuits and other proceedings relating principally to alleged errors and omissions in connection with the placement of insurance and reinsurance in the ordinary course of business. Similar to other corporations, the Company is also subject to a variety of other claims, including those relating to the Company's employment practices. Some of the claims, lawsuits and other proceedings seek damages in amounts which could, if assessed, be significant.

Errors and omissions claims, lawsuits and other proceedings arising in the ordinary course of business are covered in part by professional indemnity or other appropriate insurance. The terms of this insurance vary by

7. COMMITMENTS AND CONTINGENCIES (Continued)

policy year and self-insured risks have increased significantly in recent years. In respect of self-insured risks, the Company has established provisions which are believed to be adequate in the light of current information and legal advice, and the Company adjusts such provisions from time to time according to developments.

On the basis of current information, the Company does not expect that the actual claims, lawsuits and other proceedings, to which the Company is subject, or potential claims, lawsuits and other proceedings relating to matters of which it is aware will ultimately have a material adverse effect on the Company's financial condition, results of operations or liquidity. Nonetheless, given the large or indeterminate amounts sought in certain of these actions, and the inherent unpredictability of litigation and disputes with insurance companies, it is possible that an adverse outcome in certain matters could, from time to time, have a material adverse effect on the Company's results of operations or cash flows in particular quarterly or annual periods.

The material actual or potential claims, lawsuits and other proceedings, of which the Company is currently aware, are:

Inquiries and Investigations

In connection with the investigation commenced by the New York State Attorney General in April 2004 concerning, among other things, contingent commissions paid by insurers to insurance brokers, in April 2005, the Company entered into an Assurance of Discontinuance ('Original AOD') with the New York State Attorney General and the Superintendent of the New York Insurance Department and paid $50 million to eligible customers. As part of the Original AOD, the Company also agreed not to accept contingent compensation and to disclose to customers any compensation the Company will receive in connection with providing policy placement services to the customer. The Company also resolved similar investigations commenced by the Minnesota Attorney General, the Florida Attorney General, the Florida Department of Financial Services and the Florida Office of Insurance Regulation for amounts that were not material to the Company.

Similarly, in August 2005 HRH entered into an agreement with the Attorney General of the State of Connecticut (the 'CT Attorney General') and the Insurance Commissioner of the State of Connecticut to resolve all issues related to their investigations into certain insurance brokerage and insurance agency practices and to settle a lawsuit brought in August 2005 by the CT Attorney General alleging violations of the Connecticut Unfair Trade Practices Act and the Connecticut Unfair Insurance Practices Act. As part of this settlement, HRH agreed to take certain actions including establishing a $30 million national fund for distribution to certain clients, enhancing disclosure practices for agency and broker clients, and declining contingent compensation on brokerage business. The Company has co-operated fully with other similar investigations by the regulators and/or attorneys general of other jurisdictions, some of which have been concluded with no indication of any finding of wrongdoing.

On February 16, 2010, the Company entered into the Amended and Restated Assurance of Discontinuance with the Attorney General of the State of New York and the Amended and Restated Stipulation with the Superintendent of Insurance of the State of New York (the 'Amended and Restated AOD') on behalf of itself and its subsidiaries named therein. The Amended and Restated AOD was effective February 11, 2010 and supersedes and replaces the Original AOD.

The Amended and Restated AOD specifically recognizes that the Company has substantially met its obligations under the Original AOD and ends many of the requirements previously imposed. It relieves the Company of a number of technical compliance obligations that have imposed significant administrative and financial burdens on its operations. The Amended and Restated AOD no longer limits the types of

7. COMMITMENTS AND CONTINGENCIES (Continued)

compensation the Company can receive and has lowered the compensation disclosure requirements to clients that the AOD originally imposed.

The Amended and Restated AOD requires the Company to: (i) in New York, and each of the other 49 states of the United States, the District of Columbia and U.S. territories, provide compensation disclosure that will, at a minimum, comply with the terms of the applicable regulations, as may be amended from time to time, or the provisions of the AOD that existed prior to the adoption of the Amended and Restated AOD; and (ii) maintain its compliance programs and continue to provide appropriate training to relevant employees in business ethics, professional obligations, conflicts of interest and antitrust and trade practices compliance. In addition, in placing, renewing, consulting on or servicing any insurance policy, it prohibits the Company from directly or indirectly (a) accepting from or requesting of any insurer any promise or commitment to use any of the Company's brokerage, agency, producing or consulting services in exchange for production of business to such insurer or (b) knowingly place, renew or consult on or service a client's insurance business through a wholesale broker in a manner that is contrary to the client's best interest.

In 2006, the European Commission issued questionnaires pursuant to its Sector Inquiry or, in respect of Norway, the European Free Trade Association Surveillance Authority, related to insurance business practices, including compensation arrangements for brokers, to at least 150 European brokers including our operations in nine European countries. The Company responded to the European Commission questionnaires and has filed responses with the European Free Trade Association Surveillance Authority for two of its Norwegian entities. The European Commission reported on a final basis on September 25, 2007, expressing concerns over potential conflicts of interest in the industry relating to remuneration and binding authorities when assuming a dual role for clients and insurers and also over the nature of the coinsurance market. The Company continues to co-operate with both the European Commission and the European Free Trade Association Surveillance Authority.

Since August 2004, the Company and HRH (along with various other brokers and insurers) have been named as defendants in purported class actions in various courts across the United States. All of these actions have been consolidated into a single action in the US District Court for the District of New Jersey ('MDL'). There are two amended complaints within the MDL, one that addresses employee benefits ('EB Complaint') and one that addresses all other lines of insurance ('Commercial Complaint'). HRH was a named defendant in the EB Complaint, but has since been voluntarily dismissed. HRH is a named defendant in the Commercial Complaint. The Company is a named defendant in both MDL complaints. Each of the EB Complaint and the Commercial Complaint seeks monetary damages, including punitive damages, and equitable relief and makes allegations regarding the practices and conduct that have been the subject of the investigation of state attorneys general and insurance commissioners, including allegations that the brokers have breached their duties to their clients by entering into contingent compensation agreements with either no disclosure or limited disclosure to clients and participated in other improper activities. The complaints also allege the existence of a conspiracy among insurance carriers and brokers and allege violations of federal antitrust laws, the federal Racketeer Influenced and Corrupt Organizations ('RICO') statute and the Employee Retirement Income Security Act of 1974 ('ERISA'). In separate decisions issued in August and September 2007, the antitrust and RICO Act claims were dismissed with prejudice and the state claims were dismissed without prejudice from the Commercial Complaint.

In January 2008, the Judge dismissed the ERISA claims with prejudice from the EB Complaint and the state law claims without prejudice. Plaintiffs filed a notice of appeal regarding the dismissal of the antitrust and RICO claims and oral arguments on this appeal were heard in April 2009. In August 2010, the United States Court of Appeals for the Third Circuit issued its decision on plaintiffs' appeal. The Court upheld the dismissal of all claims against HRH and the Company, with the exception of one RICO related claim. The Court

7. COMMITMENTS AND CONTINGENCIES (Continued)

remanded the RICO claim to the District Court for further consideration. The District Judge is allowing HRH and the Company (and the other affected defendants) to submit new motions to dismiss the remanded RICO claim. The motion is being briefed, but a decision is not expected until sometime in 2011. Additional actions could be brought in the future by individual policyholders. The Company disputes the allegations in all of these suits and has been and intends to continue to defend itself vigorously against these actions. The outcomes of these lawsuits, however, including any losses or other payments that may occur as a result, cannot be predicted at this time.

Reinsurance Market Dispute

Various legal proceedings are pending, have concluded or may commence between reinsurers, reinsureds and in some cases their intermediaries, including reinsurance brokers, relating to personal accident excess of loss reinsurance for the years 1993 to 1998. The proceedings principally concern allegations by reinsurers that they have sustained substantial losses due to an alleged abnormal 'spiral' in the market in which the reinsurance contracts were placed, the existence and nature of which, as well as other information, was not disclosed to them by the reinsureds or their reinsurance broker.

A 'spiral' is a market term for a situation in which reinsureds and reinsurers reinsure each other with the effect that the same loss or portion of that loss moves through the market multiple times.

The reinsurers concerned have taken the position that, despite their decisions to underwrite risks or a group of risks, they are no longer bound by their reinsurance contracts. As a result, they have stopped settling claims and are seeking to recover claims already paid. The Company also understands that there have been at least two arbitration awards in relation to a 'spiral', among other things, in which the reinsurer successfully argued that it was no longer bound by parts of its reinsurance program. Willis Limited, the Company's principal insurance brokerage subsidiary in the United Kingdom, acted as the reinsurance broker or otherwise as intermediary, but not as an underwriter, for numerous personal accident reinsurance contracts, including two contracts that were involved in one of the arbitrations. Due to the small number of reinsurance brokers generally, Willis Limited also utilized other brokers active in this market as sub-agents, including brokers who are parties to the legal proceedings described above, for certain contracts and may be responsible for any errors and omissions they may have made. In July 2003, one of the reinsurers received a judgment in the English High Court against certain parties, including a sub-broker Willis Limited used to place two of the contracts involved in this trial. Although neither the Company nor any of its subsidiaries were a party to this proceeding or any arbitration, Willis Limited entered into tolling agreements with certain of the principals to the reinsurance contracts tolling the statute of limitations pending the outcome of proceedings between the reinsureds and reinsurers.

Two former clients of Willis Limited, American Reliable Insurance Company and one of its associated companies (collectively, 'ARIC'), and CNA Insurance Company Limited and two of its associated companies ('CNA') terminated their respective tolling agreements with Willis Limited and commenced litigation in September 2007 and January 2008, respectively, in the English Commercial Court against Willis Limited. ARIC alleged conspiracy between a former Willis Limited employee and the ARIC underwriter as well as negligence and CNA alleged deceit and negligence by the same Willis Limited employee both in connection with placements of personal accident reinsurance in the excess of loss market in London and elsewhere. ARIC asserted a claim of approximately $257 million (plus unspecified interest and costs). On June 9, 2009, Willis Limited entered into a settlement agreement pursuant to which Willis Limited agreed to pay a total of $139 million to ARIC in two installments. All installments have been paid by the Company. Each party has also released and waived all claims it may have against any of the other parties arising out of or in connection

7. COMMITMENTS AND CONTINGENCIES (Continued)

with the subject matter of the litigation. The settlement includes no admission of wrongdoing by any party. The $139 million required to fund the settlement agreement was covered by errors and omissions insurance.

On September 11, 2009, Willis Limited entered into a settlement agreement pursuant to which Willis Limited agreed to pay a total of $130 million to CNA in two instalments which were paid in 2009. Each party has also released and waived all claims it may have against any of the other parties arising out of or in connection with the subject-matter of the litigation. The settlement includes no admission of wrongdoing by any party. The Company has partially collected and believes it will collect in full the $130 million required to fund the settlement agreement from errors and omissions insurers.

Various arbitrations relating to reinsurance continue to be active and from time to time the principals request co-operation from the Company and suggest that claims may be asserted against the Company. Such claims may be made against the Company if reinsurers do not pay claims on policies issued by them. The Company cannot predict at this time whether any such claims will be made or the damages that may be alleged.

Gender Discrimination Class Action

In March 2008, the Company settled an action in the United States District Court for the Southern District of New York commenced against the Company in 2001 on behalf of an alleged nationwide class of present and former female officer and officer equivalent employees alleging that the Company discriminated against them on the basis of their gender and seeking injunctive relief, money damages, attorneys' fees and costs. Although the Court had denied plaintiffs' motions to certify a nationwide class or to grant nationwide discovery, it did certify a class of approximately 200 female officers and officer equivalent employees based in the Company's offices in New York, New Jersey and Massachusetts. The settlement agreement provides for injunctive relief and a monetary payment, including the amount of attorney fees plaintiffs' counsel are entitled to receive, which was not material to the Company. In December 2006, a former female employee, whose motion to intervene in the class action was denied, filed a purported class action in the United States District Court, Southern District of New York, with almost identical allegations as those contained in the suit that was settled in 2008, except seeking a class period of 1998 to the time of trial (the class period in the settled suit was 1998 to the end of 2001). The Company's motion to dismiss this suit was denied and the Court did not grant the Company permission to immediately file an appeal from the denial of its motion to dismiss. The parties are in the discovery phase of the litigation. The suit was amended to include one additional plaintiff and another has filed an arbitration demand that includes a class allegation.

The Court has decided that, to the extent a class is ever certified, the class period will end at the end of 2007 and not up to the time of trial as plaintiffs had sought. The Company cannot predict at this time what, if any, damages might result from this action.

World Trade Center

The Company acted as the insurance broker, but not as an underwriter, for the placement of both property and casualty insurance for a number of entities which were directly impacted by the September 11, 2001, destruction of the World Trade Center complex, including Silverstein Properties LLC, which acquired a 99-year leasehold interest in the twin towers and related facilities from the Port Authority of New York and New Jersey in July 2001. Although the World Trade Center complex insurance was bound at or before the July 2001 closing of the leasehold acquisition, consistent with standard industry practice, the final policy wording for the placements was still in the process of being finalized when the twin towers and other buildings in the complex were destroyed on September 11, 2001. There have been a number of lawsuits in the United States between the insured parties and the insurers for several placements and other disputes may arise

7. COMMITMENTS AND CONTINGENCIES (Continued)

in respect of insurance placed by us which could affect the Company including claims by one or more of the insureds that the Company made culpable errors or omissions in connection with our brokerage activities. However, the Company does not believe that our role as broker will lead to liabilities which in the aggregate would have a material adverse effect on our results of operations, financial condition or liquidity.

Stanford Financial Group

On July 2, 2009, a putative class action complaint, captioned *Troice, et al. v. Willis of Colorado, Inc., et al.*, C.A. No. 3:09-CV-01274-N, was filed in the U.S. District Court for the Northern District of Texas against Willis Group Holdings, Willis of Colorado, Inc. and a Willis associate, among others, relating to the collapse of The Stanford Financial Group ('Stanford'), for which Willis of Colorado, Inc. acted as broker of record on certain lines of insurance. The complaint generally alleged that the defendants actively and materially aided Stanford's alleged fraud by providing Stanford with certain letters regarding coverage that they knew would be used to help retain or attract actual or prospective Stanford client investors. The complaint alleged that these letters, which contain statements about Stanford and the insurance policies that the defendants placed for Stanford, contained untruths and omitted material facts and were drafted in this manner to help Stanford promote and sell its allegedly fraudulent certificates of deposit. The putative class consisted of Stanford investors in Mexico and the complaint asserted various claims under Texas statutory and common law and sought actual damages in excess of $1 billion, punitive damages and costs. On August 12, 2009, the plaintiffs filed an amended complaint, which, notwithstanding the addition of certain factual allegations and Texas common law claims, largely mirrored the original and sought the same relief.

On July 17, 2009, a putative class action complaint, captioned *Ranni v. Willis of Colorado, Inc., et al.*, C.A. No. 09-22085, was filed against Willis Group Holdings and Willis of Colorado, Inc. in the U.S. District Court for the Southern District of Florida, relating to the same alleged course of conduct as the Troice complaint described above. Based on substantially the same allegations as the Troice complaint, but on behalf of a putative class of Venezuelan and other South American Stanford investors, the Ranni complaint asserts a claim under Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 thereunder, as well as various claims under Florida statutory and common law, and seeks damages in an amount to be determined at trial and costs.

On or about July 24, 2009, a motion was filed by certain individuals (collectively, the 'Movants') with the U.S. Judicial Panel on Multidistrict Litigation (the 'JPML') to consolidate and coordinate in the Northern District of Texas nine separate putative class actions — including the Troice and Ranni actions described above, as well as other actions against various Stanford-related entities and individuals and the Commonwealth of Antigua and Barbuda — relating to Stanford and its allegedly fraudulent certificates of deposit.

On August 6, 2009, a putative class action complaint, captioned *Canabal, et al. v. Willis of Colorado, Inc., et al.*, C.A. No. 3:09-CV-01474-D, was filed against Willis Group Holdings, Willis of Colorado, Inc. and the same Willis associate, among others, also in the Northern District of Texas, relating to the same alleged course of conduct as the Troice complaint described above. Based on substantially the same allegations as the Troice complaint, but on behalf of a putative class of Venezuelan investors, the Canabal complaint asserted various claims under Texas statutory and common law and sought actual damages in excess of $1 billion, punitive damages, attorneys' fees and costs.

On or about August 10, 2009, the Movants filed with the JPML a Notice of Related Action that referred the Canabal action to the JPML. On October 6, 2009, the JPML ruled on the transfer motion, transferring seven of the subject actions (including the Troice and Ranni actions) — i.e., the original nine actions minus two that had since been dismissed — for consolidation or coordination in the Northern District of Texas. On

7. COMMITMENTS AND CONTINGENCIES (Continued)

October 27, 2009, the parties to the Canabal action stipulated to the designation of that action as an 'xyz case' properly part of the new Stanford MDL proceeding in the Northern District of Texas.

On September 14, 2009, a complaint, captioned *Rupert, et al. v. Winter, et al.*, Case No. 2009C115137, was filed on behalf of 97 Stanford investors against Willis Group Holdings, Willis of Colorado, Inc. and the same Willis associate, among others, in Texas state court (Bexar County). Based on substantially the same allegations as the Troice complaint, the Rupert complaint asserts claims under the Securities Act of 1933, as well as various Texas statutory and common law claims, and seeks rescission, damages, special damages and consequential damages of $79.1 million, treble damages of $237.4 million under the Texas Insurance Code, attorneys' fees and costs. On October 20, 2009, certain defendants, including Willis of Colorado, Inc., (i) removed the Rupert action to the U.S. District Court for the Western District of Texas, (ii) notified the JPML of the pendency of this additional 'tag-along' action and (iii) moved to stay the action pending a determination by the JPML as to whether it should be transferred to the Northern District of Texas for consolidation or coordination with the other Stanford-related actions. In November 2009, the JPML issued a conditional transfer order (the 'CTO') for the transfer of the Rupert action to the Northern District of Texas. On December 22, 2009, the plaintiffs filed a motion to vacate, or alternatively stay, the CTO, to which Willis of Colorado, Inc. responded on January 4, 2010. On April 1, 2010, the JPML denied the plaintiffs' motion to vacate the CTO and issued a final transfer order for the transfer of the Rupert action to the Northern District of Texas.

On December 18, 2009, the parties to the Troice and Canabal actions stipulated to the consolidation of those actions and, on December 31, 2009, the plaintiffs therein, collectively, filed a Second Amended Class Action Complaint, which largely mirrors the Troice and Canabal predecessor complaints, but seeks relief on behalf of a worldwide class of Stanford investors. Also on December 31, 2009, the plaintiffs in the Canabal action filed a Notice of Dismissal, dismissing the Canabal action without prejudice. On February 25, 2010, the defendants filed motions to dismiss the Second Amended Class Action Complaint in the consolidated Troice/Canabal action. Those motions are currently pending. On May 24, 2010, the plaintiffs in the consolidated Troice/Canabal action filed a motion for leave to file a Third Amended Class Action Complaint, which, among other things, adds several Texas statutory claims. That motion is also currently pending.

On September 16, 2010, a complaint, captioned *Casanova, et al. v. Willis of Colorado, Inc., et al.*, C.A. No. 3:10-CV-01862-O, was filed on behalf of seven Stanford investors against Willis Group Holdings, Willis Limited, Willis of Colorado, Inc. and the same Willis associate, among others, also in the Northern District of Texas. Although this is not a class action, the Casanova compliant is based on substantially the same allegations as the Second Amended Class Action Complaint in the consolidated Troice/Canabal action. The Casanova complaint asserts various claims under Texas statutory and common law and seeks actual damages in excess of $5 million, punitive damages, attorneys' fees and costs.

The defendants have not yet responded to the Ranni or Rupert or Casanova complaints.

Additional actions could be brought in the future by other investors in certificates of deposit issued by Stanford and its affiliates. The Company disputes these allegations and intends to defend itself vigorously against these actions. The outcomes of these actions, however, including any losses or other payments that may occur as a result, cannot be predicted at this time.

St. Jude

In January 2009, Willis of Minnesota, Inc. was named as a third party defendant in a lawsuit between American Insurance Company ('AIC') and St. Jude Medical, Inc. ('St. Jude') pending in the United States District Court, District of Minnesota, that arose out of a products liability insurance program for St. Jude in which AIC provided one layer of insurance and the Company acted as the broker. St. Jude is seeking a

7. COMMITMENTS AND CONTINGENCIES (Continued)

judgment against AIC requiring AIC to pay its policy limits of $50 million plus interest and costs for certain personal injury claims filed against St. Jude and denied by AIC. To the extent there is a finding that AIC does not have to provide coverage for these claims, St. Jude has alternatively alleged standard errors and omissions claims against the Company for the same amount. While the Company cannot predict the outcome of any litigation, the Company believes AIC should provide coverage and believes that St. Jude should have a favorable outcome against AIC. If St. Jude prevails against AIC, St. Jude's claims against the Company become moot. In September 2010, the Court issued partial summary judgment in favor of St. Jude on one of the main coverage issues in the case. If not appealed successfully by AIC, this decision should reduce the amount at issue in the litigation to approximately $36 million plus interest and costs. The other main coverage issue in the case was argued before the court on a summary judgment motion on October 29, 2010 and the Court has taken it under advisement. Pending the outcome of that motion, the case may proceed to trial in 2011. The Company continues to vigorously defend itself and disputes the allegations made against it.

Commitments

In December 2009, the Company made a capital commitment of $25 million to Trident V, LP, an investment fund managed by Stone Point Capital. In July 2010, we withdrew from Trident V, LP and subscribed to Trident V Parallel Fund, LP (with the total capital commitment remaining the same). As at September 30, 2010 there had been approximately $2 million of capital contributions.

8. DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGING ACTIVITIES

Accounting for derivative financial instruments

In addition to the note below, see Note 9 for information about the fair value hierarchy for derivatives.

Primary risks managed by derivative financial instruments

The Company uses derivative financial instruments to manage exposures arising from its operating activities. The Company is exposed to market risk from changes in interest rates and foreign currency exchange rates.

Interest rate risk

As a result of its operating activities, the Company receives cash for premiums and claims which it deposits in short-term investments denominated in US dollars and other currencies. The Company earns interest on these funds, which is included in the financial statements as investment income. These funds are regulated in terms of access and the instruments in which they may be invested, most of which are short-term in maturity. In order to manage interest rate risk arising from these financial assets, the Company enters into interest rate swaps to receive a fixed rate of interest and pay a variable rate of interest in the significant currencies of these short-term investments. The use of interest rate contracts essentially converts groups of short-term variable rate investments to fixed rates.

The fair value of these contracts is recorded in other assets and other liabilities. For contracts that qualify as accounting hedges, changes in fair value are recorded as a component of other comprehensive income. Amounts are reclassified from other comprehensive income into earnings when the hedged exposure affects earnings. If contracts are deemed not to qualify for hedge accounting, changes in fair value are recorded in other operating expenses.

8. DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGING ACTIVITIES (Continued)

At September 30, 2010, the Company had the following derivative financial instruments that were designated as cash flow hedges of interest rate risk:

		Notional amount(i)	Fair value
		(millions)	
US dollar	Receive fixed — pay variable	$590	$17
Pound Sterling	Receive fixed — pay variable	197	5
Euro	Receive fixed — pay variable	141	2

(i) Notional amounts are reported in US dollars translated at spot rates at September 30, 2010.

During the nine months ended September 30, 2010, the Company entered into a series of interest rate swaps for a total notional amount of $350 million to receive a fixed rate and pay a variable rate on a semi-annual basis, with a maturity date of July 15, 2015. The Company has designated and accounts for these instruments as fair value hedges against its $350 million 5.625% senior notes due 2015. The fair values of the interest rate swaps are included within other assets or other liabilities and the fair value of the hedged element of the senior notes is included within the principal amount of the debt.

At September 30, 2010 and December 31, 2009 the Company's interest rate swaps were all designated as hedging instruments.

Foreign currency risk

The Company's primary foreign exchange risks arise:

- from changes in the exchange rate between US dollars and Pounds Sterling as its London Market operations earn the majority of their revenues in US dollars and incur expenses predominantly in Pounds Sterling, and may also hold a significant net sterling asset or liability position on the balance sheet. In addition, the London Market operations earn significant revenues in euros and Japanese yen; and
- from the translation into US dollars of the net income and net assets of its foreign subsidiaries, excluding the London Market operations which are US dollar denominated.

The foreign exchange risks in its London Market operations are hedged as follows:

- to the extent that forecast Pound Sterling expenses exceed Pound Sterling revenues, the Company limits its exposure to this exchange rate risk by the use of forward contracts matched to specific, clearly identified cash outflows arising in the ordinary course of business;
- to the extent the UK operations earn significant revenues in euros and Japanese yen, the Company limits its exposure to changes in the exchange rate between the US dollar and these currencies by the use of forward contracts matched to a percentage of forecast cash inflows in specific currencies and periods; and
- to the extent that the net sterling asset or liability position in its London Market operations relate to short-term cash flows, the Company limits its exposure by the use of forward purchases and sales. These forward purchases and sales are not effective hedges for accounting purposes.

The Company does not hedge net income earned within foreign subsidiaries outside of the UK.

The fair value of foreign currency contracts is recorded in other assets and other liabilities. For contracts that qualify as accounting hedges, changes in fair value resulting from movements in the spot exchange rate are recorded as a component of other comprehensive income whilst changes resulting from a movement in the

8. DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGING ACTIVITIES (Continued)

Foreign currency risk (Continued)

time value are recorded in interest expense. If contracts are deemed not to qualify for hedge accounting, the total change in fair value is recorded in interest expense. Amounts held in comprehensive income are reclassified into earnings when the hedged exposure affects earnings.

At September 30, 2010 and December 31, 2009 the Company's foreign currency contracts were all designated as hedging instruments.

The table below summarizes by major currency the contractual amounts of the Company's forward contracts to exchange foreign currencies for Pounds Sterling and US dollars at September 30, 2010:

	Sell(i)	Fair value
	(millions)	
US dollar	$ 313	$ 1
Euro	134	4
Japanese yen	59	(5)

(i) Foreign currency notional amounts are reported in US dollars translated at spot rates at September 30, 2010.

Derivative financial instruments

The table below presents the fair value of the Company's derivative financial instruments and their balance sheet classification at September 30, 2010:

Derivative financial instruments designated as hedging instruments:	Balance sheet classification	Fair value September 30, 2010	Fair value December 31, 2009
		(millions)	
Assets:			
Interest rate swaps (cash flow hedges)	Other assets	$ 24	$ 27
Interest rate swaps (fair value hedges)	Other assets	24	—
Forward exchange contracts	Other assets	16	8
Total derivatives designated as hedging instruments		$ 64	$ 35
Liabilities:			
Interest rate swaps	Other liabilities	$ —	$ (1)
Forward exchange contracts	Other liabilities	(16)	(22)
Total derivatives designated as hedging instruments		$ (16)	$ (23)

8. DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGING ACTIVITIES (Continued)

Derivative financial instruments (Continued)

The table below presents the effects of derivative financial instruments in cash flow hedging relationships on the consolidated statements of operations and the consolidated statements of equity for the three and nine months ended September 30, 2010 and 2009:

Derivatives in cash flow hedging relationships	Amount of gain (loss) recognized in OCI(i) on derivative (Effective element) (millions)	Location of gain (loss) reclassified from accumulated OCI(i) into income (Effective element)	Amount of gain (loss) reclassified from accumulated OCI(i) into income (Effective element) (millions)	Location of gain (loss) recognized in income on derivative (Ineffective hedges and ineffective element of effective hedges)	Amount of gain (loss) recognized in income on derivative (Ineffective hedges and ineffective element of effective hedges) (millions)
Three months ended September 30, 2010					
Interest rate swaps	$ 7	Investment income	$ (7)	Other operating expenses	$ —
Forward exchange contracts	(3)	Other operating expenses	5	Interest expense	1
Total	$ 4		$ (2)		$ 1
Three months ended September 30, 2009					
Interest rate swaps	$ 6	Investment income	$ (7)	Other operating expenses	$ —
Forward exchange contracts	(17)	Other operating expenses	6	Interest expense	—
Total	$ (11)		$ (1)		$ —
Nine months ended September 30, 2010					
Interest rate swaps	$ 18	Investment income	$ (20)	Other operating expenses	$ —
Forward exchange contracts	1	Other operating expenses	12	Interest expense	1
Total	$ 19		$ (8)		$ 1
Nine months ended September 30, 2009					
Interest rate swaps	$ 15	Investment income	$ (19)	Other operating expenses	$ (1)
Forward exchange contracts	16	Other operating expenses	36	Interest expense	—
Total	$ 31		$ 17		$ (1)

(i) OCI means other comprehensive income. Amounts above shown gross of tax.

For interest rate swaps all components of each derivative's gain or loss were included in the assessment of hedge effectiveness. For foreign exchange contracts only the changes in fair value resulting from movements in the spot exchange rate are included in this assessment.

8. DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGING ACTIVITIES (Continued)

Derivative financial instruments (Continued)

At September 30, 2010 the Company estimates there will be $10 million of net derivative gains reclassified from accumulated comprehensive income into earnings within the next twelve months.

Fair value hedges

The table below presents the effects of derivative financial instruments in fair value hedging relationships on the consolidated statements of operations for the three and nine months ended September 30, 2010. The Company did not have any derivative financial instruments in fair value hedging relationships during 2009.

Derivatives in fair value hedging relationships	Hedged item in fair value hedging relationship	Gain recognized for derivative	Loss recognized for hedged item	Ineffectiveness recognized in interest expense
			(millions)	
Three months ended September 30, 2010				
Interest rate swaps	5.625% Senior notes due 2015	$ 10	$ (10)	$ —
Nine months ended September 30, 2010				
Interest rate swaps	5.625% Senior notes due 2015	$ 24	$ (24)	$ —

All components of each derivative's gain or loss were included in the assessment of hedge effectiveness.

9. FAIR VALUE MEASUREMENT

The following table presents, for each of the fair value hierarchy levels, the Company's assets and liabilities that are measured at fair value on a recurring basis:

	September 30, 2010			
	Quoted prices in active markets for identical assets Level 1	Significant other observable inputs Level 2	Significant other unobservable inputs Level 3	Total
		(millions)		
Assets at fair value:				
Cash and cash equivalents	$ 141	$ —	$ —	$ 141
Fiduciary funds — restricted	1,760	—	—	1,760
Derivative financial instruments	—	64	—	64
Total assets	$ 1,901	$ 64	$ —	$ 1,965
Liabilities at fair value:				
Derivative financial instruments	$ —	$ 16	$ —	$ 16
Changes in fair value of hedged debt(i)	—	24	—	24
Total liabilities	$ —	$ 40	$ —	$ 40

(i) Changes in the fair value of the underlying hedged debt instrument since inception of the hedging relationship are included in long-term debt.

9. FAIR VALUE MEASUREMENT (Continued)

	December 31, 2009			
	Quoted prices in active markets for identical assets Level 1	Significant other observable inputs Level 2	Significant other unobservable inputs Level 3	Total
	(millions)			
Assets at fair value:				
Cash and cash equivalents	$ 191	$ —	$ —	$ 191
Fiduciary funds — restricted	1,683	—	—	1,683
Derivative financial instruments	—	35	—	35
Total assets	$ 1,874	$ 35	$ —	$ 1,909
Liabilities at fair value:				
Derivative financial instruments	$ —	$ 23	$ —	$ 23
Total liabilities	$ —	$ 23	$ —	$ 23

The estimated fair value of the Company's financial instruments held or issued to finance the Company's operations is summarized 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 the Company would realize upon disposition nor do they indicate the Company's intent or ability to dispose of the financial instrument.

	September 30, 2010		December 31, 2009	
	Carrying amount	Fair Value	Carrying amount	Fair Value
	(millions)			
Assets:				
Cash and cash equivalents	$ 141	$ 141	$ 191	$ 191
Fiduciary funds — restricted	1,760	1,760	1,683	1,683
Derivative financial instruments	64	64	35	35
Liabilities:				
Short-term debt	$ 110	$ 110	$ 209	$ 211
Long-term debt	2,202	2,555	2,165	2,409
Derivative financial instruments	16	16	23	23

The following methods and assumptions were used by the Company in estimating its fair value disclosure for financial instruments:

Cash and Cash Equivalents — The estimated fair value of these financial instruments approximates their carrying values due to their short maturities.

Fiduciary Funds — Restricted — Fair values are based on quoted market values.

Short-Term Debt and Long-Term Debt — Fair values are based on quoted market values.

9. FAIR VALUE MEASUREMENT (Continued)

Derivative Financial Instruments — Market values have been used to determine the fair value of interest rate swaps and forward foreign exchange contracts based on estimated amounts the Company would receive or have to pay to terminate the agreements, taking into account the current interest rate environment, current foreign currency forward rates and counterparty risk. The fair value of the Company's derivative financial instruments is computed based on an income approach using appropriate valuation techniques including discounted future cash flows and other methods that are consistent with accepted methodologies for pricing financial instruments.

10. GOODWILL

Goodwill represents the excess of the cost of businesses acquired over the fair market value of identifiable net assets at the dates of acquisition. Goodwill is not amortized but is subject to impairment testing annually and whenever facts or circumstances indicate that the carrying amounts may not be recoverable. As part of the evaluation the estimated future discounted cash flows associated with the underlying reporting unit are compared to the carrying amount of goodwill to determine if a write-down is required. If such an assessment indicates that the discounted future cash flows are not sufficient, the carrying amount is reduced to the estimated fair value.

When a business entity is sold, goodwill is allocated to the disposed entity based on the fair value of that entity compared to the fair value of the reporting unit in which it is included.

The changes in the carrying amount of goodwill by operating segment for the nine months ended September 30, 2010 and the year ended December 31, 2009 are as follows:

	Global	North America	International	Total
	(millions)			
Balance at December 31, 2008	$ 1,046	$ 1,810	$ 419	$ 3,275
Goodwill acquired during 2009	4	1	14	19
Purchase price allocation adjustments	24	(4)	—	20
Goodwill disposed of during 2009	—	(27)	(1)	(28)
Foreign exchange	(9)	—	—	(9)
Balance at December 31, 2009	$ 1,065	$ 1,780	$ 432	$ 3,277
Other movements(i)	—	(3)	1	(2)
Foreign exchange	(2)	—	2	—
Balance at September 30, 2010	$ 1,063	$ 1,777	$ 435	$ 3,275

(i) North America — tax benefit arising on the exercise of fully vested HRH stock options which were issued as part of the acquisition of HRH in 2008.

11. OTHER INTANGIBLE ASSETS

Other intangible assets are classified into the following categories:

- 'Customer and Marketing related' includes:
  - Client Relationships,
  - Client Lists,
  - Non-compete Agreements,
  - Trade Names; and
- 'Contract based, Technology and Other' includes all other purchased intangible assets.

11. OTHER INTANGIBLE ASSETS (Continued)

The major classes of amortizable intangible assets are as follows:

	September 30, 2010 Gross carrying amount	September 30, 2010 Accumulated amortization	September 30, 2010 Net carrying amount	December 31, 2009 Gross carrying amount	December 31, 2009 Accumulated amortization	December 31, 2009 Net carrying amount
	(millions)					
Customer and Marketing Related:						
Client Relationships	$ 690	$ (187)	$ 503	$ 691	$ (138)	$ 553
Client Lists	9	(7)	2	9	(6)	3
Non-compete Agreements	36	(36)	—	36	(23)	13
Trade Names	11	(10)	1	11	(10)	1
Total Customer and Marketing Related	746	(240)	506	747	(177)	570
Contract based, Technology and Other	4	(3)	1	4	(2)	2
Total amortizable intangible assets	$ 750	$ (243)	$ 507	$ 751	$ (179)	$ 572

The aggregate amortization of intangible assets for the nine months ended September 30, 2010 was $64 million (2009: $76 million), of which $22 million was recognized in the three months ended September 30, 2010 (2009: $29 million). The total amortizable intangible assets are expected to be amortized over the following periods:

	Remainder of 2010	2011	2012	2013	2014	Thereafter	Total
	(millions)						
Amortization of intangible assets	$ 17	$ 67	$ 60	$ 53	$ 46	$ 264	$ 507

12. DEBT

Short-term debt consists of the following:

	September 30, 2010	December 31, 2009
	(millions)	
Current portion of 5-year term loan facility	$ 110	$ 110
5.125% senior notes due 2010	—	90
6.000% loan notes due 2010	—	9
	$ 110	$ 209

12. DEBT (Continued)

Long-term debt consists of the following:

	September 30, 2010	December 31, 2009
	(millions)	
5-year term loan facility	$ 329	$ 411
Revolving credit facility	95	—
6.000% senior notes due 2012	4	4
5.625% senior notes due 2015	374	350
12.875% senior notes due 2016	500	500
6.200% senior notes due 2017	600	600
7.000% senior notes due 2019	300	300
	$ 2,202	$ 2,165

During the nine months ended September 30, 2010, the Company entered into a series of interest rate swaps for a total notional amount of $350 million to receive a fixed rate and pay a variable rate on a semi-annual basis, with a maturity date of July 15, 2015. The Company has designated and accounts for these instruments as fair value hedges against its $350 million 5.625% senior notes due 2015. The fair values of the interest rate swaps are included within other assets or other liabilities and the fair value of the hedged element of the senior notes is included within the principal amount of the debt.

The 5-year term loan facility bears interest at LIBOR plus 2.250% and is repayable at $27 million per quarter, with a final payment of $115 million due in the fourth quarter of 2013. Drawings under the revolving credit facility also bear interest at LIBOR plus 2.250% and the facility expires on October 1, 2013. On August 9, 2010, the Company agreed an additional revolving credit facility for $200 million which bears interest at LIBOR plus 2.275%. As at September 30, 2010 no drawings had been made on this facility. This facility expires on October 1, 2013.

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13. SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION

Supplemental disclosures regarding cash flow information and non-cash flow investing and financing activities are as follows:

	Nine months ended September 30, 2010	Nine months ended September 30, 2009
	(millions)	
Supplemental disclosures of cash flow information:		
Cash payments for income taxes, net of cash received	$ 80	$ 87
Cash payments for interest	141	135
Supplemental disclosures of non-cash flow investing and financing activities:		
Issue of stock on acquisitions of subsidiaries	$ —	$ 1
Issue of stock on acquisitions of noncontrolling interests	—	10
Acquisitions:		
Fair value of assets acquired	$ 2	$ 30
Less: Liabilities assumed	—	(56)
Less: Cash acquired	—	(12)
Net assets (liabilities) acquired, net of cash acquired	$ 2	$ (38)

14. COMPREHENSIVE INCOME

a) The components of comprehensive income are as follows:

	Three months ended September 30, 2010	Three months ended September 30, 2009	Nine months ended September 30, 2010	Nine months ended September 30, 2009
		(millions)		
Net income	$ 65	$ 81	$ 367	$ 373
Other comprehensive income, net of tax:				
Foreign currency translation adjustment (net of tax of $nil, $nil, $nil and $nil)	30	11	(5)	16
Pension funding adjustment (net of tax of $(2) million, $(2) million, $(7) million and $(4) million)	7	6	19	12
Net unrealized gain (loss) on derivative instruments (net of tax of $(1) million, $4 million, $(3) million and $(13) million)	1	(8)	8	35
Other comprehensive income (net of tax of $(3) million, $2 million, $(10) million and $(17) million)	38	9	22	63
Comprehensive income	103	90	389	436
Noncontrolling interests	(1)	(2)	(10)	(14)
Comprehensive income attributable to Willis Group Holdings	$ 102	$ 88	$ 379	$ 422

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14. COMPREHENSIVE INCOME (Continued)

b) The components of accumulated other comprehensive loss, net of tax, are as follows:

	September 30, 2010	December 31, 2009
	(millions)	
Net foreign currency translation adjustment	$ (51)	$ (46)
Net unrealized holding loss	(2)	(2)
Pension funding adjustment	(535)	(554)
Net unrealized gain on derivative instruments	16	8
Accumulated other comprehensive loss, attributable to Willis Group Holdings	$ (572)	$ (594)

15. EQUITY AND NONCONTROLLING INTERESTS

The components of equity and noncontrolling interests are as follows:

	September 30, 2010			September 30, 2009		
	Willis Group Holdings stockholders	Noncontrolling interests	Total equity	Willis Group Holdings stockholders	Noncontrolling interests	Total equity
			(millions)			
Balance at beginning of period	$ 2,180	$ 49	$ 2,229	$ 1,845	$ 50	$ 1,895
Comprehensive income:						
Net income	357	10	367	359	14	373
Other comprehensive income, net of tax	22	—	22	63	—	63
Comprehensive income	379	10	389	422	14	436
Dividends	(133)	(24)	(157)	(130)	(12)	(142)
Additional paid-in capital	44	—	44	17	—	17
Purchase of subsidiary shares from noncontrolling interests	—	(6)	(6)	—	(11)	(11)
Additional noncontrolling interests	—	—	—	—	4	4
Foreign currency translation	—	(1)	(1)	1	1	2
Balance at end of period	$ 2,470	$ 28	$ 2,498	$ 2,155	$ 46	$ 2,201

15. EQUITY AND NONCONTROLLING INTERESTS (Continued)

The effects on equity of changes in Willis Group Holdings ownership interest in its subsidiaries are as follows:

	September 30, 2010	September 30, 2009
	(millions)	
Net income attributable to Willis Group Holdings	$ 357	$ 359
Transfers from noncontrolling interest:		
Decrease in Willis Group Holdings' paid-in capital for purchase of noncontrolling interests	(19)	(21)
Net transfers from noncontrolling interest	(19)	(21)
Change from net income attributable to Willis Group Holdings and transfers from noncontrolling interests	$ 338	$ 338

16. SEGMENT INFORMATION

During the periods presented, the Company operated through three segments: Global, North America and International. Global provides specialist brokerage and consulting services to clients worldwide for specific industrial and commercial activities and is organized by specialism. North America and International predominantly comprise our retail operations which provide services to small, medium and major corporates, accessing Global's specialist expertise when required.

The Company evaluates the performance of its operating segments based on organic revenue growth and operating income. For internal reporting and segmental reporting, the following items for which segmental management are not held accountable are excluded from segmental expenses:

i) costs of the holding company;

ii) foreign exchange loss from the devaluation of the Venezuelan currency;

iii) foreign exchange hedging activities, foreign exchange movements on the UK pension plan asset and foreign exchange gains and losses from currency purchases and sales;

iv) amortization of intangible assets;

v) gains and losses on the disposal of operations;

vi) significant legal settlements which are managed centrally;

vii) integration costs associated with the acquisition of HRH; and

viii) costs associated with the redomicile of the Company's parent company from Bermuda to Ireland.

The accounting policies of the operating segments are consistent with those described in Note 2 — Basis of Presentation and Significant Accounting Policies to the Company's current Report on Form 10-K for the year ended December 31, 2009. There are no inter-segment revenues, with segments operating on a revenue-sharing basis equivalent to that used when sharing business with other third-party brokers.

16. SEGMENT INFORMATION (Continued)

Selected information regarding the Company’s operating segments is as follows:

	Three months ended September 30, 2010						
	Commissions and Fees	Investment Income	Other Income	Total Revenues	Depreciation and Amortization	Operating Income	Interest in Earnings of Associates, net of tax
				(millions)			
Global	$ 181	$ 2	$ —	$ 183	$ 4	$ 36	$ —
North America	328	4	—	332	5	71	—
International	214	4	—	218	5	21	9
Total Retail	$ 542	$ 8	$ —	$ 550	$ 10	$ 92	$ 9
Total Operating Segments	723	10	—	733	14	128	9
Corporate and Other(i)	—	—	—	—	22	(22)	—
Total Consolidated	$ 723	$ 10	$ —	$ 733	$ 36	$ 106	$ 9

	Three months ended September 30, 2009						
	Commissions and Fees	Investment Income	Other Income	Total Revenues	Depreciation and Amortization	Operating Income	Interest in Earnings of Associates, net of tax
				(millions)			
Global	$ 175	$ 1	$ —	$ 176	$ 4	$ 33	$ —
North America	320	4	1	325	5	70	—
International	219	5	—	224	6	30	16
Total Retail	$ 539	$ 9	$ 1	$ 549	$ 11	$ 100	$ 16
Total Operating Segments	714	10	1	725	15	133	16
Corporate and Other(i)	—	—	—	—	29	(51)	—
Total Consolidated	$ 714	$ 10	$ 1	$ 725	$ 44	$ 82	$ 16

16. SEGMENT INFORMATION (Continued)

	Nine months ended September 30, 2010						
	Commissions and Fees	Investment Income	Other Income	Total Revenues	Depreciation and Amortization	Operating Income	Interest in Earnings of Associates, net of tax
	(millions)						
Global	$ 698	$ 5	$ —	$ 703	$ 13	$ 243	$ —
North America	1,015	13	—	1,028	17	232	—
International	762	11	—	773	15	183	27
Total Retail	$ 1,777	$ 24	$ —	$ 1,801	$ 32	$ 415	$ 27
Total Operating Segments	2,475	29	—	2,504	45	658	27
Corporate and Other(i)	—	—	—	—	64	(82)	—
Total Consolidated	$ 2,475	$ 29	$ —	$ 2,504	$ 109	$ 576	$ 27

	Nine months ended September 30, 2009						
	Commissions and Fees	Investment Income	Other Income	Total Revenues	Depreciation and Amortization	Operating Income	Interest in Earnings of Associates, net of tax
	(millions)						
Global	$ 657	$ 6	$ —	$ 663	$ 10	$ 234	$ —
North America	1,023	12	3	1,038	16	239	—
International	721	17	—	738	17	181	42
Total Retail	$ 1,744	$ 29	$ 3	$ 1,776	$ 33	$ 420	$ 42
Total Operating Segments	2,401	35	3	2,439	43	654	42
Corporate and Other(i)	—	—	—	—	76	(133)	—
Total Consolidated	$ 2,401	$ 35	$ 3	$ 2,439	$ 119	$ 521	$ 42

(i) Corporate and Other includes the following:

	Three months ended September 30, 2010	Three months ended September 30, 2009	Nine Months ended September 30, 2010	Nine Months ended September 30, 2009
	(millions)		(millions)	
Amortization of intangible assets	$ (22)	$ (29)	$ (64)	$ (76)
Net gain (loss) on disposal of operations	—	1	(2)	1
Foreign exchange hedging	(2)	(11)	(8)	(34)
Foreign exchange on the UK pension plan asset	(4)	2	2	(5)
HRH integration costs	—	(8)	—	(12)
Venezuelan currency devaluation	—	—	(12)	—
Release of previously established legal reserve	7	—	7	—
Other	(1)	(6)	(5)	(7)
	$ (22)	$ (51)	$ (82)	$ (133)

16. SEGMENT INFORMATION (Continued)

The following table reconciles total consolidated operating income, as disclosed in the operating segment tables above, to consolidated income from continuing operations before income taxes and interest in earnings of associates:

	Three months ended September 30,		Nine months ended September 30,	
	2010	2009	2010	2009
	(millions)			
Total consolidated operating income	$ 106	$ 82	$ 576	$ 521
Interest expense	(40)	(47)	(124)	(128)
Income from continuing operations before income taxes and interest in earnings of associates	$ 66	$ 35	$ 452	$ 393

17. FINANCIAL INFORMATION FOR PARENT GUARANTOR, OTHER GUARANTOR SUBSIDIARIES AND NON-GUARANTOR SUBSIDIARIES

On July 1, 2005, Willis North America Inc. ('Willis North America') issued senior notes totaling $600 million under its February 2004 registration statement. On March 28, 2007, Willis North America issued further senior notes totaling $600 million under its June 2006 registration statement. On September 29, 2009, Willis North America issued senior notes totaling $300 million under its June 2009 registration statement. The debt securities are jointly and severally, irrevocably and fully and unconditionally guaranteed by Willis Group Holdings, Willis Netherlands Holdings B.V., Willis Investment UK Holdings Limited, Willis Group Limited, Trinity Acquisition plc, TA I Limited, TA II Limited, TA III Limited and TA IV Limited.

Presented below is unaudited condensed consolidating financial information for:

i) Willis Group Holdings, which is a guarantor, on a parent company only basis;

ii) the Other Guarantors, which are all 100 percent directly or indirectly owned subsidiaries of the parent;

iii) the Issuer, Willis North America;

iv) Other, which are the non-guarantor subsidiaries, on a combined basis;

v) Consolidating adjustments; and

vi) Consolidated Company.

The equity method has been used for all investments in subsidiaries in the unaudited condensed consolidating balance sheets of Willis Group Holdings, the Other Guarantors and the Issuer. Investments in subsidiaries in the unaudited condensed consolidating balance sheet for Other represents the cost of investment in subsidiaries recorded in the parent companies of the non-guarantor subsidiaries.

The entities included in the Other Guarantors column are Willis Netherlands Holdings B.V., Willis Investment UK Holdings Limited, Trinity Acquisition plc, TA I Limited, TA II Limited, TA III Limited, TA IV Limited and Willis Group Limited.

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17. FINANCIAL INFORMATION FOR PARENT GUARANTOR, OTHER GUARANTOR SUBSIDIARIES AND NON-GUARANTOR SUBSIDIARIES (Continued)

Condensed Consolidating Statement of Operations

	Three months ended September 30, 2010					
	Willis Group Holdings	The Other Guarantors	The Issuer	Other	Consolidating adjustments	Consolidated
	(millions)					
REVENUES						
Commissions and fees	$ —	$ —	$ —	$ 723	$ —	$ 723
Investment income	—	2	1	9	(2)	10
Other income	—	—	—	—	—	—
Total revenues	—	2	1	732	(2)	733
EXPENSES						
Salaries and benefits	—	—	—	(463)	1	(462)
Other operating expenses	(227)	19	(20)	81	18	(129)
Depreciation expense	—	—	(3)	(11)	—	(14)
Amortization of intangible assets	—	—	—	(22)	—	(22)
Loss on disposal	(347)	—	—	(2,088)	2,435	—
Total expenses	(574)	19	(23)	(2,503)	2,454	(627)
OPERATING (LOSS) INCOME	(574)	21	(22)	(1,771)	2,452	106
Investment income from Group undertakings	—	113	58	52	(223)	—
Interest expense	—	(109)	(51)	(63)	183	(40)
(LOSS) INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAXES AND INTEREST IN LOSS EARNINGS OF ASSOCIATES	(574)	25	(15)	(1,782)	2,412	66
Income taxes	—	13	11	(4)	(30)	(10)
(LOSS) INCOME FROM CONTINUING OPERATIONS BEFORE INTEREST IN LOSS EARNINGS OF ASSOCIATES	(574)	38	(4)	(1,786)	2,382	56
Interest in earnings of associates, net of tax	—	—	—	8	1	9
(LOSS) INCOME FROM CONTINUING OPERATIONS	(574)	38	(4)	(1,778)	2,383	65
Discontinued operations, net of tax	—	—	—	—	—	—
NET (LOSS) INCOME	(574)	38	(4)	(1,778)	2,383	65
Less: Net income attributable to noncontrolling interests	—	—	—	1	(2)	(1)
EQUITY ACCOUNT FOR SUBSIDIARIES	638	56	26	—	(720)	—
NET INCOME (LOSS) ATTRIBUTABLE TO WILLIS GROUP HOLDINGS	$ 64	$ 94	$ 22	$ (1,777)	$ 1,661	$ 64

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17. FINANCIAL INFORMATION FOR PARENT GUARANTOR, OTHER GUARANTOR SUBSIDIARIES AND NON-GUARANTOR SUBSIDIARIES (Continued)

Condensed Consolidating Statement of Operations

	Three months ended September 30, 2009					
	Willis Group Holdings	The Other Guarantors	The Issuer	Other	Consolidating adjustments	Consolidated
	(millions)					
REVENUES						
Commissions and fees	$ —	$ —	$ —	$ 714	$ —	$ 714
Investment income	—	—	(1)	11	—	10
Other income	—	—	—	1	—	1
Total revenues	—	—	(1)	726	—	725
EXPENSES						
Salaries and benefits	—	—	—	(450)	1	(449)
Other operating expenses	(2)	(20)	(91)	(53)	15	(151)
Depreciation expense	—	—	(1)	(14)	—	(15)
Amortization of intangible assets	—	—	—	(29)	—	(29)
Net gain on disposal of operations	—	—	—	1	—	1
Total expenses	(2)	(20)	(92)	(545)	16	(643)
OPERATING (LOSS) INCOME	(2)	(20)	(93)	181	16	82
Investment income from Group undertakings	24	97	117	(18)	(220)	—
Interest expense	—	(108)	(48)	(91)	200	(47)
INCOME (LOSS) FROM CONTINUING OPERATIONS BEFORE INCOME TAXES AND INTEREST IN EARNINGS OF ASSOCIATES	22	(31)	(24)	72	(4)	35
Income taxes	—	10	20	10	(11)	29
INCOME (LOSS) FROM CONTINUING OPERATIONS BEFORE INTEREST IN EARNINGS OF ASSOCIATES	22	(21)	(4)	82	(15)	64
Interest in earnings of associates, net of tax	—	—	—	16	—	16
INCOME (LOSS) FROM CONTINUING OPERATIONS	22	(21)	(4)	98	(15)	80
Discontinued operations, net of tax	—	—	—	1	—	1
NET INCOME (LOSS)	22	(21)	(4)	99	(15)	81
Less: Net income attributable to noncontrolling interests	—	—	—	—	(2)	(2)
EQUITY ACCOUNT FOR SUBSIDIARIES	57	122	(72)	—	(107)	—
NET INCOME (LOSS) ATTRIBUTABLE TO WILLIS GROUP HOLDINGS	$ 79	$ 101	$ (76)	$ 99	$ (124)	$ 79

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17. FINANCIAL INFORMATION FOR PARENT GUARANTOR, OTHER GUARANTOR SUBSIDIARIES AND NON-GUARANTOR SUBSIDIARIES (Continued)

Condensed Consolidating Statement of Operations

	Nine months ended September 30, 2010					
	Willis Group Holdings	The Other Guarantors	The Issuer	Other	Consolidating adjustments	Consolidated
	(millions)					
REVENUES						
Commissions and fees	$ —	$ —	$ —	$ 2,475	$ —	$ 2,475
Investment income	—	7	2	27	(7)	29
Other income	—	—	—	—	—	—
Total revenues	—	7	2	2,502	(7)	2,504
EXPENSES						
Salaries and benefits	—	—	—	(1,420)	16	(1,404)
Other operating expenses	338	(7)	(79)	(649)	(16)	(413)
Depreciation expense	—	—	(7)	(38)	—	(45)
Amortization of intangible assets	—	—	—	(64)	—	(64)
(Loss) gain on disposal	(347)	—	—	347	(2)	(2)
Total expenses	(9)	(7)	(86)	(1,824)	(2)	(1,928)
OPERATING (LOSS) INCOME	(9)	—	(84)	678	(9)	576
Investment income from Group undertakings	—	664	231	540	(1,435)	—
Interest expense	—	(320)	(131)	(274)	601	(124)
(LOSS) INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAXES AND INTEREST IN EARNINGS OF ASSOCIATES	(9)	344	16	944	(843)	452
Income taxes	—	9	20	(123)	(18)	(112)
(LOSS) INCOME FROM CONTINUING OPERATIONS BEFORE INTEREST IN EARNINGS OF ASSOCIATES	(9)	353	36	821	(861)	340
Interest in earnings of associates, net of tax	—	—	—	22	5	27
(LOSS) INCOME FROM CONTINUING OPERATIONS	(9)	353	36	843	(856)	367
Discontinued operations, net of tax	—	—	—	—	—	—
NET (LOSS) INCOME	(9)	353	36	843	(856)	367
Less: Net income attributable to noncontrolling interests	—	—	—	(2)	(8)	(10)
EQUITY ACCOUNT FOR SUBSIDIARIES	366	9	(4)	—	(371)	—
NET INCOME ATTRIBUTABLE TO WILLIS GROUP HOLDINGS	$ 357	$ 362	$ 32	$ 841	$ (1,235)	$ 357

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17. FINANCIAL INFORMATION FOR PARENT GUARANTOR, OTHER GUARANTOR SUBSIDIARIES AND NON-GUARANTOR SUBSIDIARIES (Continued)

Condensed Consolidating Statement of Operations

	Nine months ended September 30, 2009					
	Willis Group Holdings	The Other Guarantors	The Issuer	Other	Consolidating adjustments	Consolidated
	(millions)					
REVENUES						
Commissions and fees	$ —	$ —	$ —	$ 2,401	$ —	$ 2,401
Investment income	—	—	3	32	—	35
Other income	—	—	—	3	—	3
Total revenues	—	—	3	2,436	—	2,439
EXPENSES						
Salaries and benefits	—	—	—	(1,378)	6	(1,372)
Other operating expenses	(2)	49	(48)	(439)	12	(428)
Depreciation expense	—	—	(5)	(38)	—	(43)
Amortization of intangible assets	—	—	—	(76)	—	(76)
Net gain on disposal of operations	—	—	—	1	—	1
Total expenses	(2)	49	(53)	(1,930)	18	(1,918)
OPERATING (LOSS) INCOME	(2)	49	(50)	506	18	521
Investment income from Group undertakings	69	290	255	163	(777)	—
Interest expense	—	(307)	(132)	(302)	613	(128)
INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAXES AND INTEREST IN EARNINGS OF ASSOCIATES	67	32	73	367	(146)	393
Income taxes	—	(8)	17	(69)	(4)	(64)
INCOME FROM CONTINUING OPERATIONS BEFORE INTEREST IN EARNINGS OF ASSOCIATES	67	24	90	298	(150)	329
Interest in earnings of associates, net of tax	—	—	—	42	—	42
INCOME FROM CONTINUING OPERATIONS	67	24	90	340	(150)	371
Discontinued operations, net of tax	—	—	—	2	—	2
NET INCOME	67	24	90	342	(150)	373
Less: Net income attributable to noncontrolling interests	—	—	—	(3)	(11)	(14)
EQUITY ACCOUNT FOR SUBSIDIARIES	292	251	(38)	—	(505)	—
NET INCOME ATTRIBUTABLE TO WILLIS GROUP HOLDINGS LIMITED	$ 359	$ 275	$ 52	$ 339	$ (666)	$ 359

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
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17. FINANCIAL INFORMATION FOR PARENT GUARANTOR, OTHER GUARANTOR SUBSIDIARIES AND NON-GUARANTOR SUBSIDIARIES (Continued)

Condensed Consolidating Balance Sheet

	As at September 30, 2010					
	Willis Group Holdings	The Other Guarantors	The Issuer	Other	Consolidating adjustments	Consolidated
	(millions)					
ASSETS						
Cash and cash equivalents	$ —	$ —	$ 74	$ 67	$ —	$ 141
Fiduciary funds — restricted	—	—	—	1,760	—	1,760
Accounts receivable	3,718	5,880	4,180	5,189	(10,335)	8,632
Fixed assets	—	—	48	309	(1)	356
Goodwill	—	—	—	1,711	1,564	3,275
Other intangible assets	—	—	—	477	30	507
Investments in associates	—	—	—	(45)	214	169
Deferred tax assets	—	—	—	59	(6)	53
Pension benefits asset	—	—	—	144	—	144
Other assets	19	316	57	933	(610)	715
Investments in subsidiaries	(1,204)	3,763	1,331	3,856	(7,746)	—
TOTAL ASSETS	$ 2,533	$ 9,959	$ 5,690	$ 14,460	$ (16,890)	$ 15,752
LIABILITIES AND EQUITY						
Accounts payable	$ 18	$ 10,665	$ 3,128	$ 6,391	$ (10,439)	$ 9,763
Deferred revenue and accrued expenses	—	—	—	265	(20)	245
Deferred tax liabilities	—	6	8	4	(6)	12
Income taxes payable	—	136	—	135	(208)	63
Short-term debt	—	—	110	—	—	110
Long-term debt	—	500	1,698	4	—	2,202
Liability for pension benefits	—	—	—	155	—	155
Other liabilities	45	29	11	662	(43)	704
Total liabilities	63	11,336	4,955	7,616	(10,716)	13,254
Total Willis Group Holdings stockholders' equity	2,470	(1,377)	735	6,842	(6,200)	2,470
Noncontrolling interests	—	—	—	2	26	28
Total equity	2,470	(1,377)	735	6,844	(6,174)	2,498
TOTAL LIABILITIES AND EQUITY	$ 2,533	$ 9,959	$ 5,690	$ 14,460	$ (16,890)	$ 15,752

WILLIS GROUP HOLDINGS PUBLIC LIMITED COMPANY

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
(Unaudited)

17. FINANCIAL INFORMATION FOR PARENT GUARANTOR, OTHER GUARANTOR SUBSIDIARIES AND NON-GUARANTOR SUBSIDIARIES (Continued)

Condensed Consolidating Balance Sheet

	As at December 31, 2009					
	Willis Group Holdings	The Other Guarantors	The Issuer	Other	Consolidating adjustments	Consolidated
	(millions)					
ASSETS						
Cash and cash equivalents	$ —	$ —	$ 104	$ 87	$ —	$ 191
Fiduciary funds — restricted	—	—	—	1,683	—	1,683
Accounts receivable	—	4,428	4,185	9,294	(9,269)	8,638
Fixed assets	—	—	35	317	—	352
Goodwill	—	—	—	1,722	1,555	3,277
Other intangible assets	—	—	—	542	30	572
Investments in associates	—	—	—	76	80	156
Deferred tax assets	—	—	—	97	(15)	82
Pension benefits asset	—	—	—	69	—	69
Other assets	—	99	35	909	(440)	603
Investments in subsidiaries	2,180	3,693	1,132	3,867	(10,872)	—
TOTAL ASSETS	$ 2,180	$ 8,220	$ 5,491	$ 18,663	$ (18,931)	$ 15,623
LIABILITIES AND EQUITY						
Accounts payable	$ —	$ 6,887	$ 3,169	$ 9,042	$ (9,412)	$ 9,686
Deferred revenue and accrued expenses	—	—	—	324	(23)	301
Deferred tax liabilities	—	—	15	29	(15)	29
Income taxes payable	—	86	—	205	(245)	46
Short-term debt	—	—	200	9	—	209
Long-term debt	—	500	1,661	4	—	2,165
Liability for pension benefits	—	—	—	187	—	187
Other liabilities	—	—	40	715	16	771
Total liabilities	—	7,473	5,085	10,515	(9,679)	13,394
Total Willis Group Holdings stockholders' equity	2,180	747	406	8,144	(9,297)	2,180
Noncontrolling interests	—	—	—	4	45	49
Total equity	2,180	747	406	8,148	(9,252)	2,229
TOTAL LIABILITIES AND EQUITY	$ 2,180	$ 8,220	$ 5,491	$ 18,663	$ (18,931)	$ 15,623

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17. FINANCIAL INFORMATION FOR PARENT GUARANTOR, OTHER GUARANTOR SUBSIDIARIES AND NON-GUARANTOR SUBSIDIARIES (Continued)

Condensed Consolidating Statement of Cash Flows

	Nine months ended September 30, 2010					
	Willis Group Holdings	The Other Guarantors	The Issuer	Other	Consolidating adjustments	Consolidated
			(millions)			
NET CASH (USED IN) PROVIDED BY OPERATING ACTIVITIES	$ (9)	$ 341	$ 15	$ 734	$ (821)	$ 260
CASH FLOWS FROM INVESTING ACTIVITIES						
Proceeds on disposal of fixed and intangible assets	—	—	—	6	—	6
Additions to fixed assets	—	—	(20)	(39)	—	(59)
Acquisitions of subsidiaries, net of cash acquired	—	—	—	(20)	—	(20)
Investment in Trident V Parallel Fund, LP (Note 7)	—	—	—	(2)	—	(2)
Acquisitions of investments in associates	—	—	—	(1)	—	(1)
Net cash used in investing activities	—	—	(20)	(56)	—	(76)
CASH FLOWS FROM FINANCING ACTIVITIES						
Proceeds from draw down of revolving credit facility	—	—	95	—	—	95
Repayments of debt	—	—	(171)	(10)	—	(181)
Proceeds from issue of shares	26	—	—	—	—	26
Amounts owed by and to Group undertakings	71	(209)	51	87	—	—
Dividends paid	(88)	(132)	—	(733)	821	(132)
Acquisition of noncontrolling interests	—	—	—	(10)	—	(10)
Dividends paid to noncontrolling interests	—	—	—	(24)	—	(24)
Net cash provided by (used in) financing activities	9	(341)	(25)	(690)	821	(226)
DECREASE IN CASH AND CASH EQUIVALENTS	—	—	(30)	(12)	—	(42)
Effect of exchange rate changes on cash and cash equivalents	—	—	—	(8)	—	(8)
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	—	—	104	87	—	191
CASH AND CASH EQUIVALENTS, END OF PERIOD	$ —	$ —	$ 74	$ 67	$ —	$ 141
Cash and cash equivalents reported as discontinued operations	$ —	$ —	$ —	$ —	$ —	$ —
Cash and cash equivalents reported as continuing operations	$ —	$ —	$ 74	$ 67	$ —	$ 141

17. FINANCIAL INFORMATION FOR PARENT GUARANTOR, OTHER GUARANTOR SUBSIDIARIES AND NON-GUARANTOR SUBSIDIARIES (Continued)

Condensed Consolidating Statement of Cash Flows

	Nine months ended September 30, 2009					
	Willis Group Holdings	The Other Guarantors	The Issuer	Other	Consolidating adjustments	Consolidated
	(millions)					
NET CASH PROVIDED BY OPERATING ACTIVITIES	$ 70	$ 13	$ 193	$ 55	$ (45)	$ 286
CASH FLOWS FROM INVESTING ACTIVITIES						
Proceeds on disposal of fixed and intangible assets	—	—	—	12	—	12
Additions to fixed assets	—	—	(13)	(61)	—	(74)
Acquisitions of subsidiaries, net of cash acquired	—	—	—	1	—	1
Investments in associates	—	—	—	(43)	—	(43)
Proceeds from sale of operations, net of cash disposed	—	—	—	42	—	42
Proceeds on disposal of short-term investments	—	—	—	20	—	20
Net cash used in investing activities	—	—	(13)	(29)	—	(42)
CASH FLOWS FROM FINANCING ACTIVITIES						
Proceeds from draw down of revolving credit facility	—	—	65	—	—	65
Proceeds from issue of short-term debt, net of debt issuance costs	—	—	—	1	—	1
Repayments of debt	—	—	(750)	—	—	(750)
Repurchase of 2010 Senior Notes	—	—	(160)	—	—	(160)
Senior notes issued, net of debt issuance costs	—	482	296	—	—	778
Proceeds from issue of shares	15	—	—	—	—	15
Amounts owed by and to Group undertakings	57	(495)	478	(40)	—	—
Excess tax benefits from share-based payment arrangements	—	—	—	(3)	—	(3)
Dividends paid	(130)	—	—	(45)	45	(130)
Acquisition of noncontrolling interests	(12)	—	—	(19)	—	(31)
Dividends paid to noncontrolling interests	—	—	—	(12)	—	(12)
Net cash used in financing activities	(70)	(13)	(71)	(118)	45	(227)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	—	—	109	(92)	—	17
Effect of exchange rate changes on cash and cash equivalents	—	—	—	10	—	10
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	—	—	—	176	—	176
CASH AND CASH EQUIVALENTS, END OF PERIOD	$ —	$ —	$ 109	$ 94	$ —	$ 203
Cash and cash equivalents reported as discontinued operations	$ —	$ —	$ —	$ —	$ —	$ —
Cash and cash equivalents reported as continuing operations	$ —	$ —	$ 109	$ 94	$ —	$ 203

18. FINANCIAL INFORMATION FOR PARENT GUARANTOR, OTHER GUARANTOR SUBSIDIARIES AND NON-GUARANTOR SUBSIDIARIES

In March 2009, Trinity Acquisition plc issued senior notes totaling $500 million in a private transaction. The debt securities are jointly and severally, irrevocably and fully and unconditionally guaranteed by Willis Group Holdings, Willis Netherlands B.V., Willis Investment UK Holdings Limited, TA I Limited, TA II Limited, TA III Limited, TA IV Limited, Willis Group Limited and Willis North America. This debt has not been registered with the Securities and Exchange Commission. If and when registered, any necessary financial statements will be provided.

The Company filed a shelf registration on Form S-3 under which Willis Group Holdings may offer debt securities, preferred stock, ordinary stock and other securities. In addition, Trinity Acquisition plc may offer debt securities (‘the Subsidiary Debt Securities’). The Subsidiary Debt Securities, if issued, will be guaranteed by certain of the Company’s subsidiaries.

Presented below is unaudited condensed consolidating financial information required under the existing shelf registration for:

i) Willis Group Holdings, which will be a guarantor, on a parent company only basis;

ii) the Other Guarantors, which are all 100 percent directly or indirectly owned subsidiaries of the parent;

iii) the Issuer, Trinity Acquisition plc;

iv) Other, which are the non-guarantor subsidiaries, on a combined basis;

v) Consolidating adjustments; and

vi) Consolidated Company.

The equity method has been used for investments in subsidiaries in the unaudited condensed consolidating balance sheets of Willis Group Holdings, the Other Guarantors and the Issuer. Investments in subsidiaries in the unaudited condensed consolidating balance sheet for Other, represents the cost of investment in subsidiaries recorded in the parent companies of the non-guarantor subsidiaries.

The entities included in the Other Guarantors column are Willis Netherlands Holdings B.V., Willis Investment UK Holdings Limited, TA I Limited, TA II Limited and TA III Limited.

WILLIS GROUP HOLDINGS PUBLIC LIMITED COMPANY

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
(Unaudited)

18. FINANCIAL INFORMATION FOR PARENT GUARANTOR, OTHER GUARANTOR SUBSIDIARIES AND NON-GUARANTOR SUBSIDIARIES (Continued)

Condensed Consolidating Statement of Operations

	Three months ended September 30, 2010					
	Willis Group Holdings	The Other Guarantors	The Issuer	Other	Consolidating adjustments	Consolidated
	(millions)					
REVENUES						
Commissions and fees	$ —	$ —	$ —	$ 723	$ —	$ 723
Investment income	—	2	—	10	(2)	10
Other income	—	—	—	—	—	—
Total revenues	—	2	—	733	(2)	733
EXPENSES						
Salaries and benefits	—	—	—	(463)	1	(462)
Other operating expenses	(227)	(12)	(12)	104	18	(129)
Depreciation expense	—	—	—	(14)	—	(14)
Amortization of intangible assets	—	—	—	(22)	—	(22)
Net loss on disposal	(347)	—	—	(2,088)	2,435	—
Total expenses	(574)	(12)	(12)	(2,483)	2,454	(627)
OPERATING (LOSS) INCOME	(574)	(10)	(12)	(1,750)	2,452	106
Investment income from Group undertakings	—	34	57	132	(223)	—
Interest expense	—	(45)	(25)	(153)	183	(40)
(LOSS) INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAXES AND INTEREST IN LOSS EARNINGS OF ASSOCIATES	(574)	(21)	20	(1,771)	2,412	66
Income taxes	—	28	(7)	(1)	(30)	(10)
(LOSS) INCOME FROM CONTINUING OPERATIONS BEFORE INTEREST IN LOSS EARNINGS OF ASSOCIATES	(574)	7	13	(1,772)	2,382	56
Interest in earnings of associates, net of tax	—	—	—	8	1	9
(LOSS) INCOME FROM CONTINUING OPERATIONS	(574)	7	13	(1,764)	2,383	65
Discontinued operations, net of tax	—	—	—	—	—	—
NET (LOSS) INCOME	(574)	7	13	(1,764)	2,383	65
Less: Net income attributable to noncontrolling interests	—	—	—	1	(2)	(1)
EQUITY ACCOUNT FOR SUBSIDIARIES	638	87	55	—	(780)	—
NET INCOME (LOSS) ATTRIBUTABLE TO WILLIS GROUP HOLDINGS	$ 64	$ 94	$ 68	$ (1,764)	$ 1,603	$ 64

18. FINANCIAL INFORMATION FOR PARENT GUARANTOR, OTHER GUARANTOR SUBSIDIARIES AND NON-GUARANTOR SUBSIDIARIES (Continued)

Condensed Consolidating Statement of Operations

	Three months ended September 30, 2009					
	Willis Group Holdings	The Other Guarantors	The Issuer	Other	Consolidating adjustments	Consolidated
	(millions)					
REVENUES						
Commissions and fees	$ —	$ —	$ —	$ 714	$ —	$ 714
Investment income	—	—	—	10	—	10
Other income	—	—	—	1	—	1
Total revenues	—	—	—	725	—	725
EXPENSES						
Salaries and benefits	—	—	—	(450)	1	(449)
Other operating expenses	(2)	(1)	6	(169)	15	(151)
Depreciation expense	—	—	—	(15)	—	(15)
Amortization of intangible assets	—	—	—	(29)	—	(29)
Net gain on disposal of operations	—	—	—	1	—	1
Total expenses	(2)	(1)	6	(662)	16	(643)
OPERATING (LOSS) INCOME	(2)	(1)	6	63	16	82
Investment income from Group undertakings	24	8	57	131	(220)	—
Interest expense	—	(41)	(26)	(180)	200	(47)
INCOME (LOSS) FROM CONTINUING OPERATIONS BEFORE INCOME TAXES AND INTEREST IN EARNINGS OF ASSOCIATES	22	(34)	37	14	(4)	35
Income taxes	—	8	(9)	41	(11)	29
INCOME (LOSS) FROM CONTINUING OPERATIONS BEFORE INTEREST IN EARNINGS OF ASSOCIATES	22	(26)	28	55	(15)	64
Interest in earnings of associates, net of tax	—	—	—	16	—	16
INCOME (LOSS) FROM CONTINUING OPERATIONS	22	(26)	28	71	(15)	80
Discontinued operations, net of tax	—	—	—	1	—	1
NET INCOME (LOSS)	22	(26)	28	72	(15)	81
Less: Net income attributable to noncontrolling interests	—	—	—	—	(2)	(2)
EQUITY ACCOUNT FOR SUBSIDIARIES	57	154	128	—	(339)	—
NET INCOME ATTRIBUTABLE TO WILLIS GROUP HOLDINGS LIMITED	$ 79	$ 128	$ 156	$ 72	$ (356)	$ 79

WILLIS GROUP HOLDINGS PUBLIC LIMITED COMPANY

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
(Unaudited)

18. FINANCIAL INFORMATION FOR PARENT GUARANTOR, OTHER GUARANTOR SUBSIDIARIES AND NON-GUARANTOR SUBSIDIARIES (Continued)

Condensed Consolidating Statement of Operations

	Nine months ended September 30, 2010					
	Willis Group Holdings	The Other Guarantors	The Issuer	Other	Consolidating adjustments	Consolidated
	(millions)					
REVENUES						
Commissions and fees	$ —	$ —	$ —	$ 2,475	$ —	$ 2,475
Investment income	—	7	—	29	(7)	29
Other income	—	—	—	—	—	—
Total revenues	—	7	—	2,504	(7)	2,504
EXPENSES						
Salaries and benefits	—	—	—	(1,420)	16	(1,404)
Other operating expenses	338	3	7	(745)	(16)	(413)
Depreciation expense	—	—	—	(45)	—	(45)
Amortization of intangible assets	—	—	—	(64)	—	(64)
Net (loss) gain on disposal	(347)	—	—	347	(2)	(2)
Total expenses	(9)	3	7	(1,927)	(2)	(1,928)
OPERATING (LOSS) INCOME	(9)	10	7	577	(9)	576
Investment income from Group undertakings	—	226	168	1,041	(1,435)	—
Interest expense	—	(128)	(74)	(523)	601	(124)
(LOSS) INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAXES AND INTEREST IN EARNINGS OF ASSOCIATES	(9)	108	101	1,095	(843)	452
Income taxes	—	27	(29)	(92)	(18)	(112)
(LOSS) INCOME FROM CONTINUING OPERATIONS BEFORE INTEREST IN EARNINGS OF ASSOCIATES	(9)	135	72	1,003	(861)	340
Interest in earnings of associates, net of tax	—	—	—	22	5	27
(LOSS) INCOME FROM CONTINUING OPERATIONS	(9)	135	72	1,025	(856)	367
Discontinued operations, net of tax	—	—	—	—	—	—
NET (LOSS) INCOME	(9)	135	72	1,025	(856)	367
Less: Net income from noncontrolling interests	—	—	—	(2)	(8)	(10)
EQUITY ACCOUNT FOR SUBSIDIARIES	366	227	264	—	(857)	—
NET INCOME ATTRIBUTABLE TO WILLIS GROUP HOLDINGS	$ 357	$ 362	$ 336	$ 1,023	$ (1,721)	$ 357

WILLIS GROUP HOLDINGS PUBLIC LIMITED COMPANY

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
(Unaudited)

18. FINANCIAL INFORMATION FOR PARENT GUARANTOR, OTHER GUARANTOR SUBSIDIARIES AND NON-GUARANTOR SUBSIDIARIES (Continued)

Condensed Consolidating Statement of Operations

	Nine months ended September 30, 2009					
	Willis Group Holdings	The Other Guarantors	The Issuer	Other	Consolidating adjustments	Consolidated
	(millions)					
REVENUES						
Commissions and fees	$ —	$ —	$ —	$ 2,401	$ —	$ 2,401
Investment income	—	—	—	35	—	35
Other income	—	—	—	3	—	3
Total revenues	—	—	—	2,439	—	2,439
EXPENSES						
Salaries and benefits	—	—	—	(1,378)	6	(1,372)
Other operating expenses	(2)	1	(14)	(425)	12	(428)
Depreciation expense	—	—	—	(43)	—	(43)
Amortization of intangible assets	—	—	—	(76)	—	(76)
Net gain on disposal of operations	—	—	—	1	—	1
Total expenses	(2)	1	(14)	(1,921)	18	(1,918)
OPERATING (LOSS) INCOME	(2)	1	(14)	518	18	521
Investment income from Group undertakings	69	24	157	527	(777)	—
Interest expense	—	(122)	(65)	(554)	613	(128)
INCOME (LOSS) FROM CONTINUING OPERATIONS BEFORE INCOME TAXES AND INTEREST IN EARNINGS OF ASSOCIATES	67	(97)	78	491	(146)	393
Income taxes	—	28	(23)	(65)	(4)	(64)
INCOME (LOSS) FROM CONTINUING OPERATIONS BEFORE INTEREST IN EARNINGS OF ASSOCIATES	67	(69)	55	426	(150)	329
Interest in earnings of associates, net of tax	—	—	—	42	—	42
INCOME (LOSS) FROM CONTINUING OPERATIONS	67	(69)	55	468	(150)	371
Discontinued operations, net of tax	—	—	—	2	—	2
NET INCOME (LOSS)	67	(69)	55	470	(150)	373
Less: Net income attributable to noncontrolling interests	—	—	—	(3)	(11)	(14)
EQUITY ACCOUNT FOR SUBSIDIARIES	292	343	289	—	(924)	—
NET INCOME ATTRIBUTABLE TO WILLIS GROUP HOLDINGS LIMITED	$ 359	$ 274	$ 344	$ 467	$ (1,085)	$ 359

WILLIS GROUP HOLDINGS PUBLIC LIMITED COMPANY

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
(Unaudited)

18. FINANCIAL INFORMATION FOR PARENT GUARANTOR, OTHER GUARANTOR SUBSIDIARIES AND NON-GUARANTOR SUBSIDIARIES (Continued)

Condensed Consolidating Balance Sheet

	As at September 30, 2010					
	Willis Group Holdings	The Other Guarantors	The Issuer	Other	Consolidating adjustments	Consolidated
	(millions)					
ASSETS						
Cash and cash equivalents	$ —	$ —	$ —	$ 141	$ —	$ 141
Fiduciary funds — restricted	—	—	—	1,760	—	1,760
Accounts receivable	3,718	2,004	2,609	10,636	(10,335)	8,632
Fixed assets	—	—	—	357	(1)	356
Goodwill	—	—	—	1,711	1,564	3,275
Other intangible assets	—	—	—	477	30	507
Investments in associates	—	—	—	(45)	214	169
Deferred tax assets	—	—	—	59	(6)	53
Pension benefits asset	—	—	—	144	—	144
Other assets	19	182	15	1,109	(610)	715
Investments in subsidiaries	(1,204)	3,341	2,510	2,881	(7,528)	—
TOTAL ASSETS	$ 2,533	$ 5,527	$ 5,134	$ 19,230	$ (16,672)	$ 15,752
LIABILITIES AND EQUITY						
Accounts payable	$ 18	$ 6,904	$ 1,306	$ 11,974	$ (10,439)	$ 9,763
Deferred revenue and accrued expenses	—	—	—	265	(20)	245
Deferred tax liabilities	—	—	—	18	(6)	12
Income taxes payable	—	—	60	211	(208)	63
Short-term debt	—	—	—	110	—	110
Long-term debt	—	—	500	1,702	—	2,202
Liability for pension benefits	—	—	—	155	—	155
Other liabilities	45	—	—	702	(43)	704
Total liabilities	63	6,904	1,866	15,137	(10,716)	13,254
Total Willis Group Holdings stockholders' equity	2,470	(1,377)	3,268	4,091	(5,982)	2,470
Noncontrolling interests	—	—	—	2	26	28
Total equity	2,470	(1,377)	3,268	4,093	(5,956)	2,498
TOTAL LIABILITIES AND EQUITY	$ 2,533	$ 5,527	$ 5,134	$ 19,230	$ (16,672)	$ 15,752

WILLIS GROUP HOLDINGS PUBLIC LIMITED COMPANY

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
(Unaudited)

18. FINANCIAL INFORMATION FOR PARENT GUARANTOR, OTHER GUARANTOR SUBSIDIARIES AND NON-GUARANTOR SUBSIDIARIES (Continued)

Condensed Consolidating Balance Sheet

	As at December 31, 2009					
	Willis Group Holdings	The Other Guarantors	The Issuer	Other	Consolidating adjustments	Consolidated
	(millions)					
ASSETS						
Cash and cash equivalents	$ —	$ —	$ —	$ 191	$ —	$ 191
Fiduciary funds — restricted	—	—	—	1,683	—	1,683
Accounts receivable	—	698	2,489	14,720	(9,269)	8,638
Fixed assets	—	—	—	352	—	352
Goodwill	—	—	—	1,722	1,555	3,277
Other intangible assets	—	—	—	542	30	572
Investments in associates	—	—	—	76	80	156
Deferred tax assets	—	—	—	97	(15)	82
Pension benefits asset	—	—	—	69	—	69
Other assets	—	37	17	989	(440)	603
Equity accounted subsidiaries	2,180	3,051	2,366	2,882	(10,479)	—
TOTAL ASSETS	$ 2,180	$ 3,786	$ 4,872	$ 23,323	$ (18,538)	$ 15,623
LIABILITIES AND EQUITY						
Accounts payable	$ —	$ 3,040	$ 1,289	$ 14,769	$ (9,412)	$ 9,686
Deferred revenue and accrued expenses	—	—	—	324	(23)	301
Deferred tax liabilities	—	—	—	44	(15)	29
Income taxes payable	—	1	32	258	(245)	46
Short-term debt	—	—	—	209	—	209
Long-term debt	—	—	500	1,665	—	2,165
Liability for pension benefits	—	—	—	187	—	187
Other liabilities	—	—	—	755	16	771
Total liabilities	—	3,041	1,821	18,211	(9,679)	13,394
Total Willis Group Holdings stockholders' equity	2,180	745	3,051	5,108	(8,904)	2,180
Noncontrolling interests	—	—	—	4	45	49
Total equity	2,180	745	3,051	5,112	(8,859)	2,229
TOTAL LIABILITIES AND EQUITY	$ 2,180	$ 3,786	$ 4,872	$ 23,323	$ (18,538)	$ 15,623

18. FINANCIAL INFORMATION FOR PARENT GUARANTOR, OTHER GUARANTOR SUBSIDIARIES AND NON-GUARANTOR SUBSIDIARIES (Continued)

Condensed Consolidating Statement of Cash Flows

	Nine months ended September 30, 2010					
	Willis Group Holdings	The Other Guarantors	The Issuer	Other	Consolidating adjustments	Consolidated
	(millions)					
NET CASH (USED IN) PROVIDED BY OPERATING ACTIVITIES	$ (9)	$ 109	$ 102	$ 879	$ (821)	$ 260
CASH FLOWS FROM INVESTING ACTIVITIES						
Proceeds on disposal of fixed and intangible assets	—	—	—	6	—	6
Additions to fixed assets	—	—	—	(59)	—	(59)
Acquisitions of subsidiaries, net of cash acquired	—	—	—	(20)	—	(20)
Investment in Trident V Parallel Fund, LP (Note 7)	—	—	—	(2)	—	(2)
Acquisitions of investments in associates	—	—	—	(1)	—	(1)
Net cash used in investing activities	—	—	—	(76)	—	(76)
CASH FLOWS FROM FINANCING ACTIVITIES						
Proceeds from draw down of revolving credit facility	—	—	—	95	—	95
Repayments of debt	—	—	—	(181)	—	(181)
Proceeds from issue of shares	26	—	—	—	—	26
Amounts owed by and to Group undertakings	71	23	(102)	8	—	—
Dividends paid	(88)	(132)	—	(733)	821	(132)
Acquisition of noncontrolling interests	—	—	—	(10)	—	(10)
Dividends paid to noncontrolling interests	—	—	—	(24)	—	(24)
Net cash provided by (used in) financing activities	9	(109)	(102)	(845)	821	(226)
DECREASE IN CASH AND CASH EQUIVALENTS	—	—	—	(42)	—	(42)
Effect of exchange rate changes on cash and cash equivalents	—	—	—	(8)	—	(8)
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	—	—	—	191	—	191
CASH AND CASH EQUIVALENTS, END OF PERIOD	$ —	$ —	$ —	$ 141	$ —	$ 141
Cash and cash equivalents reported as discontinued operations	$ —	$ —	$ —	$ —	$ —	$ —
Cash and cash equivalents reported as continuing operations	$ —	$ —	$ —	$ 141	$ —	$ 141

WILLIS GROUP HOLDINGS PUBLIC LIMITED COMPANY

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
(Unaudited)

18. FINANCIAL INFORMATION FOR PARENT GUARANTOR, OTHER GUARANTOR SUBSIDIARIES AND NON-GUARANTOR SUBSIDIARIES (Continued)

Condensed Consolidating Statement of Cash Flows

	Nine months ended September 30, 2009					
	Willis Group Holdings	The Other Guarantors	The Issuer	Other	Consolidating adjustments	Consolidated
	(millions)					
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	$ 70	$ (97)	$ 64	$ 294	$ (45)	$ 286
CASH FLOWS FROM INVESTING ACTIVITIES						
Proceeds on disposal of fixed and intangible assets	—	—	—	12	—	12
Additions to fixed assets	—	—	—	(74)	—	(74)
Acquisitions of subsidiaries, net of cash acquired	—	—	—	1	—	1
Investments in associates	—	—	—	(43)	—	(43)
Proceeds from sale of operations, net of cash disposed	—	—	—	42	—	42
Proceeds on disposal of short-term investments	—	—	—	20	—	20
Net cash used in investing activities	—	—	—	(42)	—	(42)
CASH FLOWS FROM FINANCING ACTIVITIES						
Proceeds from draw down of revolving credit facility	—	—	—	65	—	65
Proceeds from issue of short-term debt, net of debt issuance costs	—	—	—	1	—	1
Repayments of debt	—	—	—	(750)	—	(750)
Repurchase of 2010 Senior Notes	—	—	—	(160)	—	(160)
Senior notes issued, net of debt issuance costs	—	—	482	296	—	778
Proceeds from issue of shares	15	—	—	—	—	15
Amounts owed by and to Group undertakings	57	97	(546)	392	—	—
Excess tax benefits from share-based payment arrangements	—	—	—	(3)	—	(3)
Dividends paid	(130)	—	—	(45)	45	(130)
Acquisition of noncontrolling interests	(12)	—	—	(19)	—	(31)
Dividends paid to noncontrolling interests	—	—	—	(12)	—	(12)
Net cash (used in) provided by financing activities	(70)	97	(64)	(235)	45	(227)
INCREASE IN CASH AND CASH EQUIVALENTS	—	—	—	17	—	17
Effect of exchange rate changes on cash and cash equivalents	—	—	—	10	—	10
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	—	—	—	176	—	176
CASH AND CASH EQUIVALENTS, END OF PERIOD	$ —	$ —	$ —	$ 203	$ —	$ 203

Item 2 — ***Management's Discussion and Analysis of Financial Condition and Results of Operations***

This discussion includes references to non-GAAP financial measures as defined in Regulation G of the rules of the Securities and Exchange Commission ('SEC'). We present such non-GAAP financial measures, as we believe such information is of interest to the investment community because it provides additional meaningful methods of evaluating certain aspects of the Company's operating performance from period to period on a basis that may not be otherwise apparent on a GAAP basis. Organic revenue growth and organic growth in commissions and fees exclude the impact of acquisitions and disposals, period over period movements in foreign exchange, legacy contingent commissions assumed as part of the HRH acquisition, and investment and other income from growth in revenues and commissions and fees. We believe organic revenue growth and organic growth in commissions and fees provide measures that the investment community may find helpful in assessing the performance of operations that were part of our operations in both the current and prior periods, and provide a measure against which our businesses may be assessed in the future. These financial measures should be viewed in addition to, not in lieu of, the unaudited condensed consolidated financial statements for the three and nine months ended September 30, 2010.

This discussion includes forward-looking statements, including under the headings 'Business Overview and Market Outlook', 'Executive Summary', 'Operating Results — Group', 'Operating Results — Segments' and 'Liquidity and Capital Resources.' Please see 'Information Concerning Forward-Looking Statements' for certain cautionary information regarding forward-looking statements and a list of factors that could cause actual results to differ materially from those predicted in the forward-looking statements.

BUSINESS OVERVIEW AND MARKET OUTLOOK

We provide a broad range of insurance broking, risk management and consulting services to our clients worldwide. Our core specialty businesses include Aerospace; Energy; Marine; Construction; Financial and Executive Risks; Fine Art, Jewelry and Specie; Special Contingency Risks; and Reinsurance. Our retail operations provide services to small, medium and major corporations and the employee benefits practice, our largest product-based practice group, provides health, welfare and human resources consulting and brokerage services. Our Willis Capital Markets & Advisory division ('WCMA') acts as a financial advisor on mergers and acquisitions and capital markets products, primarily focusing on the insurance and reinsurance sector and may place or underwrite securities. WCMA also acts as agent for secondary market trades of insurance linked securities.

In our capacity as advisor and insurance broker, we act as an intermediary between our clients and insurance carriers by advising our clients on their risk management requirements, helping clients determine the best means of managing risk, and negotiating and placing insurance risk with insurance carriers through our global distribution network.

We derive most of our revenues from commissions and fees for brokerage and consulting services and do not determine the insurance premiums on which our commissions are generally based. Fluctuations in these premiums charged by the insurance carriers have a direct and potentially material impact on our results of operations. Commission levels generally follow the same trend as premium levels as they are derived from a percentage of the premiums paid by the insureds. Due to the cyclical nature of the insurance market and the impact of other market conditions on insurance premiums, they may vary widely between accounting periods. Reductions in premium rates, leading to downward pressure on commission revenues (a 'soft' market), can have a potentially material impact on our commission revenues and operating margin.

A 'hard' market occurs when premium uplifting factors, including a greater than anticipated loss experience or capital shortages, more than offset any downward pressures on premiums. This usually has a favorable impact on our commission revenues and operating margin.

From 2000 through 2003, we benefited from a hard market with premium rates stable or increasing. During 2004, we saw a rapid transition from a hard market to a soft market, with premium rates falling in most markets. Rates continued to decline in most sectors through 2005 and 2006, with the exception of catastrophe-exposed markets. In 2007, the market softened further with decreases in many of the market sectors in which we operated and this continued into 2008 with further premium rate declines averaging 10% across our markets.

In 2009, the benefit of rate increases in the reinsurance market and stabilization in some specialty markets was offset by the continuing soft market in other sectors and the adverse impact of the weakened economic environment across the globe.

Our North America and UK and Ireland retail operations have been particularly impacted by the weakened economic climate and continued soft market with no material improvement in rates across most sectors; clients retaining higher levels of risk; and lower levels of insured activity. This resulted in declines in 2009 revenues in these operations, particularly amongst our smaller clients who are especially vulnerable to the economic downturn.

The difficult market conditions have continued through third quarter 2010 and, in the absence of any major loss activity, we see little near-term sign of change.

Our main priorities for 2010 and into early 2011 continue to be:

- reinforcement of our sales and revenue culture to drive growth;
- execution of our ongoing Shaping Our Future initiatives, creating incremental savings to fund growth and leveraging growth opportunities from our global footprint;
- disciplined expense management; and
- further strengthening of the balance sheet and reduction in our debt to EBITDA (earnings before interest, tax, and depreciation and amortization) ratio.

EXECUTIVE SUMMARY

Overview

Total revenue growth was 1 percent in third quarter 2010 and 3 percent in the nine months to September 30, 2010. Despite the continued difficult trading conditions, we had 4 percent organic commissions and fees growth in both third quarter and the first nine months of 2010. This reflected organic growth in all business units for the third quarter: 6 percent for International, 4 percent for Global and 2 percent for our North America operations. Third quarter growth was driven by new business generation of 13 percent combined with steady client retention rates. In the first nine months of 2010, we also recorded organic growth for all business units: Global and International both achieved 6 percent organic growth and North America 1 percent organic growth compared with same period 2009.

Operating margin for third quarter 2010 was 14 percent compared with 11 percent for third quarter 2009, and for the first nine months of 2010 operating margin increased to 23 percent, compared with 21 percent in the same period of 2009. This year on year improvement in both the quarter and nine months to September 30, 2010 included the benefit of organic growth in commissions and fees, favorable foreign currency movements, and continuing disciplined management of costs, partly offset by higher incentive compensation and other initiatives to support current and future growth.

Results from continuing operations for third quarter 2010

Net income from continuing operations in third quarter 2010 was $64 million, or $0.37 per diluted share, compared with $78 million, or $0.46 per diluted share, in third quarter 2009.

Total revenues from continuing operations at $733 million for third quarter 2010 were $8 million, or 1 percent, higher than in third quarter 2009, reflecting organic revenue growth of 4 percent, offset by a 3 percent adverse impact from foreign currency translation.

Organic revenue growth of 4 percent was driven by 6 percent net new business growth (which constitutes the revenue growth from business won over the course of the quarter, net of the revenue from existing business lost) offset by a 2 percent negative impact from declining premium rates and other market factors.

Operating margin at 14 percent was 3 percentage points higher than third quarter 2009, as the benefits of:

- 4 percent organic growth in commissions and fees;
- a favorable period over period impact from foreign currency translation of about 1 percentage

point as the adverse impact of foreign currency on our revenues was more than offset by a favorable impact on our expense base and lower hedging losses when compared with 2009;

- a $7 million reduction in amortization of intangible assets, equivalent to about 1 percentage point;
- the release of a previously established $7 million legal reserve, equivalent to about 1 percentage point; and
- rigorous expense management;

were partly offset by:

- increased incentive expenses due to a higher accrual for incentive compensation partly reflecting improved performance across many regions, together with a $6 million increase in the amortization of cash retention awards; and
- investment in growth initiatives to support current and future growth.

Income tax expense for the third quarter 2010 was $10 million compared with a net tax credit of $29 million in 2009. Both years benefited from a release of provisions for uncertain tax positions and 2009 additionally benefited from a $27 million tax credit following a change to UK tax law. Excluding the benefit of these items, the effective tax rate in both third quarter 2010 and 2009 was approximately 26 percent.

Earnings from associates were $9 million compared with $16 million in 2009 with the decrease primarily reflecting our reduced ownership of Gras Savoye.

Results from continuing operations for the nine months ended September 30, 2010

Net income from continuing operations for the first nine months of 2010 was $357 million, or $2.09 per diluted share, compared with $357 million, or $2.13 per diluted share, in same period 2009.

Total revenues at $2,504 million for the first nine months of 2010 were $65 million, or 3 percent, higher than in 2009, as organic revenue growth of 4 percent, driven predominately by our Global and International operations, and a 1 percent benefit from acquisitions and disposals were partly offset by a $9 million reduction in investment and other income and a 2 percent decrease attributable to contingent commissions assumed as part of the HRH acquisition.

Operating margin at 23 percent in the first nine months of 2010 was 2 percentage points higher than in 2009 as the benefits of:

- 4 percent organic growth in commissions and fees;
- a favorable period over period impact from foreign currency translation of about 1 percentage point, excluding the impact from the devaluation of the Venezuelan currency;
- a reduction in amortization of intangible assets of $12 million, reflecting: the period over period benefit of $7 million from the third quarter 2009 accelerated amortization of the HRH brand name; and the declining charge relating to the HRH customer relationship intangible which is being amortized in line with the underlying discounted cash flows; and
- the release of a previously established $7 million legal reserve;

were partly offset by:

- a $37 million increase in incentive expenses including: a $22 million increase in the amortization of cash retention awards; and a $15 million increase in the accrual for incentive compensation reflecting improved performance across many regions;
- a $15 million reduction in legacy contingent commissions assumed on the acquisition of HRH;
- a charge of $12 million relating to the devaluation of the Venezuelan currency in January 2010;
- investment in initiatives to support current and future growth;
- an $8 million increase in share-based compensation charge, primarily due to the non-recurrence of a $5 million credit in first quarter 2009; and
- a $6 million reduction in investment income driven by lower average interest rates, particularly on Euro denominated deposits, in the first nine months of 2010 compared with 2009.

Venezuela currency devaluation

With effect from January 1, 2010 the Venezuelan economy was designated as hyper-inflationary. The

Venezuelan government also devalued the Bolivar Fuerte in January 2010. As a result of these actions, we recorded a $12 million charge in other expenses in the first nine months of 2010 to reflect the re-measurement of our net assets denominated in Venezuelan Bolivar Fuerte at January 1, 2010.

Shaping Our Future and Funding for Growth

Our Shaping Our Future and Funding for Growth strategies are a series of initiatives designed to deliver profitable growth. These initiatives focus on three key areas:

- an organic growth program designed to drive revenue growth. This program includes achieving retention and new business metrics across our businesses; increasing the productivity and effectiveness of our revenue-generating employees and recruiting the best talent in the industry; and continued development in key markets and potential growth areas such as China, Brazil, Employee Benefits, Facultative and WCMA;
- Shaping Our Future which is driving our efficiency and profitability and includes longer term initiatives designed to enhance our infrastructure and processes, and make optimal use of our locations, including our support centers such as the offshore center in Mumbai; and
- Funding for Growth: In 2010, we have identified performance management and corporate savings that, as we execute on, will enable us to fund investments in areas such as technology and new key hires.

Acquisitions

During the first nine months of 2010, we acquired:

- an additional 39 percent of our Chinese operations at a total cost of approximately $17 million, bringing our ownership to 90 percent as at September 30, 2010; and
- an additional 15 percent of our Colombian operations at a total cost of approximately $7 million, bringing our ownership to 80 percent as at September 30, 2010.

Discontinued operations

No operations were discontinued during the first nine months of 2010.

Net income in the first nine months of 2009 included $2 million, of which $1 million was recognized in third quarter, from our previously owned Bliss & Glennon and Managing Agency Group US-based wholesale insurance operations, both of which were disposed of during 2009.

Cash and financing

Cash at September 30, 2010 was $141 million, $50 million lower than at December 31, 2009.

Total cash generated from operating activities in the first nine months of 2010 was $260 million compared with $286 million in the same period 2009.

Net cash generated from operating activities in the first nine months of 2010 of $260 million, a net drawdown of $95 million on our revolving credit facility and $50 million of cash on hand at December 31, 2009, were used to fund: repayments of debt of $181 million; dividend payments of $132 million; fixed asset additions of $59 million; earn outs relating to prior period acquisitions of $20 million; and a net $13 million outflow from other smaller cash flows including the impact of foreign currency translation.

In August 2010, we entered into a new revolving credit facility agreement under which a further $200 million is available, in addition to the remaining availability under our previously existing $300 million revolving credit facility.

At September 30, 2010, we have $nil outstanding under this $200 million facility and $95 million outstanding under our pre-existing $300 million facility.

Total debt, total equity and the capitalization ratio at September 30, 2010 and December 31, 2009 were as follows:

	September 30, 2010	December 31, 2009
	(millions, except percentages)	
Long-term debt	$ 2,202	$ 2,165
Short-term debt	110	209
Total debt	$ 2,312	$ 2,374
Total equity	$ 2,496	$ 2,229
Capitalization ratio	48%	52%

Liquidity

Our principal sources of liquidity are cash from operations, cash and cash equivalents of

$141 million at September 30, 2010 and $405 million remaining availability under our revolving credit facilities.

Based on current market conditions and information available to us at this time, we believe that we have sufficient liquidity to meet our cash needs for at least the next 12 months.

OPERATING RESULTS — GROUP

Revenues

Three Months Ended September 30,	2010	2009	% Change	Change attributable to: Foreign currency translation	Acquisitions and disposals	Contingent Commissions(b)	Organic revenue growth(a)
	(millions)						
Global	$ 181	$ 175	3%	(2)%	1%	—%	4%
North America	328	320	2%	—%	—%	—%	2%
International	214	219	(2)%	(7)%	(1)%	—%	6%
Commissions and fees	$ 723	$ 714	1%	(3)%	—%	—%	4%
Investment income	10	10	—%				
Other income	—	1	(100)%				
Total revenues	$ 733	$ 725	1%				

Nine Months Ended September 30,	2010	2009	% Change	Change attributable to: Foreign currency translation	Acquisitions and disposals	Contingent Commissions(b)	Organic revenue growth(a)
	(millions)						
Global	$ 698	$ 657	6%	—%	—%	—%	6%
North America	1,015	1,023	(1)%	—%	—%	(2)%	1%
International	762	721	6%	(1)%	1%	—%	6%
Commissions and fees	$ 2,475	$ 2,401	3%	—%	1%	(2)%	4%
Investment income	29	35	(17)%				
Other income	—	3	(100)%				
Total revenues	$ 2,504	$ 2,439	3%				

(a) Organic revenue growth excludes: (i) the impact of foreign currency translation; (ii) the first twelve months of net commission and fee revenues generated from acquisitions; (iii) the net commission and fee revenues related to operations disposed of in each period presented; (iv) in North America, legacy contingent commissions assumed as part of the HRH acquisition and that had not been converted into higher standard commission; and (v) investment income and other income from reported revenues.

(b) Included in North America reported commissions and fees were legacy HRH contingent commissions of $1 million in the third quarter 2010 and $11 million in the first nine months of 2010 compared with $2 million and $26 million in the third quarter and first nine months of 2009, respectively.

Our methods of calculating these measures may differ from those used by other companies and therefore comparability may be limited.

Third quarter 2010

Revenues for the third quarter 2010, at $733 million, were $8 million, or 1 percent, higher than 2009. The increase reflects 4 percent organic growth in commissions and fees, partly offset by a negative 3 percent impact from foreign currency translation.

Investment income in third quarter 2010 was in line with 2009. The ongoing impact on investment income of low rates across the globe continues to be partially mitigated by our forward hedging program, from which we expect to generate additional income in the remainder of 2010 compared to current LIBOR based rates.

Our International and Global operations earn a significant portion of their revenues in currencies other than the US dollar, including the Euro and Pound Sterling. In the three months ended September 30, 2010, reported revenues were adversely impacted by the period over period effect of foreign currency translation, in particular due to the weakening of the Euro, Pound Sterling and Venezuelan Bolivar Fuerte against the US dollar during the quarter, compared with the same period in 2009.

Organic growth in commissions and fees was 4 percent for the third quarter of 2010, with positive organic growth in all reported segments:

- International achieved 6 percent organic growth with positive contributions from all regions;
- Global achieved 4 percent organic growth with good growth in net new business; and
- North America reported 2 percent organic growth, reflecting strong growth in net new business, partially offset by the adverse impacts of the continued soft market and ongoing weakened economic conditions.

Nine months ended September 30, 2010

Revenues for the first nine months of 2010, at $2,504 million, were $65 million, or 3 percent, higher than 2009. The increase reflects the benefit of 4 percent organic growth in commissions and fees and a 1 percent benefit from net acquisitions and disposals, partly offset by a 2 percent reduction in legacy contingent commissions, together with smaller reductions in investment and other income.

In the nine months ended September 30, 2010, the period over period effect of foreign currency translation on total revenues was flat, as the relative effect of the third quarter 2010 weakening of the Euro and Pound Sterling against the US dollar was offset by a relative strengthening against the US dollar in the early part of 2010 in addition to the third quarter strengthening against the US dollar of a basket of other currencies in which we earn revenues, including the Australian dollar.

Organic growth in commissions and fees was 4 percent for the first nine months of 2010. Global achieved 6 percent organic growth, driven by strong growth in our WCMA business primarily in the second quarter of 2010 together with new business growth in Global Specialties and Reinsurance; International also achieved 6 percent organic growth; and North America reported 1 percent organic growth, as the benefit of growth in new business was largely offset by the impact of the continued soft market and ongoing weakened economic conditions.

Organic revenue growth by segment is discussed further in 'Operating Results — Segment Information' below.

General and administrative expenses

	Three months ended September 30, 2010	Three months ended September 30, 2009	Nine months ended September 30, 2010	Nine months ended September 30, 2009
	(millions, except percentages)			
Salaries and benefits	$ 462	$ 449	$ 1,404	$ 1,372
Other	129	151	413	428
General and administrative expenses	$ 591	$ 600	$ 1,817	$ 1,800
Salaries and benefits as a percentage of revenues	63%	62%	56%	56%
Other as percentage of revenues	18%	21%	16%	18%

Salaries and benefits

Third quarter 2010

Salaries and benefits were 63 percent of revenues in third quarter 2010 compared with 62 percent in the same period 2009, reflecting:

- increased incentive expenses due to a higher accrual for incentive compensation partly reflecting improved performance across many regions, together with a $6 million increase in the amortization of cash retention awards — see below; and
- investment in initiatives to support current and future growth;

partly offset by:

- a period over period benefit from foreign currency translation driven primarily by the strengthening of the US dollar against the Pound Sterling, in which our London Market based operations incur the majority of their salaries and benefits expense; and
- lower share-based compensation, reflecting the benefit of a $4 million credit in third quarter 2010 relating to equity forfeiture.

Nine months ended September 30, 2010

Salaries and benefits were 56 percent of revenues for both the first nine months of 2010 and the same period 2009, as the benefits of:

- a $6 million reduction in severance costs. More positions were eliminated in 2010 but the average cost per position that was eliminated was significantly lower than in 2009. In the first nine months of 2010 we identified approximately 450 positions that have been or will be eliminated as part of our continued focus on managing expense; this compares with some 350 positions eliminated in same period 2009; and
- a period over period benefit from foreign currency translation driven primarily by the strengthening of the US dollar against the Pound Sterling;

were offset by:

- a $37 million increase in incentive expenses including: a $22 million increase in the amortization of cash retention awards; and a $15 million increase in the accrual for incentive compensation reflecting improved performance across many regions;
- an $8 million increase in share-based compensation mainly reflecting the non-recurrence of a $5 million credit in first quarter 2009. The credit in 2009 related to accumulated compensation expense for certain 2008 awards which were dependent upon performance targets which the Company did not achieve; and
- investment in initiatives to support current and future growth.

Cash retention awards

We have a cash retention award program in place. We started making cash retention awards in 2005 to a small number of employees. With the success of the program, we have expanded it over time to include more staff and we believe it is a contributing factor to the reduction in employee turnover we have seen in recent years.

Salaries and benefits do not reflect the unamortized portion of annual cash retention awards made to employees. Employees must repay a proportionate amount of these cash retention awards if they voluntarily leave our employ (other than in the event of retirement or permanent disability) before a certain time period, currently three years. We make cash payments to our employees in the year we grant these retention awards and recognize these payments ratably over the period they are subject to repayment, beginning in the quarter in which the award is made.

During the third quarter and first nine months of 2010, we made $4 million and $189 million of cash retention payments respectively compared with $3 million and $143 million in the same periods of 2009. Salaries and benefits in the third quarter and first nine months of 2010 include $28 million and $88 million respectively of amortization of cash retention payments made on or before September 30, 2010 compared with $22 million and $66 million in the same periods of 2009. As of September 30, 2010, December 31, 2009 and September 30, 2009, we included $193 million, $98 million and $121 million, respectively, in other assets on the balance sheet, which represented the unamortized portion of cash retention payments made on or before those dates.

Other expenses

Third quarter 2010

Other expenses were 18 percent of revenues in third quarter 2010 compared with 21 percent in 2009, as the benefits of a $7 million release of a previously established legal reserve and a net positive period over period impact from foreign currency translation were partly offset by increases in travel and entertaining expenses in support of our revenue growth initiatives.

Nine months ended September 30, 2010

Other expenses were 16 percent of revenues in the first nine months of 2010, compared with 18 percent in the same period 2009, despite the $12 million first quarter 2010 charge relating to the devaluation of the Venezuelan currency. This charge, together with increases in travel and entertaining expenses in support of our revenue growth initiatives, were more than offset by the benefit of significantly lower losses on forward rate contracts and the $7 million third quarter 2010 release of a previously established legal reserve, together with ongoing expense management.

Amortization of intangible assets

Amortization of intangible assets for third quarter 2010 was $22 million compared with $29 million in 2009 and for the nine months ended September 30, 2010 was $64 million compared with $76 million in 2009.

The decreases primarily reflect: the period-over-period benefit of the third quarter 2009 accelerated amortization of $7 million relating to the HRH brand name; and the declining charge for the amortization of the HRH customer relationship intangible, which is being amortized in line with the underlying discounted cash flows.

Operating income and margin (operating income as a percentage of revenues)

	Three months ended September 30,		Nine months ended September 30,	
	2010	2009	2010	2009
	(millions, except percentages)			
Revenues	$733	$725	$2,504	$2,439
Operating income	106	82	576	521
Operating margin or operating income as a percentage of revenues	14%	11%	23%	21%

Third quarter 2010

Operating margin was 14 percent in third quarter 2010 compared with 11 percent in 2009, as the benefits of:

- 4 percent organic growth in commissions and fees;
- a favorable period over period impact from foreign currency translation of about 1 percentage point as the adverse impact of foreign currency on our revenues was more than offset by a favorable impact on our expense base and lower hedging losses when compared with 2009;
- a $7 million reduction in amortization of intangible assets, equivalent to about 1 percentage point;
- the release of a previously established $7 million legal reserve, equivalent to about 1 percentage point; and
- rigorous expense management;

were partly offset by:

- increased incentive expenses due to a higher accrual for incentive compensation partly reflecting improved performance across many regions, together with a $6 million increase in the amortization of cash retention awards; and

• investment in initiatives to support current and future growth.

Nine months ended September 30, 2010

Operating margin at 23 percent in the first nine months of 2010 was 2 percentage points higher than in 2009, with the increase reflecting the benefit of:

• 4 percent organic growth in commissions and fees;

• a favorable period-over-period impact from foreign currency translation of approximately 1 percentage point, excluding the impact from the devaluation of the Venezuelan currency. This reflects the net benefit of: significantly lower losses on our forward rate hedging program; partly offset by the weakening of the Euro against the US dollar, reducing the US dollar value of our net Euro income and a stronger period-over-period Pound Sterling which increases the US dollar value of our net Pound Sterling expense base;

• a reduction in amortization of intangible assets of $12 million, reflecting: the period over period benefit of $7 million from the third quarter 2009 accelerated amortization of the HRH brand name; and the declining charge relating to the HRH customer relationship intangible which is being amortized in line with the underlying discounted cash flows;

• the release of a previously established $7 million legal reserve; and

• rigorous expense management;

partly offset by:

• a $15 million reduction in legacy contingent commissions assumed on the acquisition of HRH;

• a $37 million increase in incentive expenses including: a $22 million increase in the amortization of cash retention awards; and a $15 million increase in the accrual for incentive compensation reflecting improved performance across many regions;

• investment in initiatives to support current and future growth;

• a charge of $12 million relating to the devaluation of the Venezuelan currency in January 2010;

• an $8 million increase in share-based compensation charge, largely due to the non-recurrence of a $5 million credit in first quarter 2009; and

• a $6 million reduction in investment income driven by lower average interest rates, particularly on Euro denominated deposits, in the first nine months of 2010 compared with 2009, with other interest rates across the globe remaining consistently low.

Operating segment margins are discussed in 'Operating Results — Segment Information' below

Interest expense

Interest expense in third quarter 2010 of $40 million was $7 million lower than in 2009, largely reflecting interest expense savings arising from the period-over-period reduction in the average outstanding balances on our term loan and revolving credit facility debt.

Interest expense for the first nine months of 2010 was $124 million, $4 million lower than in 2009, as the effect of the higher coupon payable on the $500 million of 12.875% senior unsecured notes issued in March 2009 to refinance part of the lower coupon interim credit facility relating to the HRH acquisition, was more than offset by interest expense savings arising from the period-over-period reduction in average term loan and revolving credit facility balances.

Income taxes

	Three months ended September 30, 2010	Three months ended September 30, 2009	Nine months ended September 30, 2010	Nine months ended September 30, 2009
	(millions, except percentages)			
Income before taxes and interest in earnings of associates	$66	$ 35	$452	$393
Income tax charge (credit)	10	(29)	112	64
Effective tax rate	15%	(83)%	25%	16%

Income tax expense for the third quarter 2010 was $10 million compared with a net tax credit of $29 million in 2009. Both years benefited from a release of provisions for uncertain tax positions due to the closure of the statute of limitations, of $7 million and $11 million respectively, and 2009 additionally benefited from a $27 million tax credit following a change to UK tax law. Excluding the benefit of these items, the effective tax rate in both third quarter 2010 and 2009 was approximately 26 percent.

The effective tax rate for the first nine months of 2010 was 25 percent. The effective tax rate for 2010 was impacted by:

- a $10 million benefit from prior year tax credits, including the $7 million for uncertain tax positions;
- an adverse impact from the $12 million charge relating to the devaluation of the Venezuelan currency for which no tax credits are available; and
- the tax impact of the net loss on disposal of operations.

Excluding these items, the effective rate for the first nine months of 2010 was approximately 26 percent, in line with full year 2009.

The effective tax rate for the nine months ended 2009 was 16 percent and included the benefit of:

- a $27 million tax credit due to the release of a provision following a change in tax law relating to the repatriation of unremitted earnings of our foreign subsidiaries; and
- an $11 million release of a provision for uncertain tax positions due to the closure of the statute of limitations on assessments for previously unrecognized tax benefits.

Interest in earnings of associates

Interest in earnings of associates, net of tax, in the first nine months of 2010 of $27 million was $15 million lower than in same period 2009. This fall is primarily driven by the reduction from 49 percent to 31 percent in our ownership interest in Gras Savoye, as part of the reorganization of their capital structure in December 2009. Interest receivable on the vendor financing we provided as part of the capital reorganization is also recorded under this caption.

Net income and diluted earnings per share from continuing operations

	Three months ended September 30,		Nine months ended September 30,	
	2010	2009	2010	2009
	(millions, except per share data)			
Net income from continuing operations	$ 64	$ 78	$ 357	$ 357
Diluted earnings per share from continuing operations	$ 0.37	$ 0.46	$ 2.09	$ 2.13
Average diluted number of shares outstanding	171	169	171	168

Third quarter 2010

Net income from continuing operations for third quarter 2010 was $64 million compared with $78 million in 2009, as the benefits of:

- the $24 million net increase in operating income discussed above; and
- a $7 million decrease in interest expense, largely reflecting a period-over-period reduction in the outstanding balances on our term loan and revolving credit facility debt;

were more than offset by:

- the period-over-period increase in tax charge of $39 million, primarily attributable to the third quarter 2009 one-off tax credits of $38 million, compared to $7 million in 2009 as discussed above; and
- a reduction in earnings from associates of $7 million.

Diluted earnings per share from continuing operations for third quarter 2010 at $0.37 were $0.09 lower than in 2009, reflecting:

- the $14 million reduction in net income, equivalent to $0.08 per diluted share: and
- a negative $0.01 impact on diluted earnings per share due to the diluted share count increasing from 169 million in third quarter 2009 to 171 million in 2010.

There was a $0.02 favorable net impact on diluted earnings per share from foreign currency translation.

Nine months ended September 30, 2010

Net income from continuing operations was $357 million for both the first nine months of 2010 and 2009, with the benefit of the $55 million increase in operating income, together with lower interest expense and a lower share of noncontrolling interest losses, offset by the $48 million increase in the tax charge and a $15 million decrease in earnings from associates, net of tax, as a result of the Gras Savoye reorganization.

Diluted earnings per share from continuing operations for the first nine months of 2010 were $2.09, compared to $2.13 in 2009.

Foreign currency translation, excluding the impact of the Venezuelan currency devaluation, had a $0.11 favorable impact on diluted earnings per share. This was largely offset by a $0.07 per diluted share negative impact from the Venezuela currency devaluation in January 2010.

Average share count for the nine months ended September 30, 2010 was 171 million compared with 168 million in 2009. The increased share count had a negative $0.04 impact on earnings per diluted share.

OPERATING RESULTS — SEGMENT INFORMATION

We organize our business into three segments: Global, North America and International. Our Global business provides specialist brokerage and consulting services to clients worldwide for risks arising from specific industries and activities. North America and International comprise our retail operations and provide services to small, medium and major corporations.

The following table is a summary of our operating results by segment for the three and nine months ended September 30, 2010 and 2009:

	Three months ended September 30, 2010			Three months ended September 30, 2009		
	Revenues	Operating Income	Operating Margin	Revenues	Operating Income	Operating Margin
	(millions, except percentages)			(millions, except percentages)		
Global	$ 183	$ 36	20%	$ 176	$ 33	19%
North America	332	71	21%	325	70	22%
International	218	21	10%	224	30	13%
Total Retail	550	92	17%	549	100	18%
Corporate & Other(i)	—	(22)	n/a	—	(51)	n/a
Total Consolidated	$ 733	$ 106	14%	$ 725	$ 82	11%

	Nine months ended September 30, 2010			Nine months ended September 30, 2009		
	Revenues	Operating Income	Operating Margin	Revenues	Operating Income	Operating Margin
	(millions, except percentages)			(millions, except percentages)		
Global	$ 703	$ 243	35%	$ 663	$ 234	35%
North America	1,028	232	23%	1,038	239	23%
International	773	183	24%	738	181	25%
Total Retail	1,801	415	23%	1,776	420	24%
Corporate & Other(i)	—	(82)	n/a	—	(133)	n/a
Total Consolidated	$ 2,504	$ 576	23%	$ 2,439	$ 521	21%

(i) Corporate & Other comprises the following:

	Three months ended September 30,		Nine months ended September 30,	
	2010	2009	2010	2009
	(millions)		(millions)	
Amortization of intangible assets	$ (22)	$ (29)	$ (64)	$ (76)
Net gain (loss) on disposal of operations	—	1	(2)	1
Foreign exchange hedging	(2)	(11)	(8)	(34)
Foreign exchange on the UK pension plan asset	(4)	2	2	(5)
HRH integration costs	—	(8)	—	(12)
Venezuelan currency devaluation	—	—	(12)	—
Release of previously established legal reserve	7	—	7	—
Other	(1)	(6)	(5)	(7)
	$ (22)	$ (51)	$ (82)	$ (133)

Global

Our Global operations comprise Global Specialties, Reinsurance, Faber & Dumas and as of 2010, WCMA.

Faber & Dumas includes Glencairn, our London-based wholesale brokerage operation and our Fine Art, Jewelry and Specie; Special Contingency Risk and Hughes-Gibb units. WCMA provides financial advice on mergers and acquisitions and capital markets products and may place or underwrite securities.

The following table sets out revenues, organic revenue growth and operating income and margin for the quarter and nine month periods ended September 30, 2010 and 2009:

	Three months ended September 30,		Nine months ended September 30,	
	2010	2009	2010	2009
	(millions, except percentages)		(millions, except percentages)	
Commissions and fees	$ 181	$ 175	$ 698	$ 657
Investment income	2	1	5	6
Total revenues	$ 183	$ 176	$ 703	$ 663
Operating income	$ 36	$ 33	$ 243	$ 234
Organic revenue growth[(a)]	4%	4%	6%	5%
Operating margin	20%	19%	35%	35%

(a) Organic revenue growth excludes: (i) the impact of foreign currency translation; (ii) the first twelve months of net commission and fee revenues generated from acquisitions; (iii) the net commission and fee revenues related to operations disposed of in each period presented; and (iv) investment income and other income from reported revenues.

Revenues

Commissions and fees of $181 million were $6 million, or 3 percent, higher in third quarter 2010 compared with third quarter 2009. Organic revenue growth of 4 percent and a net 1 percent benefit from acquisitions and disposals was partly offset by a negative 2 percent impact from foreign currency translation.

Our Reinsurance and Global Specialties businesses both reported mid-single digit organic growth in third quarter 2010, driven by good net new business generation despite the adverse impact of the continued difficult rate environment and soft market in many of the specialty classes.

Reinsurance reported strong new business growth in the quarter, headed by good contributions from International and Specialty businesses. Despite high loss levels earlier in the year, rates remain soft except for marine and energy.

Third quarter growth in Global Specialties was led by strong contributions from Financial and Executive Risks, Inspace, Aerospace and Construction reflecting strong new business, improved retention, targeted hiring of producer talent and global connectivity. However, the operating environment remains tough with depressed world trade and transit volumes, industry consolidation and pressure on financing of construction projects still evident.

Growth in Reinsurance and Global Specialties was partly offset by a decline in our Faber and Dumas revenues reflecting the soft wholesale market and continued pressure on the most economically sensitive lines such as bloodstock, jewelry and fine arts.

Organic revenue growth for first nine months of 2010 was 6 percent. Both Global Specialties and Reinsurance recorded good new business generation including Reinsurance growth in North America and International and Specialty divisions. The growth in North America was partly driven by the team recruited from Carvill in first quarter 2009. As a result of strong reinsurance underwriting profits in 2009, with the exception of marine and energy, there has been a general but disciplined softening of rates in 2010 which remain a significant headwind for growth.

Our WCMA business also contributed to positive organic revenue growth in the nine months to September 30, 2010, substantially due to a $9 million fee on a single capital markets transaction in the second quarter. WCMA is a transaction oriented business and its results are more variable than some of our other businesses.

Client retention levels remained high at 89 percent for the first nine months of 2010.

Operating margin

Operating margin in Global is impacted by the impact of foreign exchange as the London Market businesses within our Global operations earn revenues in US dollars, Pounds Sterling and Euros and primarily incur expenses in Pounds Sterling. In addition, they are exposed to exchange risk on certain sterling-denominated balances.

Operating margin in our Global operations was 20 percent in third quarter 2010, compared with 19 percent in 2009 with the increase reflecting the benefit of favorable foreign exchange and good organic revenue growth, partly offset by increased headcount to support future business growth and higher incentive compensation.

In the nine months ended September 30, 2010, foreign currency translation adversely impacted Global's operating margin by approximately 1 percentage point when compared with 2009, with the third quarter year on year benefit from foreign currency translation more than offset by a negative year on year impact in the first half of the year.

Excluding the impact of foreign currency translation, Global's operating margin was 1 percent higher in the nine months ended September 30, 2010 compared with 2009. This increase reflects the benefits of good organic revenue growth and disciplined cost control partly offset by the impact of costs associated with continued support of current and future growth.

North America

Our North America business provides risk management, insurance brokerage, related risk services and employee benefits brokerage and consulting to a wide array of industry and client segments in the United States and Canada.

The following table sets out revenues, organic revenue growth and operating income and margin for the quarter and nine month periods ended September 30, 2010 and 2009:

	Three months ended September 30, 2010	Three months ended September 30, 2009	Nine months ended September 30, 2010	Nine months ended September 30, 2009
	(millions, except percentages)		(millions, except percentages)	
Commissions and fees[(a)]	$ 328	$ 320	$ 1,015	$ 1,023
Investment income	4	4	13	12
Other income	—	1	—	3
Total revenues	$ 332	$ 325	$ 1,028	$ 1,038
Operating income	$ 71	$ 70	$ 232	$ 239
Organic revenue growth[(b)]	2%	(3)%	1%	(5)%
Operating margin	21%	22%	23%	23%

(a) Included in North America reported commissions and fees were legacy HRH contingent commissions of $1 million in the third quarter 2010 and $11 million in the first nine months of 2010 compared with $2 million and $26 million in the corresponding periods of 2009, respectively.

(b) Organic revenue growth excludes: (i) the impact of foreign currency translation; (ii) the first twelve months of net commission and fee revenues generated from acquisitions; (iii) the net commission and fee revenues related to operations disposed of in each period presented; (iv) in North America, legacy contingent commissions assumed as part of the HRH acquisition and that had not been converted into higher standard commission; and (v) investment income and other income from reported revenues.

Revenues

Despite the continued adverse impact of headwinds from the soft insurance market conditions and weakness in the US economy, commissions and fees of $328 million were $8 million, or 2 percent, higher for the three months ended September 30, 2010 compared with 2009. This includes a $1 million period-over-period decrease in legacy contingent commissions assumed as part of the HRH acquisition.

Organic revenue growth was 2 percent in third quarter 2010 compared with 2009 as the benefits of:

• continued strong growth in new business, with improved client retention; and

• positive growth in the employee benefits practice;

were partly offset by:

• a negative 2 percent impact from rate declines and other market factors; and

• a continued decline in our Construction business reflecting the ongoing economic challenges in that sector.

Commissions and fees of $1,015 million were $8 million, or 1 percent, lower for the first nine months of 2010 compared with 2009. Excluding the $15 million decrease in legacy contingency commissions assumed as part of the HRH acquisition, commissions and fees increased by approximately 1 percent. Organic revenue growth was 1 percent for the nine months ended September 30, 2010 as the benefits of positive growth in many regions driven by net new business generation were partly offset by the impact of the soft market conditions and weak US economy.

Net new business in the third quarter and first nine months of 2010 was driven by some of our specialist businesses, with healthcare and financial institutions all reporting strong growth. Our employee benefits practice, which represents approximately 20 percent of North America commissions and fees, showed good growth of 4 percent in third quarter 2010 and 2 per cent for the first nine months of 2010 with further positive signs including modest headcount stabilization. Although we currently believe the US healthcare legislation could be beneficial for our business, at this time, its potential impact is uncertain. In our

Construction business declines in commissions and fees were single digits in both the third quarter and first nine months of 2010 compared with the double digit declines in the comparable periods in 2009.

Net new business growth also includes the benefit of higher standard commissions where these have been negotiated in lieu of contingent commissions. These higher standard commissions however may not have been negotiated at the same level or be received in the same periods as the related contingent commissions. Furthermore, the business to which they related may not have been renewed.

Client retention levels remained high at 92 percent for the first nine months of 2010.

Operating margin

Operating margin in North America was 21 percent in third quarter 2010 compared with 22 percent in same period 2009 and 23 percent in the first nine months of both 2010 and same period 2009. The broadly flat margins mainly reflected the impact of:

• organic revenue growth;

• continued disciplined cost control; and

• the benefit of lower period-over-period pension charges in both the third quarter and nine month periods of 2010, excluding the second quarter 2009 curtailment gain, following the closure of the US pension plan to future accrual in second quarter 2009;

offset by:

• the period-over-period reduction in legacy HRH contingent commissions of $15 million in the first nine months of 2010, of which $1 million relate to third quarter;

• the non-recurrence of a $9 million curtailment gain in second quarter 2009; and

• increased incentive expense.

International

Our International business comprises our retail operations in Eastern and Western Europe, the United Kingdom and Ireland, Asia-Pacific, Russia, the Middle East, South Africa and Latin America. The services provided are focused according to the characteristics of each market and vary across offices, but generally include direct risk management and insurance brokerage and employee benefits consulting.

The following table sets out revenues, organic revenue growth and operating income and margin for the quarter and nine month periods ended September 30, 2010 and 2009:

	Three months ended September 30,		Nine months ended September 30,	
	2010	2009	2010	2009
	(millions, except percentages)		(millions, except percentages)	
Commissions and fees	$ 214	$ 219	$ 762	$ 721
Investment income	4	5	11	17
Total revenues	$ 218	$ 224	$ 773	$ 738
Operating income	$ 21	$ 30	$ 183	$ 181
Organic revenue growth(a)	6%	3%	6%	5%
Operating margin	10%	13%	24%	25%

(a) Organic revenue growth excludes: (i) the impact of foreign currency translation; (ii) the first twelve months of net commission and fee revenues generated from acquisitions; (iii) the net commission and fee revenues related to operations disposed of in each period presented; and (iv) investment income and other income from reported revenues.

Revenues

Commissions and fees of $214 million were $5 million, or 2 percent, lower for the three months ended September 30, 2010 compared with 2009, as the benefit of 6 percent organic revenue growth was more than offset by a 1 percent adverse impact from net acquisitions and disposals and a negative 7 percent impact attributable to foreign currency translation. Net new business growth was 10 percent and there was a negative 4 percent impact from rates and other market factors.

For the nine months ended September 30, 2010, commissions and fees were $41 million, or 6 percent, higher compared with 2009 of which 6 percent was attributable to organic revenue growth, 1 percent to net acquisitions and disposals and negative 1 percent to foreign currency translation.

A significant part of International's revenues are earned in currencies other than the US dollar. The US dollar strengthened against a number of these currencies in third quarter 2010 compared with the same period in 2009, most notably the Euro, Pound Sterling and Danish Krona. Consequently, revenues reported in US dollars have decreased by 7 percent as a result of foreign currency translation in third quarter 2010 compared to same period 2009.

For the nine months ended September 30, 2010, the negative impact of foreign currency translation on International revenues was lower, at 1 percent, as the relative effect of the third quarter 2010 weakening of the Euro and Pound Sterling against the US dollar was partly offset by the strengthening against the US dollar of a basket of other currencies in which we earn revenues, including the Australian dollar.

Organic revenue growth was strongest in emerging markets with Latin America, Asia and Eastern Europe, all delivering double-digit growth in both the third quarter and the first nine months of 2010. In particular, there was good growth in:

- Venezuela, Brazil and Chile in Latin America;
- China and Korea in Asia; and
- Russia in Eastern Europe.

Despite the challenging economic environment in continental Europe, overall growth was positive in both third quarter and the first nine months of 2010 with strong contributions from Italy, Spain and Norway in third quarter. Germany reported good growth in the nine months to September 30, 2010, compared with same period 2009.

Organic revenue growth was also positive in our UK and Irish retail operations, driven by new business growth in the UK as we begin to see signs of an improving economy and positive growth in Ireland in the quarter. Our employee benefits practice, which represents approximately 10 percent of International commissions and fees, continued to perform well in the first nine months of 2010 with growth in the mid single digits.

Client retention levels remained high at 92 percent for the first nine months of 2010.

Operating margin

Operating margin in International was 10 percent in third quarter 2010 compared with 13 percent in third quarter 2009 and 24 percent in the first nine months of 2010, compared with 25 percent in same period 2009, with the decreases reflecting:

- an adverse impact from foreign currency translation reflecting the negative impact on operating income of the weakening of the Euro and other currencies against the US dollar;
- increased incentive expenses; and
- spending on initiatives to support current and future growth, including a year on year increase in headcount of 200;

partly offset by:

- the benefit of strong organic revenue growth; and
- continued focus on expense management.

CRITICAL ACCOUNTING ESTIMATES

The accounting estimates or assumptions that management considers to be the most important to the presentation of our financial condition or operating performance are discussed in our Annual Report on Form 10-K for the year ended December 31, 2009.

There were no significant additions or changes to these assumptions in the first nine months of 2010.

NEW ACCOUNTING STANDARDS

There were no new accounting standards issued during the third quarter 2010 that would have a significant impact on the Company's reporting.

LIQUIDITY AND CAPITAL RESOURCES

In the short term, our capital management priority is debt reduction. Total debt as of September 30, 2010 decreased to $2.3 billion, compared with $2.4 billion at December 31, 2009.

In the first nine months of 2010, we made $82 million of mandatory repayments against the 5-year term loan, thereby reducing the outstanding balance as at September 30, 2010 to $439 million. We also repurchased the remaining $90 million of 5.125% senior notes due July 2010 and repaid in full a $9 million fixed rate loan due 2010.

In August 2010, we entered into a new revolving credit facility agreement under which a further $200 million is available, in addition to the remaining availability under our previously existing $300 million revolving credit facility.

At September 30, 2010, we had $95 million outstanding under our $300 million revolving credit facility, compared with $65 million at September 30, 2009 and $nil at December 31, 2009.

At September 30, 2010 the only mandatory debt repayments falling due over the next 12 months are scheduled repayments on our $700 million 5-year term loan totalling $110 million.

Fiduciary funds

As an intermediary, we hold funds generally in a fiduciary capacity for the account of third parties, typically as the result of premiums received from clients that are in transit to insurers and claims due to clients that are in transit from insurers. We report premiums, which are held on account of, or due from, clients as assets with a corresponding liability due to the insurers. Claims held by, or due to, us which are due to clients are also shown as both assets and liabilities. All these balances due or payable are included in accounts receivable and accounts payable on the balance sheet. We earn interest on these funds during the time between the receipt of the cash and the time the cash is paid out. Fiduciary cash must generally be kept in certain regulated bank accounts subject to guidelines, which generally emphasize capital preservation and liquidity, and is not generally available to service our debt or for other corporate purposes.

Own funds

As of September 30, 2010, we had cash and cash equivalents of $141 million, compared with $191 million at December 31, 2009 and $405 million of the total $500 million under our revolving credit facilities remained available to be drawn.

Operating activities

Total cash generated from operating activities in the first nine months of 2010 was $260 million compared with $286 million in same period 2009. Cash generated from operating activities in the first nine months of 2010 is after the payment of incentive awards, of which $189 million were paid as cash retention awards (2009: $143 million), for details of which see above under: 'Operating Results-Group — General and administrative expenses — Salaries and benefits — Cash retention awards'.

Investing activities

Total net cash used in investing activities was $76 million in the nine months ended September 30, 2010 compared with $42 million in the same period 2009.

The increase in cash used in investing activities of $34 million was mainly attributable to:

- the net proceeds on disposal of operations in first nine months of 2009 of $42 million, primarily relating to the disposal of Bliss and Glennon;
- the $20 million proceeds on sale of our short-term investments in the first nine months of 2009, as we liquidated our own funds portfolio;
- a $21 million increase in acquisitions of subsidiaries, primarily comprising cash payments for the deferred consideration relating to previous acquisitions;

partly offset by:

- the payment in the first nine months of 2009 of $43 million in respect of an additional 5 percent interest in Gras Savoye.

Financing activities

Net cash used in financing activities was $226 million in the nine months ended

September 30, 2010 compared with $227 million in the same period of 2009.

The net decrease in cash used in financing activities of $1 million was mainly attributable to:

- a $30 million increase in the drawdown against our revolving credit facilities from $65 million in first nine months of 2009 to $95 million in same period 2010;
- a $268 million net outflow in 2009 relating to the repayment/refinancing of $750 million of the then outstanding interim credit facility. As part of the refinancing we issued $500 million of 12.875% senior unsecured notes in March 2009 and received net proceeds of $482 million; and
- a $21 million decrease in cash paid for acquisitions of noncontrolling interests, primarily arising from the 2009 acquisition of the remaining 12 percent of our Irish operations at a cost of approximately $17 million;

partly offset by:

- a $136 million net inflow in 2009 from the issue of $300 million of 7% senior unsecured notes in September 2009 for which we received net proceeds of $296 million. We used the proceeds of the notes to repurchase $160 million of the then outstanding $250 million 5.125% senior notes due July 2010;
- debt repayments in the first nine months of 2010 of $181 million, comprising: the $82 million of mandatory repayments against the 5-year term loan; repurchase of the remaining $90 million of July 2010 bonds; and the repayment of a $9 million fixed rate loan due 2010.

Share buybacks

There have been no share buybacks in the first nine months of 2010. There remains $925 million under the current buyback authorization.

Dividends

Cash dividends paid in the first nine months of 2010 were $132 million compared with $130 million in same period 2009. The $2 million change reflects a small increase in the number of shares as a result of share option exercises during 2009. In October 2010, we declared a quarterly cash dividend of $0.26 per share, an annual rate of $1.04 per share and unchanged from the prior year.

CONTRACTUAL OBLIGATIONS

There have been no material changes to our contractual obligations since December 31, 2009.

OFF-BALANCE SHEET TRANSACTIONS

Apart from commitments, guarantees and contingencies, as disclosed in Note 7 to the Condensed Consolidated Financial Statements, the Company has no off-balance sheet arrangements that have, or are reasonably likely to have, a material effect on the Company's financial condition, results of operations or liquidity.

Item 3 — *Quantitative and Qualitative Disclosures about Market Risk*

There has been no material change with respect to market risk from that described in the Company's Annual Report on Form 10-K for the year ended December 31, 2009.

Item 4 — *Controls and Procedures*

Evaluation of Disclosure Controls and Procedures

As of September 30, 2010, the Company carried out an evaluation, under the supervision and with the participation of the Company's management, including the Chairman and Chief Executive Officer and the Group Chief Financial Officer, of the effectiveness of the design and operation of the Company's disclosure controls and procedures pursuant to Exchange Act Rule 13a-15(e). Based upon that evaluation, the Chief Executive Officer and the Group Chief Financial Officer concluded that the Company's disclosure controls and procedures are effective in ensuring that the information required to be included in the Company's periodic SEC filings is recorded, processed, summarized and reported within the time periods specified in the SEC rules and forms and that such information is accumulated and communicated to them as appropriate to allow for timely decisions regarding required disclosure.

There have been no changes in the Company's internal controls over financial reporting during the quarter ended September 30, 2010 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II — OTHER INFORMATION

Item 1 — ***Legal Proceedings***

Information regarding legal proceedings is set forth in Note 7 — 'Commitments and Contingencies' to the Condensed Consolidated Financial Statements (Unaudited) appearing in Part I, Item 1 of this report.

Item 1A — ***Risk Factors***

There have been no material changes to the risk factors described in Part I, Item 1A 'Risk Factors' included in the Form 10-K for the year ended December 31, 2009.

Item 2 — ***Unregistered Sales of Equity Securities and Use of Proceeds***

During the quarter ended September 30, 2010, no shares were issued by the Company without registration under the Securities Act of 1933, as amended.

The Company may purchase shares, from time to time in the open market or through negotiated trades with persons who are not affiliates of the Company, at an aggregate purchase price of up to $1 billion under an open-ended program approved by the Board of Directors. The Company did not repurchase any of its own shares during the quarter covered by this report.

Item 3 — ***Defaults Upon Senior Securities***

None.

Item 4 — ***(Removed and Reserved)***

Item 5 — ***Other Information***

None.

Item 6 — ***Exhibits***

10.1	Employment Agreement between Willis North America Inc. and Martin J. Sullivan, effective September 7, 2010.
31.1	Certification Pursuant to Rule 13a-14(a)
31.2	Certification Pursuant to Rule 13a-14(a)
32.1	Certification Pursuant to 18 U.S.C. Section 1350
32.2	Certification Pursuant to 18 U.S.C. Section 1350
101.INS*	XBRL Instance Document
101.SCH*	XBRL Taxonomy Extension Schema Document
101.CAL*	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF*	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB*	XBRL Taxonomy Extension Label Linkbase Document
101.PRE*	XBRL Taxonomy Extension Presentation Linkbase Document

* Pursuant to Rule 406T of Regulation S-T, the Interactive Data Files on Exhibit 101 hereto are deemed not filed or part of a registration statement or prospectus for purposes of Sections 11 or 12 of the Securities Act of 1933, as amended, are deemed not filed for purposes of Section 18 of the Securities and Exchange Act of 1934, as amended, and otherwise are not subject to liability under those sections.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

WILLIS GROUP HOLDINGS PLC
(REGISTRANT)

By: /s/ MICHAEL K. NEBORAK

Michael K. Neborak
Group Chief Financial Officer
(Principal Financial and Accounting Officer)

Dated: November 5, 2010

EMPLOYMENT AGREEMENT

This EMPLOYMENT AGREEMENT ("Agreement") is made effective as of **the 7th day of September 2010** (the "Effective Date") between Willis North America Inc**.** ("Employer"), and Martin J. Sullivan ("Employee").

In consideration of the mutual covenants and promises contained herein and for other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Employment, Compensation and Benefits. Employer will pay Employee such compensation and benefits as are set forth in the offer letter attached as Exhibit A (the "Offer Letter"). Such compensation and benefits may, subject to the restrictions set forth in the Offer Letter, be changed by Employer pursuant to its normal compensation and benefit review procedures or from time to time.

2. Confidential Information and Work for Hire.

a. Employer shall provide Employee with access to nonpublic Employer/Willis[1] information to the extent reasonably necessary to the performance of Employee's job duties. Employee acknowledges that all non-public information (including, but not limited to, information regarding Employer's clients), owned or possessed by Employer/Willis (collectively, "Confidential Information") constitutes a valuable, special and unique asset of the business of Employer/Willis. Employee shall not, during or after the period of his/her employment with Employer (i) disclose, in whole or in part, such Confidential Information to any third party without the consent of Employer or (ii) use any such Confidential Information for his/her own purposes or for the benefit of any third party. These restrictions shall not apply to any information in the public domain provided that Employee was not responsible, directly or indirectly, for such information entering the public domain without the Employer's consent. Upon termination of Employee's employment hereunder, Employee shall promptly return to Employer all Employer/Willis materials, information and other property (including all files, computer discs and manuals) as may then be in Employee's possession or control.

b. Any work prepared by Employee as an employee of Employer including written and/or electronic reports and other documents and materials shall be "work for hire" and shall be the exclusive property of the Employer. If, and to the extent that, any rights to such work do not vest in Employer automatically, by operation of law, Employee shall be deemed to hereby unconditionally and irrevocably assign to Employer all rights to such work and Employee shall cooperate fully with Employer's efforts to establish and protect its rights to such work.

3. Employee Loyalty and Non-solicitation. Employee understands that Employee owes a duty of loyalty to Employer and, while in Employer's employ, shall devote Employee's entire business time and best good faith efforts to the furtherance of Employer's legitimate business interests; provided, however, that, as previously disclosed to Employer/Willis, Employee is currently an advisor to certain businesses that do not compete with Employer/Willis, but Employee will resign from such roles as soon as practicable following the Effective Date, and in no event more than thirty (30) days

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1 All references in this Employment Agreement to "Employer/Willis" shall be understood to refer to Employer and/or Employer's parent companies and other affiliates, as well as their successors and assigns.

following the Effective Date. All business activity participated in by Employee as an employee of Employer shall be undertaken solely for the benefit of Employer. Employee shall have no right to share in any commission or fee resulting from such business activity other than the compensation referred to in paragraph 1. While this Agreement is in effect and for a period of one year following termination of Employee's employment with Employer, Employee shall not, within the "Territories" described below:

a. directly or indirectly (i) solicit any employee of Employer/Willis ("Protected Employees") to work for Employee or any third party, including any competitor (whether an individual or a competing company) of Employer/Willis or (ii) induce any such employee of Employer/Willis to leave the employ of Employer/Willis.

For purposes of this paragraph 3, "Territories" shall refer to those counties where the Protected Employees of Employer/Willis are present and available for solicitation.

4. Term and Termination. This Agreement shall commence upon the Effective Date and shall continue until terminated (i) by either party, with or without cause, upon thirty (30) calendar days prior written notice, (ii) immediately by Employer upon any willful misconduct or material breach by Employee of this Agreement, or (iii) immediately upon the Employee's death or disability (as *disability* is defined in Employer's Long Term Disability Benefits Plan). Should Employer give Employee thirty (30) days notice of termination, (i) Employee will not, thereafter, be entitled to access to the office premises of Employer and (ii) said thirty (30) calendar days shall be treated as four weeks' pay for purposes of severance arrangements and/or calculating pay in lieu of prior notice. Paragraphs 2, 3, 5 and 7 shall survive termination of this Agreement.

5. Mandatory Binding Arbitration. Except for a claim beginning with a request for injunctive relief brought by Employer or Employee, Employer and Employee agree that any dispute arising either under this Agreement or from the employment relationship shall be resolved by arbitration — it is understood that disputes arising either under this Agreement or from the employment relationship shall be understood to include, but not be limited to, any and all disputes concerning any claim by the Employee against the Employer/Willis concerning or relating to (i) alleged illegal discrimination against the Employee in the terms and conditions of employment (including but not limited to any claim of alleged illegal discrimination on the basis of race, color, religion, sex, gender, national origin, age, physical disability and/or mental disability), (ii) alleged public policy violations, (iii) alleged wrongful employment termination and/or (iv) any other disputes arising from or in connection with the employment relationship. Each party expressly waives any right, whether pursuant to any applicable federal, state, or local statute, to a jury trial and/or to have a court of law determine rights and award damages with respect to any such dispute. The party invoking arbitration shall notify the other party in writing (the "Written Notice"). The parties shall exercise their best efforts, in good faith, to agree upon selection of a single arbitrator. If the parties are unable to agree upon selection of a single arbitrator, they shall so notify the American Arbitration Association ("AAA") or another agreed upon arbitration administrator and request that the arbitration provider work with the parties to select a single arbitrator. The arbitration shall be (i) conducted in accordance with the American Arbitration Association's National Rules for the Resolution of Employment Disputes, (ii) held at a location reasonably convenient to that office of the Employer at which the Employee had most recently been assigned and (iii) completed within six months (or within such other time as the parties may mutually

agree) of the receipt of Written Notice by the party being notified. The arbitrator shall have no authority to assess punitive or exemplary damages as to any dispute arising out of or concerning the provisions of this Agreement or otherwise arising out of the employment relationship, except as and unless such damages are expressly authorized by otherwise applicable and controlling statutes. The arbitrator's decision shall be final and binding and enforceable in any court of competent jurisdiction. To the extent permitted by applicable law, each party shall bear its own costs, including attorneys' fees, and share all costs of the arbitration equally. Nothing provided herein shall interfere with either party's right to seek or receive damages or costs as may be allowed by applicable statutory law.

6. Representations and Warranties. Employee represents and warrants:

a. except as specifically previously disclosed by Employee to Employer, Employee is not subject to either an agreement with any former employer or otherwise or any court order, judgment or decree which places restrictions on Employee's business activities and that if employee is subject to any of the foregoing, Employee will, by the earlier of the commencement date of employment or execution of the Agreement provide Employer with a copy of such agreement, order, judgment, or decree; and

b. Employee has reviewed and will abide by the Employer/Willis Code of Ethics.

7. Miscellaneous. This Agreement, together with the Offer Letter, sets forth the entire agreement between the parties and supersedes any and all prior agreements and understandings regarding the subject matter herein. This Agreement may only be modified by a written instrument signed by both parties. If any term of this Agreement is rendered invalid or unenforceable by judicial, legislative or administrative action, the remaining provisions hereof shall remain in full force and effect and shall in no way be affected, impaired or invalidated. Except for notices by Employer to Employee which Employer chooses to hand deliver to Employee, any notices given pursuant to this Agreement shall be sent by first class US postal service or overnight courier service to the addresses set forth below (or, to the then current address of a party, with both parties agreeing to promptly provide the other party with written notice of any change in address). This Agreement shall be governed by the laws of the State of New York, without giving effect to its conflicts of law principles. The waiver by either party of any breach of this Agreement shall not operate or be construed as a waiver of that party's rights upon any subsequent breach. This Agreement shall inure to the benefit of and be binding upon and enforceable against the heirs, legal representatives and assigns of Employee and the successors and assigns of Employer. Should Employee be transferred or reassigned from Employer to a parent company or affiliate of Employer, this Agreement shall be deemed to be automatically assigned by Employer to such new employer. Employee's acceptance of Employee's first payment of compensation from such new employer shall be deemed as Employee's acknowledgement of (i) such assignment and (ii) the continuation of Employee's employment pursuant to the terms and conditions of this Agreement. Monetary damages may not be an adequate remedy for Employee's breach of paragraphs 2 or 3 of this Agreement and Employer may, in addition to recovering legal damages (including lost commissions and fees), proceed in equity to enjoin Employee from violating any of the provisions.

IN WITNESS WHEREOF, the parties hereto have executed this Employment Agreement to become effective as of the date first above written.

EMPLOYEE: Martin J. Sullivan

/s/ Martin J. Sullivan
Date: September 1, 2010
Address: 276 Quaker Road
Chappaqua, NY 10541

EMPLOYER: Willis North America Inc.
One World Financial Center
200 Liberty Street
New York, NY 10281-1003

BY: /s/ Adam Ciongoli

TITLE: Secretary

Exhibit A

Joseph J. Plumeri
Chairman & Chief Executive Officer

September 1, 2010

Strictly Personal & Confidential

Martin J. Sullivan

Dear Martin:

We are delighted to offer you the positions of ***Deputy Chairman*** of Willis Group Holdings Public Limited Company (the "Company") and ***Chairman and Chief Executive Officer*** of Global Solutions. In your capacity as Deputy Chairman of the Company, you will be a member of the Company's Executive Committee, to the extent the Committee continues to exists, and you will be eligible for the same equity grants which are periodically made available to the members of the Executive Committee, in accordance with and subject to the normal terms and conditions of the equity grants at issue.

All terms and conditions contained within this offer of employment are subject to the approval of the Company's Board of Directors and such Board's Compensation Committee (the "Compensation Committee"). In the roles set forth above, you will (i) report to the Company's Chairman and Chief Executive Officer and (ii) work closely with the Company's Group President. Your employing entity will be Willis North America Inc. (which is referred to hereafter as "Willis") and your physical office will be located in New York, New York. Unless otherwise mutually agreed, your employment will commence on September 7, 2010**.** To accept this offer, please sign this letter where indicated below and return one copy of this letter at your earliest convenience.

This offer is contingent upon satisfactory results with respect to:

- An executive officer background check; and
- A standard drug screening test (arrangement details to be provided separately).

This offer is also conditioned upon your execution of a Willis Employment Agreement. For your convenience, a copy of the agreement you will be asked to sign is enclosed for your review. This document does not promise employment for a specified period — either you or Willis may terminate the relationship at any time, subject to the notice requirements of the Employment Agreement.

Compensation and benefits: While in Willis' employ and provided that you sign and return this letter and your Willis Employment Agreement on or before date of hire, you will receive compensation and benefits as described below:

1. Base Salary: Your salary will be $62,500 per month (less applicable withholdings), which is equivalent to $750,000 on a per annum basis, payable [semi-monthly] in accordance with Willis' normal payroll practices applicable to similarly situated executives. You will be eligible for an annual salary review to be performed at the time Willis normally conducts annual salary reviews. Your compensation and benefits may be adjusted, in accordance with Willis' normal compensation and benefits administration procedures, upon your annual review or from time to time; provided, however, that in no event may Willis reduce your base salary.

2. Annual Incentive Plan ("AIP"):

   A. AIP — General Terms: You will participate in the Willis AIP under which you may become eligible to receive an annual AIP award. At Willis' discretion, any AIP award to you may be made, in whole or in part, in the form of (i) restricted stock units of Willis Group Holdings Public Limited Company stock or other instruments (including, but not limited to, other forms of security instruments), any and/or all of which may be a form of deferred compensation and/or subject to vesting schedules and/or (ii) a restricted cash payment that is subject to a vesting schedule and/or repayment obligation under such circumstances as Willis may specify. Each of the foregoing forms of compensation will be subject to such other terms and conditions as Willis specifies, in accordance with Willis' usual compensation practices and procedures (as may be modified from time to time). Subject to the terms and conditions of section 2.B below (regarding the amount of any AIP Award for year 2011), your participation in the AIP shall be subject to the AIP's usual terms and conditions (as may be modified from time to time), including: (i) any distributions to you under the AIP shall rest in the discretion of Willis; (ii) you must be in the active employ of Willis at the time that any AIP award is normally paid in order to be eligible to receive such AIP award; and (iii) AIP distributions (including, but not limited to, those described below) are subject to being issued less legally required and applicable withholdings. Please be advised that your prorated AIP award for year 2010 (the "2010 AIP Award") will be in an amount that is (a) no less than Two Hundred and Fifty Thousand Dollars ($250,000) and (b) no more than Three Hundred and Seventy Five Thousand Dollars ($375,000). The 2010 AIP Award will be issued to you no later than March 15, 2011, provided that you are in the active employ of Willis at the time your 2010 AIP Award is distributed.

   B. AIP Award — Calendar Year 2011: Subject to the other terms and conditions herein and provided you sign this letter agreement and your Willis Employment Agreement, your minimum AIP award for year 2011 (the "2011 AIP Award") will be equal in value to (a) no less than Seven Hundred Fifty Thousand Dollars ($750,000) and (b) no more than One Million One Hundred Twenty Five Thousand Dollars ($1,125, 000). The 2011 AIP Award will be issued to you no later than March 15, 2012, provided that you are in the active employ of Willis at the time your 2011 AIP Award is distributed. Further provided that, at Willis' discretion, the 2011 AIP Award may be issued, in whole or in part, in the form of (i) restricted stock units of Willis Group Holdings Public Limited Company stock or other instruments (including, but not limited to, other forms of security instruments), any and/or all of which may be a form of deferred compensation and/or subject to vesting schedules and/or (ii) a restricted cash payment that is subject to a vesting schedule and/or repayment obligation under such circumstances, and pursuant to such terms and conditions, as Willis may specify, which will in no event be less favorable in terms of mix of pay and terms and conditions than those applicable to similarly situated executives, and will reflect any more favorable terms of this offer letter. Each of the foregoing forms of compensation will be subject to such other terms and conditions as Willis specifies, in accordance with Willis' usual compensation practices and procedures applicable to similarly situated executives (as may be modified from time to time).

C. AIP Award Years 2012 and beyond: For calendar years 2012 and beyond, you will participate in the AIP pursuant to the terms and conditions of the AIP as described and contemplated in paragraph 2.A. above, with the actual amount of any AIP Award awarded to you resting in the discretion of Willis[1].

3. Sign On Equity Award: Subject to the approval of the Company's Compensation Committee, on the first trading day in that month which immediately follows the Compensation Committee's next meeting following your date of hire (the "Grant Date"), you will be granted an equity award of **75,000 time vested restricted stock units** (the "Sign On Equity Award"). Provided you are employed by Willis on each of the anniversary dates set forth below, the Sign On Equity Award will vest as follows:

- 33% on the 1st anniversary of the Grant Date;
- 33% on the 2nd anniversary of the Grant Date;
- 34% on the 3rd anniversary of the Grant Date.

Additional materials describing terms and conditions of the Sign On Equity Award will be provided to you under separate cover following the Grant Date — such materials will include (i) acceptance forms which you will need to execute to accept the Sign On Equity Award and (ii) a restrictive covenant agreement in such form as the Company typically requires in connection with such equity awards and such additional materials will provide that in the event of the termination of your employment by Willis without Cause (as defined below), all unvested Sign On Equity Awards will immediately become fully vested. If you do not sign and return the acceptance forms within the prescribed time limit, Willis and/or the Company may, in their respective discretion, cancel the Sign On Equity Award. Further, you cannot sell or otherwise dispose of the Sign On Equity Award for a period ending three (3) years from the Sign On Equity grant date without the prior consent of Willis and/or the Company. Notwithstanding the foregoing, you may sell or otherwise dispose of shares of Company stock acquired as a result of the vesting of Sign On Equity Awards in order to meet withholding obligations arising from the vesting of such awards, subject to prior written approval by the Company.

4. Performance Equity Grant: Subject to the approval of the Company's Compensation Committee, you will be entitled to receive **50,000 performance-based restricted stock units** that will be earned subject to the achievement of performance targets established by

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1 Nothing in this letter agreement shall be understood to imply or specify employment for any particular period of time. Employment shall be on an at-will basis, which means that either you or Willis may terminate the employment relationship at any time.

the Compensation Committee for the year 2011 (the “Performance-Based RSUs”). The actual performance targets (which shall be consistent with performance targets established for other executive officers), the grant date of the Performance-Based RSUs and the determination of whether such targets have been achieved, will be made by the Company’s Compensation Committee in accordance with its customary practices and procedures followed with respect to performance-based awards for the Company’s executive officers. Provided you are employed by Willis on each of the anniversary dates set forth below and subject to the applicable performance targets being achieved, the Performance-Based RSUs will vest as follows:

- 33% on the 1st anniversary of the grant date;
- 33% on the 2nd anniversary of the grant date;
- 34% on the 3rd anniversary of the grant date.

Additional materials describing terms and conditions of the Performance-Based RSUs will be provided to you under separate cover following the grant of the Performance-Based RSUs—such materials will include (i) acceptance forms which you will need to execute to accept the Performance-Based RSUs and (ii) a restrictive covenant agreement in such form as the Company requires in connection with such equity awards. If you do not sign and return the acceptance forms within the prescribed time limit, Willis and/or the Company may, in their respective discretion, cancel the Performance-Based RSUs. Further, you cannot sell or otherwise dispose of the Performance-Based RSUs for a period ending three (3) years from the vesting date of the first tranche of the Performance-Based RSUs without the prior consent of Willis and/or the Company. Notwithstanding the foregoing, you may sell or otherwise dispose of shares of Company stock acquired as a result of the vesting of Performance-Based RSUs in order to meet withholding obligations arising from the vesting of such awards, subject to prior written approval by the Company.

5. General Benefits: You will be allowed to participate in those employee benefit programs which are generally made available by Willis to its associates, in accordance with and subject to the normal terms and conditions of those programs. A summary of Willis’ employee benefit programs will be provided for your review.

6. Vacation: You will be allowed to accrue (in accordance with and subject to Willis’ vacation accrual policy) five (5) weeks of vacation per year, until such time as Willis’ policy allows you to accrue more than that number of weeks’ vacation per year.

7. Prior Restrictive Agreements; Hold Harmless:

To the extent that you may have entered into an agreement with any prior employer that purports to place (or seeks to place) restrictions on your professional and business activities following your separation of employment from such prior employer (any such prior agreement, if any, being referred to below as a “Prior Restrictive Agreement”), you hereby represent and warrant that you have disclosed any and all such Prior Restrictive Agreements to Willis.

You agree and understand that if, in connection with any claimed violation of the terms of a Prior Restrictive Agreement, you incur liability or forfeit compensation or benefits that would otherwise have been paid or provided by a prior employer, neither Willis nor any of it affiliates (nor any of their officers, directors, employees, attorneys, partners and agents) will have any obligation to make you whole or defend or indemnify you in connection with any such liability or forfeiture and you agree to hold harmless Willis and its affiliates for and from any losses or costs of any type that you may suffer and/or incur in connection with any claimed violation of the terms of a Prior Restrictive Agreement.

8. Termination without Cause: If your employment is terminated by Willis without “Cause” (as defined below), you may be eligible, as determined in Willis’ sole discretion, to receive severance pay equivalent to twelve (12) months’ base salary (less applicable withholdings) to be paid over twelve (12) months, in semi-monthly installments, and the cost of COBRA Medical coverage premiums for the same period. To the extent Willis agrees to provide you with this severance pay, you will be required to sign a Severance Agreement and Release and contained within that Severance Agreement and Release, among other terms and conditions, will be a twelve (12) month restriction prohibiting you from soliciting, accepting, or performing insurance brokerage services, insurance agency, risk management for an insurance brokerage business, claims administration for an insurance brokerage business, consulting services for an insurance brokerage business performed by Willis from or with respect to certain clients and prospective clients of Willis and/or the Company. Notwithstanding anything to the contrary contained herein or in any other agreement between you and Willis and/or the Company, including without limitation any covenants contained in or entered into in connection with receipt of any equity or other incentive award or severance arrangement, in no event shall the restrictions contained herein or in any such other agreement restrict or limit your ability to provide services in any capacity in the insurance services industry, including without limitation the insurance and/or reinsurance underwriting businesses, other than the brokerage business and for all purposes the term “competitor” (or any similar term or concept) shall be limited to the insurance brokerage businesses (as described above) performed by Willis and/or the Company. If Willis determines not to provide you with the severance pay, you will not be subject to any restrictive covenants, other than your obligations with respect to confidential information.

Provided that Willis agrees to provide you with this severance pay, all other compensation and other benefits shall cease following such employment termination (except for any accrued salary due with respect to service provided prior to employment termination and except for any vested equity awards, including, without limitation, equity awards that vest upon your termination of employment, and accrued and vested incentive awards, if any, or other vested benefits, if any, payable in the future). If you ever become eligible to receive any severance payments described in this offer letter, you agree that (i) such severance payments will be subject to discontinuance at the Company’s and/or Willis’ discretion if you should violate the terms of any surviving restrictive covenants as set forth in the Severance Agreement and Release and (ii) your acceptance of any such payments shall constitute your knowing and voluntary waiver of any right or claim to receive severance benefits from Willis (or any of its affiliates) pursuant to any severance benefit plan (if any) that Willis (or any of its affiliates) may, at the time of your employment termination, maintain.

“Cause” for purposes of employment termination by Willis is defined as (i) your gross and/or chronic neglect of your duties, (ii) your conviction of a felony or misdemeanor involving moral turpitude, (iii) material willful dishonesty, embezzlement, fraud or other material willful misconduct by you in connection with your employment, (iv) the issuance of any final order for your removal as an associate of Willis by any state or federal regulatory agency, (v) your violation of the restrictive covenant provisions contained in your Employment Agreement with Willis or other agreement with the Company and/or Willis, (vi) your material breach of any material duty owed to the Company and/or Willis, including, without limitation, the duty of loyalty, (vii) your material breach of any of your other material obligations under your Employment Agreement with Willis or other agreement with the Company and/or Willis, (viii) any material breach of the Company's/Willis' Code of Ethics by you, (ix) your failure to achieve reasonable performance goals as specified by Willis or the Company, or (x) your failure to maintain any insurance or other license necessary to the performance of the duties of your position. Cause will not exist unless Willis first provides you with written notice of such alleged Cause, including specifying with particularity the conduct that is the basis for such alleged Cause, and will have provided you a period of no less than 30 days in which to cure such Cause, if curable. Cause will not include an immaterial, isolated instance of ordinary negligence or failure to act, whether due to an error in judgment or otherwise, if you have exercised substantial efforts in good faith to perform the duties reasonably assigned or appropriate to your position. You will not be entitled to severance pay of any type from Willis following employment termination for Cause.

It is Willis' strict policy that no associate bring or use any confidential materials, proprietary materials or property (including, but not limited to, files, computer diskettes or other documentation or property) belonging to that person's prior employer(s). By signing below, you acknowledge that you understand this policy and will comply with it.

Willis has assembled some of the best professionals in the insurance brokerage industry. We are convinced that your experience and expertise will help us maintain and enhance our reputation. We look forward to having you join the Willis team!

Sincerely,

/s/ Joseph Plumeri

Joseph Plumeri
Chairman and Chief Executive Officer

I, **Martin J. Sullivan**, hereby agree to accept employment with Willis North America Inc., as set forth above, and sign below with intent to be bound by the terms and conditions set forth above**:**

/s/ Martin J. Sullivan
SIGNATURE

Date: September 1, 2010

CERTIFICATION PURSUANT TO RULE 13a-14(a)

I, Joseph J. Plumeri, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Willis Group Holdings plc;
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 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 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: November 5, 2010

By: /s/ JOSEPH J. PLUMERI
Joseph J. Plumeri
Chairman and Chief Executive Officer

Exhibit 31.2

CERTIFICATION PURSUANT TO RULE 13a-14(a)

I, Michael K. Neborak, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Willis Group Holdings plc;

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 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 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: November 5, 2010

By: /s/ MICHAEL K. NEBORAK
Michael K. Neborak
Group Chief Financial Officer
(Principal Financial and Accounting Officer)

Exhibit 32.1

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350

In connection with the Quarterly Report on Form 10-Q for the quarter ended September 30, 2010, of Willis Group Holdings plc (the “Company”), as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Joseph J. Plumeri, Chairman and Chief Executive Officer of the Company, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, certify that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 5, 2010

By: /s/ JOSEPH J. PLUMERI
Joseph J. Plumeri
Chairman and Chief Executive Officer

A signed original of this written statement required by Section 906 has been provided to Willis Group Holdings plc and will be retained by Willis Group Holdings plc and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 32.2

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350

In connection with the Quarterly Report on Form 10-Q for the quarter ended September 30, 2010, of Willis Group Holdings plc (the “Company”), as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Michael K. Neborak, Group Chief Financial Officer of the Company, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, certify that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 5, 2010

By: /s/ MICHEAL K. NEBORAK
Michael K. Neborak
Group Chief Financial Officer
(Principal Financial and Accounting Officer)

A signed original of this written statement required by Section 906 has been provided to Willis Group Holdings plc and will be retained by Willis Group Holdings plc and furnished to the Securities and Exchange Commission or its staff upon request.