

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

FORM 10-Q

Quarterly Report Pursuant to Section 13 or 15(d)  
of the Securities Exchange Act of 1934

For quarter ended June 30, 1996

Marsh & McLennan Companies, Inc.  
1166 Avenue of the Americas  
New York, New York 10036  
(212) 345-5000

Commission file number 1-5998  
State of Incorporation: Delaware  
I.R.S. Employer Identification No. 36-2668272

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 X . NO .

As of July 31, 1996, there were outstanding 72,145,672 shares of common stock, par value \$1.00 per share, of the registrant.

PART I, FINANCIAL INFORMATION

MARSH & McLENNAN COMPANIES, INC.  
AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF INCOME  
(In millions, except per share figures)  
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	1996	1995	1996	1995
Revenue	\$1,036.8	\$935.2	\$2,107.5	\$1,890.4
Expense	843.5	760.3	1,671.7	1,501.9
Operating Income	193.3	174.9	435.8	388.5
Interest Income	3.5	4.4	7.0	8.5
Interest Expense	(15.9)	(16.8)	(31.1)	(31.5)
Income Before Income Taxes	180.9	162.5	411.7	365.5
Income Taxes	65.7	60.7	153.4	138.9
Net Income	\$ 115.2	\$101.8	\$ 258.3	\$ 226.6
Net Income Per Share	\$1.58	\$1.40	\$3.54	\$3.11
Average Number of Shares Outstanding	73.0	72.8	72.9	72.9
Dividends Declared	\$.80	\$.725	\$1.60	\$1.45

MARSH & McLENNAN COMPANIES, INC.  
AND SUBSIDIARIES  
CONSOLIDATED BALANCE SHEETS  
(In millions of dollars)

	(Unaudited)	
	June 30, 1996	December 31, 1995
ASSETS		
Current assets:		
Cash and cash equivalents (including interest-bearing amounts of \$317.1 at June 30, 1996 and \$290.4 at December 31, 1995)	\$ 338.8	\$ 328.1
Receivables-		
Commissions and fees	961.0	830.5
Advanced premiums and claims	76.7	78.8
Consumer finance and other	84.4	271.5
	1,122.1	1,180.8
Less-allowance for doubtful accounts	(45.2)	(48.3)
Net receivables	1,076.9	1,132.5
Other current assets	254.5	218.5
Total current assets	1,670.2	1,679.1
Consumer finance receivables, net	-	151.3
Long-term securities	463.1	411.8
Fixed assets, net (net of accumulated depreciation and amortization of \$658.1 at June 30, 1996 and \$638.5 at December 31, 1995)	729.3	757.5
Intangible assets	553.0	729.7
Other assets	778.6	600.1
	\$4,194.2	\$4,329.5

MARSH & McLENNAN COMPANIES, INC.  
AND SUBSIDIARIES  
CONSOLIDATED BALANCE SHEETS  
(In millions of dollars)

	(Unaudited)	
	June 30, 1996	December 31, 1995
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Short-term debt	\$ 336.0	\$ 571.1
Accrued compensation and employee benefits	259.5	257.4
Accounts payable and accrued liabilities	432.9	485.4
Accrued income taxes	207.9	197.4
Dividends payable	57.9	58.2
Total current liabilities	1,294.2	1,569.5
Fiduciary liabilities	1,796.3	1,672.6
Less - cash and investments held in a fiduciary capacity	(1,796.3)	(1,672.6)
	-	-

Long-term debt	409.5	410.6
Other liabilities	678.6	683.9
Commitments and contingencies	-	-
Stockholders' equity:		
Preferred stock, \$1 par value, authorized 6,000,000 shares, none issued	-	-
Common stock, \$1 par value, authorized 200,000,000 shares, issued 76,794,531 shares at June 30, 1996 and December 31, 1995	76.8	76.8
Additional paid-in capital	156.1	155.5
Retained earnings	1,830.3	1,688.4
Unrealized securities holding gains, net of income taxes	175.3	149.2
Cumulative translation adjustments	(101.3)	(86.7)
	2,137.2	1,983.2
Less - treasury shares, at cost, 3,996,753 shares at June 30, 1996 and 4,020,742 shares at December 31, 1995	(325.3)	(317.7)
Total stockholders' equity	1,811.9	1,665.5
	\$4,194.2	\$4,329.5

MARSH & McLENNAN COMPANIES, INC.  
AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
(In millions of dollars)  
(Unaudited)

	Six Months Ended June 30,	
	1996	1995
Operating cash flows:		
Net income	\$258.3	\$226.6
Gain on sale of business	(33.2)	-
Unusual charges	33.4	-
Depreciation and amortization	69.2	65.3
Deferred income taxes	29.4	27.0
Other liabilities	23.3	(1.4)
Prepaid dealer commissions	(193.5)	(37.5)
Other, net	(4.1)	(10.5)
Net changes in operating working capital other than cash and cash equivalents -		
Receivables	(86.5)	(113.5)
Other current assets	6.6	16.7
Accrued compensation and employee benefits	5.1	(43.5)
Accounts payable and accrued liabilities	(15.3)	(21.3)
Accrued income taxes	11.1	4.5
Effect of exchange rate changes	1.9	(7.0)
Net cash generated from operations	105.7	105.4
Financing cash flows:		
Net change in debt	(105.7)	174.1
Purchase of treasury shares	(50.8)	(67.2)
Issuance of common stock	38.0	18.6
Dividends paid	(116.5)	(105.9)
Other, net	2.4	(8.0)
Net cash provided by (used for) financing activities	(231.6)	11.6
Investing cash flows:		
Additions to fixed assets	(60.3)	(69.6)
Proceeds from sale of business, net of cash sold	241.8	-
Acquisitions	(1.1)	(6.6)
Other, net	(41.0)	(1.5)
Net cash provided by (used for) investing activities	139.4	(77.7)
Effect of exchange rate changes on cash and cash equivalents	(2.8)	8.6
Increase in cash & cash equivalents	10.7	47.9
Cash & cash equivalents at beginning of period	328.1	294.9
Cash & cash equivalents at end of period	\$338.8	\$342.8

MARSH & McLENNAN COMPANIES, INC.  
AND SUBSIDIARIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
(Unaudited)

1. The consolidated financial statements included herein have been prepared by the Company pursuant to the rules and regulations of the Securities and Exchange Commission. Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been omitted pursuant to such rules and regulations, although the Company believes that the disclosures are adequate to make the information presented not misleading. These consolidated financial statements should be read in conjunction with the financial statements and the notes thereto included in the Company's latest annual report on Form 10-K.

The financial information contained herein reflects all adjustments which are, in the opinion of management, necessary for a fair presentation of the results of operations for the three and six month periods ended June 30, 1996 and 1995.

2. Fiduciary Cash and Liabilities

In its capacity as an insurance broker or agent, the Company collects premiums from insureds and, after deducting its commissions, remits the premiums to the respective insurance underwriters; the Company also collects claims or refunds from underwriters on behalf of insureds. Unremitted insurance premiums and claims are held in a fiduciary capacity. Interest income on these fiduciary funds, included in revenue, amounted to \$45.8 million and \$50.3 million for the six months ended June 30, 1996 and 1995, respectively.

Net uncollected premiums and claims and the related payables amounting to \$3.6 billion at June 30, 1996 and \$3.1 billion at December 31, 1995, are not included in the accompanying Consolidated Balance Sheets.

3. Net Income Per Share

Net income per share is computed by dividing net income by the average number of shares of common stock outstanding. Common stock equivalents (relating principally to stock options), which have been excluded from the calculation because their dilutive effect is immaterial, are shown below for the three and six month periods ended June 30, 1996 and 1995.

(In millions of shares)

	Three Months		Six Months Ended	
	Ended June 30,		June 30,	
	1996	1995	1996	1995
Primary	1.2	.8	1.1	.7
Fully Diluted	1.3	.8	1.3	.8

4. Supplemental Disclosure to the Consolidated Statements of Cash Flows

The following schedule provides additional information concerning acquisitions:

	Six Months Ended	
	June 30,	
(In millions of dollars)	1996	1995
Purchase acquisitions:		
Assets acquired, excluding cash	\$1.1	\$21.3
Liabilities assumed	-	(8.2)
Issuance of debt and other obligations	-	(6.5)
Net cash outflow for acquisitions	\$1.1	\$ 6.6

The following schedule provides details of changes in the Company's short-term and long-term debt. Although a portion of the Company's commercial paper borrowings is classified as

long-term debt in the Consolidated Balance Sheets, borrowings and repayments of commercial paper are shown below based on original maturities.

(In millions of dollars)	Six Months Ended	
	June 30,	
	1996	1995
Net change in debt with maturities of three months or less	\$ (217.4)	\$ (275.8)
Borrowings with maturities over three months	310.5	457.9
Repayments of debt with maturities over three months	(197.8)	(8.0)
Net (decrease) increase in debt	\$ (104.7)	\$ 174.1

Interest paid during the six months ended June 30, 1996 and 1995 was \$31.3 million and \$37.8 million, respectively.

Income taxes paid during the six months ended June 30, 1996 and 1995 were \$111.5 million and \$115.2 million, respectively.

#### 5. Income Taxes

Taxing authorities periodically challenge positions taken by the Company on its tax returns. On the basis of present information and advice received from counsel, it is the opinion of the Company's management that any assessments resulting from current tax audits will not have a material adverse effect on the Company's consolidated results of operations or its consolidated financial position.

#### 6. Claims, Lawsuits and Other Contingencies

The Company and its subsidiaries are subject to claims and lawsuits that arise in the ordinary course of business, consisting principally of alleged errors and omissions in connection with the placement of insurance or reinsurance and in rendering consulting and investment services. Some of these claims and lawsuits seek damages, including punitive damages, in amounts which could, if assessed, be significant.

Among these is a group of claims relating to reinsurance contracts placed by reinsurance broking subsidiaries of the Company that were called into question. In general, these contracts concern so-called run-off exposures under which reinsurers assumed some or all remaining liability for claims against Lloyd's syndicates or other London insurers on policies, typically written in the past over a period of many years and sometimes without aggregate limits. The initial disputes, primarily between reinsurers and cedants, concerned these contracts, and have largely been resolved by negotiation, arbitration or litigation. More recently, related disputes, including litigation, have arisen or been deferred by agreement between the members of syndicates, their underwriting and members' names agencies and, in some cases, subsidiaries of the Company. The syndicate members have experienced significant and continuing losses on policies, some of which were the subject of run-off reinsurance contracts that have been voided or compromised. The Company believes that its subsidiaries performed their reinsurance broking services in conformity with accepted and customary practices in the London market.

Subsidiaries of the Company in the course of their consulting and insurance activities advised certain clients in connection with their purchase of guaranteed investment contracts and annuities issued by Executive Life Insurance Company, which is in rehabilitation under the supervision of the California Insurance Department. Some of those clients as well as the Company's subsidiaries have been or may be involved in claims or lawsuits relating to losses in connection with those investments. In some instances, the subsidiaries have entered into agreements extending the time in which possible claims may be asserted against them, or have engaged in negotiating the deferral or resolution of claims and litigation. The Company believes that its subsidiaries acted in a proper and professional manner in connection with these matters.

On the basis of present information, available insurance coverage and advice received from counsel, it is the opinion of the Company's management that the disposition or ultimate determination of these claims and lawsuits will not have a

material adverse effect on the Company's consolidated results of operations or its consolidated financial position.

## 7. New Accounting Standard

In October 1995, the Financial Accounting Standards Board issued SFAS No. 123 "Accounting for Stock-Based Compensation," which is effective for fiscal years beginning after December 15, 1995. In accordance with the statement, the Company will provide new footnote disclosures in its 1996 annual report presenting pro forma net income and earnings per share amounts as if employee stock options had been expensed based on their estimated fair value on the grant date, determined by using certain option pricing models.

## 8. Unusual Items

In June of 1996, the Company completed the sale of The Frizzell Group Ltd. for approximately \$290 million. Second quarter results include a \$33.2 million pretax gain on the sale which was offset by non-recurring charges totaling \$33.4 million, representing a \$15.5 million provision related to the London market, a \$10 million goodwill write-off primarily attributable to a U.K. reinsurance operation and a \$7.9 million provision for various real estate matters. These amounts are included in Expense in the Consolidated Statements of Income.

Marsh & McLennan Companies, Inc. and Subsidiaries  
Management's Discussion and Analysis of  
Financial Condition and Results of Operations  
Second Quarter and Six Months Ended June 30, 1996

### General

Marsh & McLennan Companies, Inc. and Subsidiaries (the "Company") is a professional services firm with insurance services, consulting and investment management businesses. More than 25,000 employees provide analysis, advice and transactional capabilities to clients worldwide.

This management's discussion and analysis of financial condition and results of operations should be read in conjunction with the Company's latest annual report on Form 10-K.

The consolidated results of operations follow:

(In millions of dollars)	Second Quarter		Six Months	
	1996	1995	1996	1995
<b>Revenue:</b>				
Insurance Services	\$ 478.1	\$488.3	\$1,033.6	\$1,029.7
Consulting	293.3	265.9	570.2	515.5
Investment Management	265.4	181.0	503.7	345.2
	1,036.8	935.2	2,107.5	1,890.4
<b>Expense:</b>				
Compensation and Benefits	549.5	471.0	1,088.8	945.7
Other Operating Expenses	293.8	289.3	582.7	556.2
Unusual Charge, net	.2	-	.2	-
	843.5	760.3	1,671.7	1,501.9
Operating Income	\$ 193.3	\$174.9	\$ 435.8	\$ 388.5
Operating Income Margin	18.6%	18.7%	20.7%	20.6%

Revenue, derived mainly from commissions and fees, rose 11% from the second quarter of 1995 and also grew by 11% for the six months, driven principally by increased revenue in the investment management segment, which was largely attributable to higher assets under management. In addition, demand for the Company's consulting services remained strong.

Operating expenses rose 11% in the second quarter of 1996 and 11% for the six months primarily due to increased incentive compensation levels particularly within the investment management segment and to a lesser degree within the consulting segment. Volume-related costs, including those associated with higher staff levels, grew for both investment management and consulting as a result of the increased level of business activity.

The translated values of revenue and expense from the Company's international insurance services and consulting operations are affected by fluctuations in currency exchange rates. However, the net impact of these fluctuations on the Company's results of operations has not been material.

In October 1995, the Financial Accounting Standards Board issued SFAS No. 123, "Accounting for Stock-Based Compensation," which is effective for fiscal years beginning after December 15, 1995. In accordance with the statement, the Company will provide new footnote disclosures in its 1996 annual report presenting pro forma net income and earnings per share amounts as if employee stock options had been expensed based on their estimated fair value on the grant date, determined by using certain option pricing models.

#### Insurance Services

(In millions of dollars)	Second Quarter		Six Months	
	1996	1995	1996	1995
Revenue:				
Insurance Broking	\$329.8	\$323.3	\$ 700.9	\$ 670.8
Reinsurance Broking	54.3	63.4	141.9	158.8
Insurance Program Management	71.7	76.1	145.0	149.8
Interest Income on Fiduciary Funds	22.3	25.5	45.8	50.3
	478.1	488.3	1,033.6	1,029.7
Expense	390.2	394.2	789.2	782.1
Operating Income	\$ 87.9	\$ 94.1	\$ 244.4	\$ 247.6
Operating Income Margin	18.4%	19.3%	23.6%	24.0%

#### Insurance Broking Revenue

Insurance broking revenue, received from a predominantly corporate clientele, increased 2% from the second quarter of 1995 and 4% for the six months. Second quarter results reflect an increase in direct insurance broking revenue of 4% partially offset by lower revenue from Marsh & McLennan Risk Capital related activities. Client revenue rose primarily due to an increase in certain global specialty operations and new business growth in Europe. In the United States, commercial property premium rates declined somewhat and the casualty market experienced renewal rates which were generally down on a year-over-year basis. The Company does not expect market conditions to change significantly in the near term.

#### Reinsurance Broking Revenue

Reinsurance broking revenue decreased 14% in the second quarter of 1996. This decline was primarily due to the consolidation of various U.S. and U.K. insurance companies which had the effect of reducing their global reinsurance demands, the impact of lower property catastrophe premium rates, and reduced revenue from Marsh & McLennan Risk Capital related activities. The Company expects reinsurance demand and premium rates to remain unchanged for the balance of the year. For the first six months of 1996 reinsurance broking revenue decreased 11% compared with the same period of 1995.

#### Insurance Program Management Revenue

Insurance program management revenue decreased 6% from the second quarter of 1995 due to the sale of The Frizzell Group Limited ("Frizzell") in June 1996. Revenue for Seabury & Smith, which will comprise the whole of Program Management subsequent to the sale of Frizzell, increased 7% from the second quarter of 1995 and 6% for the six months. This growth was largely the result of increased services provided to corporations and institutions and their employees along with increased insurance placed on behalf of small businesses. Revenue for Frizzell reflected results for the two months of the quarter prior to its sale and, correspondingly, showed a decline of 20% in the second quarter of 1996. For the six

months, insurance program management revenue decreased 3% compared with 1995.

#### Interest Income on Fiduciary Funds

Interest income on fiduciary funds decreased 13% in the second quarter of 1996 and 9% for the six months due to generally lower average short-term interest rates particularly in North America and Continental Europe.

#### Expense

Insurance services expenses decreased 1% from the second quarter of 1995 primarily due to the impact of the sale of Frizzell as results reflect only two months of expenses in the second quarter. For the six months insurance services expenses increased 1% compared with 1995.

#### Unusual Charge, net

In June of 1996, the Company completed the sale of Frizzell for approximately \$290 million. Second quarter results include a \$33.2 million pretax gain on the sale which was offset by non-recurring charges totaling \$33.4 million, representing a \$15.5 million provision related to the London market, a \$10 million goodwill

write-off largely attributable to a U.K. reinsurance operation and a \$7.9 million provision for various real estate matters.

#### Consulting

(In millions of dollars)	Second Quarter		Six Months	
	1996	1995	1996	1995
Revenue	\$293.3	\$265.9	\$570.2	\$515.5
Expense	259.0	234.9	511.6	463.3
Operating Income	\$ 34.3	\$ 31.0	\$ 58.6	\$ 52.2
Operating Income Margin	11.7%	11.7%	10.3%	10.1%

#### Revenue

Consulting services revenue increased 10% in 1996 compared with the second quarter of 1995 and grew 11% for the six months as demand for services in all major practices increased. Retirement consulting revenue, which represented 44% of the consulting segment, grew 10% for the six months reflecting higher demand in North America, Continental Europe and Latin America. Revenue rose 15% in the global compensation practice, 13% in general management consulting and 9% in health care consulting during the first six months of 1996.

#### Expense

Consulting services expenses increased 10% for both the second quarter of 1996 and the six months. The increase reflects the impact of staff growth to support new business, higher incentive compensation and normal salary progressions.

#### Investment Management

(In millions of dollars)	Second Quarter		Six Months	
	1996	1995	1996	1995
Revenue	\$265.4	\$181.0	\$503.7	\$345.2
Expense	185.9	120.2	350.7	235.4
Operating Income	\$ 79.5	\$ 60.8	\$153.0	\$109.8
Operating Income Margin	30.0%	33.6%	30.4%	31.8%

#### Revenue

Putnam's revenue increased 47% compared with the second quarter of 1995 and 46% for the six months reflecting exceptional growth in the level of assets under management on which management fees are earned. The higher asset level reflects a record level of mutual fund sales, higher equity market valuations and new 401(k) business.

#### Expense

Putnam's expenses rose 55% in the second quarter of 1996 and 49%



for the six months reflecting the effect of significantly higher incentive compensation levels, staff growth to support new business, and increased costs resulting from the higher level of business activity.

Quarter-end and average assets under management for the second quarter are presented below:

(In billions of dollars)	1996	1995
<b>Mutual Funds:</b>		
Domestic Equity	\$ 64.8	\$ 34.7
Taxable Bond	26.8	24.5
Tax-Free Income	16.2	16.1
International Equity	5.7	3.0
	113.5	78.3
<b>Institutional Accounts:</b>		
Fixed Income	18.7	19.6
Domestic Equity	11.5	8.2
International Equity	5.1	3.0
	35.3	30.8
Quarter-end Assets	\$148.8	\$109.1
Average Assets	\$143.7	\$106.1

Assets under management are affected by fluctuations in domestic and international bond and stock market prices, by the level of investments and withdrawals for current and new fund shareholders and clients, by the development and marketing of new investment products, and by investment performance and service to clients. Revenue levels are sensitive to all of the factors above, but in particular, to significant changes in bond and stock market valuations.

Putnam provides individual and institutional investors with a broad range of equity and fixed income investment products and services designed to meet varying investment objectives. At the end of the second quarter, assets held in equity securities represented 58% of assets under management, compared with 45% in 1995, while investments in fixed income products represented 42%, compared with 55% last year.

#### Interest

Interest income earned on corporate funds declined to \$3.5 million in the second quarter of 1996 compared with \$4.4 million in 1995 and decreased 18% for the six months primarily due to generally lower yields worldwide.

Interest expense decreased to \$15.9 million in the second quarter of 1996 from \$16.8 million in 1995. This decline was primarily due to lower average interest rates on commercial paper borrowings. However, the average level of commercial paper borrowings during the period was higher than the comparable period of 1995 principally due to the funding of Putnam's prepaid dealer commissions as Putnam sold a record level of funds. The debt level was reduced in June as proceeds from the Frizzell transaction were applied against outstanding commercial paper borrowings. For the six months, interest expense decreased to \$31.1 million from \$31.5 million in 1995.

#### Income Taxes

The Company's consolidated tax rates were 36.3% and 37.25% of income before income taxes in the second quarter and six months of 1996 compared with 37.4% and 38.0%, respectively, for the comparable periods of 1995. The reduction in the 1996 tax rate reflects the continued implementation of tax minimization strategies around the world. The overall tax rates are higher than the U.S. statutory rates primarily because of the impact of state and local income taxes.

#### Liquidity and Capital Resources

The Company's cash and cash equivalents aggregated \$338.8 million on June 30, 1996, compared with \$328.1 million on December 31, 1995. In the six months ended June 30, 1996, the Company generated \$105.7 million of cash from operations compared with \$105.4 million

in 1995.

Cash flow from operations includes the net cash requirements of Putnam's prepaid dealer commissions, which amounted to \$193.5 million for the six months compared with \$37.5 million during the same period of 1995. The long-term portion of these prepaid dealer commissions is included in other assets in the Consolidated Balance Sheets.

The Company's capital expenditures, which amounted to \$60.3 million in the first six months of 1996 and \$69.6 million in 1995, were primarily related to computer equipment purchases and the refurbishing and modernizing of office facilities.

As previously mentioned, the Company sold Frizzell for approximately \$290 million in June of 1996. Subsequent to the disposition, the Company has accelerated its share repurchases under the three million share authorization approved in September 1995.

The other liabilities in the Consolidated Balance Sheets, which totaled \$678.6 million on June 30, 1996 and \$683.9 million on December 31, 1995, include the Company's long-term pension liability, reserves related to the Company's professional liability insurance program, and the postretirement liability for certain health care and life insurance benefits.

## PART II, OTHER INFORMATION

### MARSH & McLENNAN COMPANIES, INC. AND SUBSIDIARIES

#### INFORMATION REQUIRED FOR FORM 10-Q QUARTERLY REPORT

JUNE 30, 1996

#### Item 4. Submission of Matters to a Vote of Security Holders.

The Annual Meeting of Stockholders of the Registrant was held on May 21, 1996. Represented at the Meeting, at which stockholders took the following actions, were 62,391,735 shares or 85.7 percent of the Registrant's 72,788,615 shares of common stock outstanding and entitled to vote:

1. Each of the seven nominees for election as directors received at least 59,769,592 or 95.8 percent of the shares represented at the meeting. They are Robert Clements, Robert F. Erburu, Jeffrey W. Greenberg, Richard S. Hickok, David D. Holbrook, Adele Smith Simmons and A.J.C. Smith. The remaining directors continuing in office are: Lewis W. Bernard, Richard H. Blum, Frank J. Borelli, Peter Coster, Ray J. Groves, Lawrence J. Lasser, Richard M. Morrow, George Putnam, John T. Sinnott, Frank J. Tasco and R. J. Ventres. Philip L. Wroughton, who retired as vice chairman of Marsh & McLennan Companies in June 1996, did not stand for reelection to the board while Richard E. Heckert and Robert M.G. Husson retired from the board. Richard E. Heckert will serve as an advisory director of Marsh & McLennan Companies.
2. Stockholders approved an amendment to the Marsh & McLennan Companies Stock Investment Plan with a vote of 60,315,871 or 96.7 percent of the shares represented (1,086,063 opposing and 989,801 abstaining).
3. Deloitte & Touche LLP was ratified as the Company's independent public accountants for the year ending December 31, 1996, by a vote of 62,054,486 or 99.5 percent of the shares represented (193,672 opposing and 143,577 abstaining).

#### Item 6. Exhibits and Reports on Form 8-K.

- (a) Exhibits.

(b) Reports on Form 8-K.

A report on Form 8-K dated June 5, 1996 was filed by the registrant in connection with the disposition of The Frizzell Group Limited.

MARSH & McLENNAN COMPANIES, INC.  
AND SUBSIDIARIES

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Company has duly caused this report to be signed this 14th day of August, 1996 on its behalf by the undersigned, thereunto duly authorized and in the capacity indicated.

MARSH & McLENNAN COMPANIES, INC.

By:/s/FRANK J. BORELLI  
Senior Vice President and  
Chief Financial Officer

This schedule contains summary financial information extracted from the consolidated Marsh & McLennan Companies, Inc. and subsidiaries June 30, 1996 financial statements and is qualified in its entirety by reference to such financial statements.

6-MOS		
	DEC-31-1996	
	JUN-30-1996	
	338,800,000	
	0	
	1,122,100,000	
	45,200,000	
	0	
	1,670,200,000	
	1,387,400,000	
	658,100,000	
	4,194,200,000	
1,294,200,000		
	409,500,000	
	76,800,000	
	0	
	0	
	1,735,100,000	
4,194,200,000		
		0
	2,107,500,000	
		0
	1,671,700,000	
	0	
	0	
	31,100,000	
	411,700,000	
	153,400,000	
258,300,000		
	0	
	0	
		0
	258,300,000	
	3.54	
	3.54	