

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-K

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

For the fiscal year ended December 31, 1996

Marsh & McLennan Companies, Inc.
1166 Avenue of the Americas
New York, New York 10036-2774
(212) 345-5000

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

Securities registered pursuant to Section 12(b) of the Act:

Title of each class -----	Name of each exchange on which registered -----
Common Stock (par value \$1.00 per share)	New York Stock Exchange Chicago Stock Exchange
Preferred Stock Purchase Rights	Pacific Stock Exchange London Stock Exchange

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 .

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K .

As of February 28, 1997, the aggregate market value of the voting stock held by non-affiliates of the registrant was approximately \$8,449,000,000.

As of February 28, 1997, there were outstanding 72,700,750 shares of common stock, par value \$1.00 per share, of the registrant.

DOCUMENTS INCORPORATED BY REFERENCE
(only to the extent set forth in the part indicated)

Annual Report to Stockholders for the year ended December 31, 1996	Parts I, II and IV
Notice of Annual Meeting of Stockholders and Proxy Statement dated March 31, 1997	Part III

MARSH & McLENNAN COMPANIES, INC.

ANNUAL REPORT ON FORM 10-K

FOR THE YEAR ENDED DECEMBER 31, 1996

PART I

Item 1. Business.

Marsh & McLennan Companies, Inc. (the "registrant"), a professional services organization with origins dating from 1871 in the United States, is a holding company which, through its subsidiaries and affiliates, provides clients with analysis, advice and transactional capabilities in the fields of insurance and reinsurance broking, investment management and consulting. See "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 23 through 29 of the Annual Report to Stockholders for the year ended December 31, 1996 (the "1996 Annual Report"), which is incorporated herein by reference, for a discussion of the registrant's revenues and operating income by industry segment for each of the last three fiscal years.

On March 27, 1997, Johnson & Higgins, the leading privately held insurance services and employee benefit consulting firm, became a subsidiary of the registrant pursuant to an agreement entered into on March 12, 1997. Established in New York in 1845, Johnson & Higgins provides risk management and benefit consulting services to clients worldwide. Its 1996 revenues totaled \$1.2 billion. Except to the extent specifically identified herein, the information contained in this Form 10-K reflects the business and operations of the registrant without giving effect to the consummation of the transaction with Johnson & Higgins.

Insurance Services. Registrant's insurance services are provided by its subsidiaries and their affiliates on a worldwide basis, as broker, agent or consultant for insureds, insurance underwriters and other brokers. These services are principally provided by Marsh & McLennan, Incorporated and Guy Carpenter & Company, Inc., a reinsurance intermediary, and their subsidiaries and affiliates. Seabury & Smith, Inc. and its subsidiaries and affiliates provide insurance program management services involving a wide range of insurance and related products for individuals and others through both sponsored and non-sponsored affinity group programs primarily in the United States and Canada. Marsh & McLennan Risk Capital Corp. provides services principally in connection with originating, structuring and managing investments in the insurance industry.

Risk management and insurance broking services, carried on throughout the world principally by Marsh & McLennan, Incorporated and its subsidiaries and affiliates, are provided for a predominantly corporate clientele through offices in more than 80 countries, primarily in North and South America, Europe and Asia Pacific. Clients are companies engaged in a broad range of commercial activities, including general industries, financial and professional services, aviation, marine, energy construction, land transportation, healthcare and utility concerns. Clients also include various government and related agencies, non-profit and other organizations, and individuals.

Such risk management and insurance broking services involve various types of property and liability loss exposures, including large and complex risks that require access to world insurance markets. Services provided to clients include insurance broking activities and professional counseling services on risk management issues, including risk analysis, coverage requirements, self-insurance (in which the insured retains a portion of its insurance risks), and alternative insurance and risk financing methods, as well as claims collection, injury management, loss prevention and other insurance related services. Services also include organization and administrative services for special purpose insurance companies and other risk assumption alternatives. Insurance placement services include the placement of insurance coverages with insurers world-wide, sometimes involving other intermediaries. Correspondent relationships are maintained with unaffiliated firms in certain countries. In January 1997, the registrant acquired CECAR SA, a French insurance broker, resulting in the registrant becoming the largest insurance broker in France.

Reinsurance services are provided to insurance and reinsurance risk takers worldwide, principally by Guy Carpenter & Company, Inc. and its subsidiaries and affiliates, from offices principally in North America and Europe. Such services primarily involve acting as an intermediary for insurance and reinsurance organizations on all classes of reinsurance. The intermediary assists the insurer by providing advice, placing reinsurance coverage with reinsurance organizations located around the world, and furnishing related services such as actuarial, financial and regulatory consulting, portfolio analysis and catastrophe modeling. Claims services are often performed for policies placed a number of years previously. The insurance company may seek reinsurance or other risk-transfer financing on all or a portion of the risks it insures. Intermediary services are also provided to reinsurance companies, which may also seek reinsurance on the risks they have reinsured.

Seabury & Smith, Inc. and its subsidiaries and affiliates provide insurance program management services (including the

design, placement and administration of life, health, accident, disability, automobile, homeowners, professional liability and other insurance, and related products) primarily on a group marketing basis to individuals, businesses and their employees, and associations and other affinity groups and their members in the United States and Canada. It provides underwriting management services to insurers in the United States, Canada and the United Kingdom, primarily for professional liability coverages. The Frizzell Group Limited and its subsidiaries, which provided insurance program management, personal financial planning and consumer finance services in the United Kingdom, were sold in 1996.

Marsh & McLennan Risk Capital Corp. ("MMRCC") provides services in connection with originating, structuring and managing investments in the insurance industry. It is an advisor to The Trident Partnership L.P., an independent private investment partnership formed in 1994 to make private equity investments in the global insurance and reinsurance industry. MMRCC is also an advisor to Risk Capital Reinsurance Company (a subsidiary of Risk Capital Holdings, Inc., a publicly held corporation), which is based in the United States and was formed in 1995 to provide traditional and other kinds of reinsurance, both on a stand-alone basis and as part of integrated capital solutions for insurance companies. MMRCC and its predecessor operations were instrumental in the formation of several substantial insurance and reinsurance entities, including A.C.E. Insurance Company, Ltd., X.L. Insurance Company, Ltd. and Mid Ocean Reinsurance Company Ltd. MMRCC also advises its immediate parent company, Marsh & McLennan Risk Capital Holdings, Ltd., regarding the latter's ownership holdings in certain insurance and reinsurance entities and funds, primarily ones initiated by MMRCC. As a result of the foregoing activities, subsidiaries and affiliates of the registrant may have direct or indirect investments in insurance and reinsurance companies, including entities at Lloyd's, which are considered for client placements by the registrant's insurance and reinsurance brokerage businesses.

The revenue attributable to the registrant's insurance services consists primarily of fees paid by clients; commissions and fees paid by insurance and reinsurance companies; interest income on premiums, and in certain cases on claims, collected and not yet remitted to insurers, reinsurers or clients, such funds being held in a fiduciary capacity; and compensation for services provided in connection with the formation and capitalization of various insurers and reinsurers, including fees, royalties and dividends, as well as appreciation that has been realized on sales of holdings in such entities.

Revenue generated by insurance services is affected by premium rate levels in the property and casualty insurance markets and available insurance capacity, as compensation is frequently related to the premiums paid by insureds. Revenue is also affected by fluctuations in the amount of risk retained by insurance and reinsurance clients themselves and by insured values, the development of new products, markets and services, lost business, merging of clients (including insurance companies that are clients in the reinsurance intermediary business) and the volume of business from new and existing clients, as well as by interest rates for fiduciary funds. In many cases compensation may be negotiated in advance with certain clients on an annual basis based upon the estimated value of the services to be performed. Revenue and fees also may be received from originating, structuring and managing investments in insurers, and income and proceeds also may be derived from investments made by the registrant. Revenues vary from quarter to quarter as a result of the timing of policy renewals and the net effect of new and lost business production, whereas expenses tend to be more uniform throughout the year.

Commission rates vary in amount depending upon the type of insurance or reinsurance coverage provided, the particular insurer or reinsurer, and the capacity in which the broker acts, in addition to negotiations with clients. Occasionally, commissions are shared with other brokers that have participated in placing insurance or servicing insureds. Placement services revenue includes payments or allowances by insurance companies based upon such factors as the overall volume of business placed by the broker with that insurer, the loss performance to the insurer of that business or the aggregate commissions paid by the insurer for that book during specific periods. In some cases, compensation for brokerage or advisory services is paid directly as a fee by the client.

The investment of fiduciary funds is governed by the applicable laws or regulations of insurance authorities of the states in the United States and in other jurisdictions in which the registrant's subsidiaries do business. These laws and regulations typically limit the type of investments that may be made with such funds. The general amount of funds invested and interest rates may vary from time to time.

Investment Management. Investment management and related services are provided by Putnam Investments, Inc. and its subsidiaries ("Putnam"). Putnam has been engaged in the investment management business since 1937, with its principal offices in Boston, Massachusetts. Putnam also has offices in London and Tokyo. 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 and which afford its clients the opportunity to allocate their investment resources among various alternative investment products as changing worldwide economic and market conditions warrant.

Putnam's investment management services, which are performed principally in the United States, include securities investment advisory and management services consisting of investment research and management, accounting and related services for a group of publicly-held investment companies. As of December 31, 1996, there were 99 such funds (the "Putnam Funds") registered under the Investment Company Act of 1940, including 17 closed-end investment companies whose shares are traded on various major domestic stock exchanges. A number of the open-end funds serve as funding media for variable insurance contracts. Investment management services are also provided to corporate profit sharing and pension funds, state and other governmental and public employee retirement funds, university endowment funds, charitable foundations, collective investment vehicles and other domestic and foreign institutional accounts.

Assets managed by Putnam, on which management fees are based, were approximately \$173.4 billion and \$125.7 billion as of December 31, 1996 and 1995, respectively. Mutual fund assets aggregated \$133.8 billion at December 31, 1996 and \$93.4 billion at December 31, 1995. Assets under management at December 31, 1996 consisted of approximately 62% equity securities and 38% fixed income products, invested both domestically and globally.

Putnam's revenues are derived primarily from its investment management fees. Assets under management and revenue levels are affected by fluctuations in domestic and international bond and stock market prices, and by the level of investments and withdrawals for current and new fund shareholders and clients. They are also affected by investment performance, service to clients, the development and marketing of new investment products, the relative attractiveness of the investment style under prevailing market conditions and changes in the investment patterns of clients. Fluctuations in interest rates and in the yield curve will have an effect on fixed income assets under management and may influence the flow of monies to and from fixed-income funds and accounts. Fluctuations in the prices of stocks have a similar effect on equity assets under management and may influence the flow of monies to and from equity funds and accounts.

The investment management services provided to the Putnam Funds and institutional accounts are performed pursuant to

advisory contracts which provide for a fee payable to the Putnam company that manages the account. The amount of the fee varies depending on the individual mutual fund or account and is usually based upon a sliding scale in relation to the level of assets under management and, in certain instances, is also based on investment performance. Such contracts automatically terminate in the event of their "assignment", generally may be terminated by either party without penalty and, as to contracts with the Putnam Funds, continue in effect only so long as approved, at least annually, by their shareholders or by the Putnam Funds' trustees, including a majority who are not affiliated with Putnam. "Assignment" includes any direct or indirect transfer of a controlling block of voting stock in Putnam or registrant. Management of Putnam and the trustees of the funds regularly review the fund fee structure in light of fund performance, the level and range of services provided, industry conditions and other relevant factors.

A Putnam subsidiary, Putnam Fiduciary Trust Company, a Massachusetts trust company, serves as transfer agent, dividend disbursing agent, registrar and custodian for the Putnam Funds and provides one or more of such services to several external clients. Putnam Fiduciary Trust Company receives compensation from the Putnam Funds for such services pursuant to written agreements which may be terminated by either party on 90 days' notice, and for providing custody services pursuant to written agreements which may be terminated by either party on 30 days' notice. These contracts generally provide for compensation on the basis of several factors which vary with the type of service being provided. In addition, Putnam Fiduciary Trust Company provides administrative and trustee (or custodian) services for employee benefit plans (in particular 401(k) plans), IRA's and other clients for which it receives compensation pursuant to service and trust or custodian contracts. In the case of employee benefit plans, investment options are selected by the plan sponsors and include Putnam mutual funds and other Putnam managed products, as well as employer stock and other non-Putnam investments. In some instances, The Putnam Advisory Company, Inc., a Putnam subsidiary, acts as investment manager for a plan's fixed income portfolio and receives compensation for such investment management services pursuant to an investment management agreement.

Putnam Mutual Funds Corp., a Putnam subsidiary, acts as principal underwriter of the shares of the open-end Putnam Funds, selling primarily through independent broker/dealers, financial planners and financial institutions, including banks, and also directly to certain large 401(k) plans and other institutional accounts. Shares of the open-end funds are generally sold at their respective net asset value per share plus a sales charge,

which varies depending on the individual fund and the amount purchased. In some cases the sales charge is assessed if the shares are redeemed within a stated time period. In accordance with certain terms and conditions described in the prospectuses for such funds, certain investors are eligible to purchase shares at net asset value or at reduced sales charges, and investors may generally exchange their shares of a fund at net asset value for shares of another Putnam Fund when they believe such an investment decision is appropriate without the payment of additional sales charges.

Commissions to selling dealers are typically paid at the time of the purchase as a percentage of the amount invested. Essentially all Putnam Funds are available with a contingent deferred sales charge in lieu of a front-end load. The related prepaid dealer commissions initially paid by Putnam to broker/dealers for distributing such funds are recovered through charges and fees received over a number of years.

Nearly all of the open-end Putnam Funds have adopted distribution plans pursuant to Rule 12b-1 under the Investment Company Act of 1940 under which the Putnam Funds make payments to a Putnam subsidiary to cover costs relating to distribution of the Putnam Funds and services provided to shareholders. These payments enable the Putnam subsidiary to pay service fees and other continuing compensation to firms that provide services to Putnam Fund shareholders and distribute shares of the Putnam Funds. Some Rule 12b-1 fees are retained by the Putnam subsidiary as compensation for the costs of services provided by Putnam to shareholders and for commissions advanced by Putnam at the point of sale (and recovered through fees received over time) to firms that distribute shares of the Putnam Funds. These distribution plans, and payments made by the Putnam Funds thereunder, are subject to annual renewal by the trustees of the Putnam Funds and to termination by vote of the shareholders of the Putnam Funds or by vote of a majority of the Putnam Funds' trustees who are not affiliated with Putnam. Failure of the Trustees to approve continuation of the Rule 12b-1 plans for Class B (deferred sales charge) shares would have a material adverse effect on Putnam.

Consulting. Through Mercer Consulting Group, Inc., subsidiaries and affiliates of the registrant, separately and in collaboration, provide consulting services to a predominantly corporate clientele from locations around the world, primarily in the areas of human resources and employee benefit programs, including retirement, health care and compensation; and general management consulting, which comprises strategy, operations and marketing. The Company also provides economic consulting and analysis.

William M. Mercer Companies, Inc. ("William M. Mercer") provides professional advice and services to corporate, government and institutional clients from offices in approximately 27 countries and territories, primarily in North and South America, Western Europe, East Asia, Australia and New Zealand. Consultants help organizations design, implement, administer and communicate retirement, compensation and other human resource programs, and provide other types of actuarial advice. In addition, William M. Mercer advises the management of health care providers on various business issues, including operational reengineering, improving clinical effectiveness and establishing strategic partnerships. Through its investment consultants, William M. Mercer assists trustees of pension funds and others in the selection of investment managers and investment strategies.

Mercer Management Consulting, Inc. provides advice and assistance on issues of business strategy, primarily to large corporations in North America, Europe and Asia. Consultants help senior executives more fully understand the behavior of their customers, optimize the economics of their business, and structure their organizations, processes and systems to achieve their strategic goals. In addition, under the Lippincott & Margulies name, Mercer Management Consulting, Inc. provides consulting services relating to brand and corporate identity and image.

National Economic Research Associates, Inc. ("NERA"), a firm of consulting economists, provides advice to law firms, corporations, trade associations and governmental agencies, from offices in the United States, England and Spain. NERA provides research and analysis of economic and financial issues arising in litigation, regulation, public policy and management.

The major component of Mercer Consulting Group's revenue is fees paid by clients for advice. In addition, commission revenue is received from insurance companies for the placement of individual and group insurance contracts, primarily life, health and accident coverages. Also, in the 401(k) record keeping business, 12(b)(1) fees are received from mutual funds for which record keeping services are provided.

Revenue in the consulting business is affected by changes in clients' industries, including government regulation, as well as new products and services, the stage of the economic cycle and broad trends in the management of large organizations.

Regulation. The activities of the registrant are subject to licensing requirements and extensive regulation under the laws of the United States and its various states, territories and

possessions, as well as laws of other countries in which the registrant's subsidiaries operate. These laws and regulations are primarily intended to benefit clients.

The registrant's three business segments depend on the validity of, and continued good standing under, the licenses and approvals pursuant to which they operate, as well as compliance with pertinent regulations. The registrant therefore devotes significant effort toward maintaining its licenses and to ensuring compliance with a diverse and complex regulatory structure.

In all jurisdictions the applicable laws and regulations are subject to amendment or interpretation by regulatory authorities. Generally, such authorities are vested with relatively broad discretion to grant, renew and revoke licenses and approvals, and to implement regulations. Licenses may be denied or revoked for various reasons, including the violation of such regulations, conviction of crimes and the like. Possible sanctions which may be imposed include the suspension of individual employees, limitations on engaging in a particular business for specified periods of time, revocation of licenses, censures and fines. In some instances, the registrant follows practices based on its interpretations, or those generally followed by the industry, of laws or regulations, which may prove to be different from those of regulatory authorities. Accordingly, the possibility exists that the registrant may be precluded or temporarily suspended from carrying on some or all of its activities or otherwise fined or penalized in a given jurisdiction.

No assurances can be given that the registrant's insurance, investment management or consulting activities can continue to be conducted in any given jurisdiction as in the past.

Insurance Services. While the laws and regulations vary among jurisdictions, every state of the United States and most foreign jurisdictions require an insurance broker or agent (and in some cases a reinsurance broker or intermediary) or insurance consultant, managing general agent or third party administrator to have an individual and/or company license from a governmental agency or self-regulatory organization. In addition, certain of the registrant's insurance activities are governed by the rules of the Lloyd's insurance market in London and self-regulatory organizations in other jurisdictions. A few jurisdictions issue licenses only to individual residents or locally-owned business entities. In some of these jurisdictions, if the registrant has no licensed subsidiary, the registrant may maintain arrangements with residents or business entities licensed to act in such jurisdiction. Also, in some jurisdictions, various insurance related taxes may also be due either by clients directly or from

the broker. In the latter case, the broker customarily looks to the client for payment.

Investment Management. Putnam's securities investment management activities are subject to regulation in the United States by the Securities and Exchange Commission, and other federal, state and self regulatory authorities, as well as in certain other countries in which it does business. Putnam's officers, directors and employees may from time to time own securities which are also held by the Putnam funds or institutional accounts. Putnam's internal policies with respect to individual investments require prior clearance and reporting of transactions and restrict certain transactions so as to reduce the possibility of conflicts of interests.

To the extent that existing or future regulations affecting the sale of Putnam fund shares or other investment products or their investment strategies cause or contribute to reduced sales of Putnam fund shares or investment products or impair the investment performance of the Putnam funds or such other investment products, Putnam's aggregate assets under management and its revenues might be adversely affected. Changes in regulations affecting the free movement of international currencies might also adversely affect Putnam.

Consulting. No licensing or other regulatory requirements material in the aggregate to the consulting activities of the registrant's subsidiaries apply to that activity in general; however, the subject matter of certain consulting services may result in regulation. For example, employee benefit plans are subject to various governmental regulations, and services related to investment matters or the placing of individual and group insurance contracts subject the registrant's subsidiaries to insurance or investment and securities regulations and licensing in various jurisdictions.

Competitive Conditions. Principal methods of competition in insurance services and consulting include the quality and types of services and products that a broker or consultant provides its clients and their cost. Putnam competes with other providers of investment products and services primarily on the basis of the range of investment products offered, the investment performance of such products, as well as the manner in which such products are distributed, and the scope and quality of the shareholder and other services provided. Sales of Putnam fund shares are also influenced by general securities market conditions, government regulations, global economic conditions and advertising and sales promotional efforts.

All these businesses also encounter strong competition from both public corporations and private firms in attracting and retaining qualified employees.

Insurance Services. The insurance and reinsurance broking services business of the registrant is believed to be among the largest of its type in the world.

The registrant encounters strong competition in the insurance services business from other insurance brokerage firms which also operate on a nationwide or worldwide basis, from a large number of regional and local firms in the United States and in other countries, from insurance and reinsurance companies that market and service their insurance products without the assistance of brokers or agents and from other financial services businesses, including commercial and investment banks that provide risk-related services and products.

Certain insureds and groups of insureds have established programs of self insurance, as a supplement or alternative to third-party insurance, thereby reducing in some cases the need for insurance placement services. There are also many other providers of insurance program management services, including many insurance companies, and many other organizations seeking to structure and manage investments in the insurance industry.

Investment Management. Putnam Investments is one of the largest investment management firms in the United States. The investment management business is highly competitive. In addition to competition from firms already in the investment management business, including commercial banks, stock brokerage and investment banking firms, and insurance companies, there is competition from other firms offering financial services and other investment alternatives.

Many securities dealers, whose large retail distribution systems play an important role in the sale of shares in the Putnam funds, also sponsor competing proprietary mutual funds. To the extent that such securities dealers value the ability to offer customers a broad selection of investment alternatives, they will continue to sell independent funds, notwithstanding the availability of proprietary products. However, to the extent that these firms limit or restrict the sale of Putnam fund shares through their brokerage systems in favor of their proprietary mutual funds, assets under management might decline and Putnam's revenues might be adversely affected. In addition, a number of mutual fund sponsors presently market their funds to the general public without sales charges. Certain firms also offer passively managed funds such as index funds to the general public.

Consulting. Mercer Consulting Group, one of the largest global consulting firms, is a leader in many of its businesses. William M. Mercer is the world's largest human resources consulting organization. Mercer Management Consulting is a leader in strategy consulting. NERA is a leading firm of consulting economists.

William M. Mercer, Mercer Management Consulting and NERA compete with other privately held and publicly held worldwide and national consulting companies, as well as regional and local firms. Competitors include independent consulting firms as well as consulting organizations affiliated with accounting firms, information systems providers, investment management organizations and other financial services firms, some of which emphasize administrative or consulting services related to other services, including the management of 401(k) plan funds, the design of information and other technology systems, and administrative functions outsourced by corporations.

Segmentation of Activity by Type of Service and Geographic Area of Operation. Financial information relating to the types of services provided by the registrant and the geographic areas of its operations is incorporated herein by reference to Note 15 of the Notes to Consolidated Financial Statements on page 45 of the 1996 Annual Report. The registrant's non-U.S. operations are subject to the customary risks involved in doing business in other countries, such as currency fluctuations and exchange controls.

Employees. As of December 31, 1996, the registrant and its consolidated subsidiaries employed about 27,000 people worldwide, of whom approximately 13,250 were employed by subsidiaries providing insurance services, approximately 4,200 were employed by subsidiaries providing investment management services, approximately 9,250 were employed by subsidiaries providing consulting services, and approximately 300 were employed by the registrant.

INFORMATION CONCERNING FORWARD-LOOKING STATEMENTS. This report and the registrant's financial statements and other documents incorporated herein by reference may contain forward-looking statements. Such statements may include, without limitation, discussions concerning revenue and expense growth, market and industry conditions, interest rates, foreign exchange rates, contingencies and matters relating to the registrant's operations and income taxes. Such forward-looking statements are based on available current market and industry materials, expert's reports and opinions, as well as management's expectations concerning future events impacting the registrant. Forward looking statements by their very nature involve risks and

uncertainties. Factors that may cause actual results to differ materially from those contemplated by any forward looking statements contained or incorporated herein include the impact of changes in insurance markets and natural catastrophes in the case of registrant's insurance services business, changes in worldwide and national securities and fixed income markets in the case of registrant's investment management business and, with respect to all of registrant's activities, changes in worldwide and national economies, fluctuations in foreign currencies, changes in interest rates and the impact of tax and other legislation and regulation in the jurisdictions in which the registrant operates.

Item 2. Properties.

The registrant and four of its subsidiaries, as tenants in common, own a 56% condominium interest in a 44-story building in New York City which serves as their worldwide headquarters. The principal offices of the registrant's Bowring subsidiaries in London are located in two adjoining buildings on land under a lease which expires in 2077.

The remaining business activities of the registrant and its subsidiaries are conducted principally in leased office space in cities throughout the world. No difficulty is anticipated in negotiating renewals as leases expire or in finding other satisfactory space if the premises become unavailable. From time to time, the registrant may have unused space and may seek to sublet such space to third parties, depending upon the demands for office space in the locations involved.

Item 3. Legal Proceedings.

The registrant 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 investment and consulting services. Some of these claims and lawsuits seek damages, including punitive damages, in amounts which could, if assessed, be significant. Information regarding disputes involving run-off reinsurance contract placements primarily in the Lloyd's market and relating to advice with respect to client purchases of guaranteed investment contracts and annuities issued by Executive Life Insurance Company are incorporated herein by reference to Note 14 of the Notes to Consolidated Financial Statements on page 44 of the 1996 Annual Report.

On the basis of present information, available insurance coverage and advice received from counsel, it is the opinion of the registrant's management that the disposition or ultimate

determination of these claims and lawsuits will not have a material adverse effect on the registrant's consolidated results of operations or its consolidated financial position.

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

None.

PART II

Item 5. Market for Registrant's Common Equity and Related Stockholder Matters.

Market and dividend information regarding the registrant's common stock on page 47 of the 1996 Annual Report is incorporated herein by reference.

Item 6. Selected Financial Data.

The selected financial data on pages 48 and 49 of the 1996 Annual Report are incorporated herein by reference.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations.

Information on pages 23 through 29 of the 1996 Annual Report is incorporated herein by reference.

Item 8. Financial Statements and Supplementary Data.

The Consolidated Financial Statements and the Report of Independent Auditors thereto on pages 30 through 46 of the 1996 Annual Report and Selected Quarterly Financial Data (Unaudited) on page 47 of the 1996 Annual Report are incorporated herein by reference. Supplemental Notes to Consolidated Financial Statements are included on pages 23 and 24 hereof.

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

None.

PART III

Item 10. Directors and Executive Officers of the Registrant.

Information as to the directors of the registrant and compliance with Section 16(a) of the Securities Exchange Act of 1934 is incorporated herein by reference to the material under the headings "Directors" and "Section 16(a) Beneficial Ownership Reporting Compliance" in the Notice of Annual Meeting of Stockholders and Proxy Statement dated March 31, 1997 (the "1997 Proxy Statement").

The executive officers of the registrant as of December 31, 1996 are Messrs. Blum, Borelli, Coster, Greenberg, Holbrook, Lasser, Sinnott and Smith, with respect to whom information is incorporated herein by reference to the 1997 Proxy Statement, and:

Francis N. Bonsignore, age 50, has been Senior Vice President-Human Resources & Administration of the registrant since 1990. Immediately prior thereto, he was partner and National Director-Human Resources for Price Waterhouse.

Gregory F. Van Gundy, age 51, is Secretary and General Counsel of the registrant. He joined the registrant in 1974.

Item 11. Executive Compensation.

Information under the headings "Executive Compensation", "Compensation Committee Report" and "Comparison of Cumulative Total Stockholder Return" in the 1997 Proxy Statement is incorporated herein by reference.

Item 12. Security Ownership of Certain Beneficial Owners and Management

Information under the heading "Security Ownership" in the 1997 Proxy Statement is incorporated herein by reference.

Item 13. Certain Relationships and Related Transactions.

Information under the headings "Employment and Consulting Agreements" and "Transactions with Management and Others; Other Information" in the 1997 Proxy Statement is incorporated herein by reference.

PART IV

Item 14. Exhibits, Financial Statement Schedules, and Reports on Form 8-K.

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

1. Consolidated Financial Statements (incorporated herein by reference to pages 30 through 46 of the 1996 Annual Report):

Consolidated Statements of Income for the three years ended December 31, 1996

Consolidated Balance Sheets as of December 31, 1996 and 1995

Consolidated Statements of Cash Flows for the three years ended December 31, 1996

Consolidated Statements of Stockholders' Equity for the three years ended December 31, 1996

Notes to Consolidated Financial Statements

Report of Independent Auditors

Supplemental Notes to Consolidated Financial Statements

Report of Independent Auditors

Other:

Selected Quarterly Financial Data and Supplemental Information (Unaudited) for the three years ended December 31, 1996 (incorporated herein by reference to page 47 of the 1996 Annual Report)

Ten-Year Statistical Summary of Operations (incorporated herein by reference to pages 48 and 49 of the 1996 Annual Report)

2. All required Financial Statement Schedules are included in the Consolidated Financial Statements, the Notes to Consolidated Financial Statements or the Supplemental Notes to Consolidated Financial Statements.
3. The following exhibits are filed as a part of this report:
 - (3) --the registrant's restated certificate of incorporation (incorporated by reference to the registrant's Annual Report on Form 10-K for the year ended December 31, 1987)
 - the registrant's by-laws
 - (10)--Stock Purchase Agreement, dated as of March 12, 1997, by and among the registrant, Johnson & Higgins and the stockholders of Johnson & Higgins (incorporated by reference to the registrant's Current Report on Form 8-K dated March 14, 1997)
 - Marsh & McLennan Companies, Inc. 1997 Senior Executive Incentive and Stock Award Plan (subject to stockholder approval at the 1997 annual meeting)
 - Marsh & McLennan Companies, Inc. 1992 Incentive and Stock Award Plan (incorporated by reference to the registrant's Annual Report on Form 10-K for the year ended December 31, 1995)
 - Marsh & McLennan Companies, Inc. Restricted Shares Voluntary Deferral Program for U.S. Employees (incorporated by reference to the registrant's Annual Report on Form 10-K for the year ended December 31, 1995)
 - Marsh & McLennan Companies Stock Investment Supplemental Plan (incorporated by reference to the registrant's Annual Report on Form 10-K for the year ended December 31, 1994)
 - Marsh & McLennan Companies Special Severance Pay Plan (as amended and restated 11/21/96)

- Putnam Investments, Inc. Executive Deferred Compensation Plan (incorporated by reference to the registrant's Annual Report on Form 10-K for the year ended December 31, 1994)
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- Marsh & McLennan Companies Senior Management Incentive Compensation Plan (incorporated by reference to the registrant's Annual Report on Form 10-K for the year ended December 31, 1994)
- Marsh & McLennan Companies, Inc. U.S. Employee 1996 Cash Bonus Award Voluntary Deferral Plan
- Marsh & McLennan Companies, Inc. Canadian Employee 1996 Cash Bonus Award Voluntary Deferral Plan
- Marsh & McLennan Companies, Inc. Directors Stock Compensation Plan (as amended and restated 11/21/96)
- Amended and Restated Employment Agreement effective as of December 31, 1993 between Robert Clements and Marsh & McLennan Risk Capital Corp. and related Guaranty of the registrant (incorporated by reference to the registrant's Annual Report on Form 10-K for the year ended December 31, 1994)
- Amendment to Amended and Restated Employment Agreement made as of March 21, 1996 between Robert Clements and Marsh & McLennan Risk Capital Corp. and related Guaranty of the registrant (incorporated by reference to the registrant's Annual Report on Form 10-K for the year ended December 31, 1995)
- Agreement made as of March 29, 1996 between Robert Clements, Marsh & McLennan Risk Capital Corp. and Marsh & McLennan Risk Capital Holdings, Ltd.

--Employment Agreement between Jeffrey W. Greenberg and Marsh & McLennan Risk Capital Corp. and related Guaranty of the registrant (incorporated by reference to the registrant's Annual Report on Form 10-K for the year ended December 31, 1995)

(13)--Annual Report to Stockholders for the year ended December 31, 1996, to be deemed filed only with respect to those portions which are expressly incorporated by reference

(21)--list of subsidiaries of the registrant
(as of 2/28/97)

(23)--consent of independent auditors

(24)--powers of attorney

(27)--Financial Data Schedule (filed only with SEC for EDGAR purposes)

(b) No reports on Form 8-K were filed by the registrant in the fiscal quarter ended December 31, 1996.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed this 31st day of March, 1997 on its behalf by the undersigned, thereunto duly authorized.

MARSH & McLENNAN COMPANIES, INC.

By /s/ A.J.C. SMITH

A.J.C. SMITH
Chairman of the Board
and Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities indicated this 31st day of March, 1997.

/s/A.J.C. SMITH	LEWIS W. BERNARD*
-----	-----
A.J.C. SMITH	LEWIS W. BERNARD
Director, Chairman of the Board	Director
and Chief Executive Officer	

/s/FRANK J. BORELLI	RICHARD H. BLUM*
-----	-----
FRANK J. BORELLI	RICHARD H. BLUM
Senior Vice President and	Director
Chief Financial Officer,	
Director	

/s/DOUGLAS C. DAVIS	ROBERT CLEMENTS*
-----	-----
DOUGLAS C. DAVIS	ROBERT CLEMENTS
Vice President and Controller	Director
(Chief Accounting Officer)	

PETER COSTER*	RICHARD M. MORROW*
-----	-----
PETER COSTER	RICHARD M. MORROW
Director	Director

ROBERT F. ERBURU*

ROBERT F. ERBURU
Director

GEORGE PUTNAM*

GEORGE PUTNAM
Director

JEFFREY W. GREENBERG*

JEFFREY W. GREENBERG
Director

ADELE SMITH SIMMONS*

ADELE SMITH SIMMONS
Director

RAY J. GROVES*

RAY J. GROVES
Director

JOHN T. SINNOTT*

JOHN T. SINNOTT
Director

RICHARD S. HICKOK*

RICHARD S. HICKOK
Director

FRANK J. TASCO*

FRANK J. TASCO
Director

DAVID D. HOLBROOK*

DAVID D. HOLBROOK
Director

R. J. VENTRES*

R. J. VENTRES
Director

LAWRENCE J. LASSER*

LAWRENCE J. LASSER
Director

* Gregory F. Van Gundy, pursuant to Powers of Attorney executed by each of the individuals whose name is followed by an (*) and filed herewith, by signing his name hereto does hereby sign and execute this Form 10-K of Marsh & McLennan Companies, Inc. on behalf of such individual in the capacities in which the names of each appear above.

/s/GREGORY F. VAN GUNDY

GREGORY F. VAN GUNDY

REPORT OF INDEPENDENT AUDITORS

The Board of Directors and Stockholders of
Marsh & McLennan Companies, Inc.:

We have audited the consolidated balance sheets of Marsh & McLennan Companies, Inc. and subsidiaries as of December 31, 1996 and 1995, and the related consolidated statements of income, stockholders' equity and cash flows for each of the three years in the period ended December 31, 1996, and have issued our report thereon dated February 26, 1997 (March 12, 1997, as to the last paragraph of Note 3); such financial statements and report are included in your 1996 Annual Report to Stockholders and are incorporated herein by reference. Our audits also included the supplemental notes to the consolidated financial statements (the "Notes") listed in Item 14. These Notes are the responsibility of the Company's management. Our responsibility is to express an opinion based on our audits. In our opinion, such Notes, when considered in relation to the basic consolidated financial statements taken as a whole, present fairly in all material respects the information set forth therein.

DELOITTE & TOUCHE LLP

New York, New York
February 26, 1997

MARSH & McLENNAN COMPANIES, INC. AND SUBSIDIARIES
 SUPPLEMENTAL NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

16. Information concerning the Company's valuation accounts follows:

An analysis of the allowance for doubtful accounts for the three years ended December 31, 1996 follows (in millions of dollars):

	1996 -----	1995 -----	1994 -----
Balance at beginning of year	\$54.6	\$52.2	\$50.9
Provision charged to operations	9.9	12.8	11.6
Accounts written-off, net of recoveries	(10.2)	(10.5)	(11.3)
Effect of exchange rate changes	0.9	.1	1.2
Other	(11.9)(B)	--	(.2)
	-----	-----	-----
Balance at end of year (A).....	\$43.3	\$54.6(A)	\$52.2
	=====	=====	=====

(A) Includes allowance for doubtful accounts related to long-term consumer finance receivables amounting to \$6.3 million in 1995 and \$7.3 million in 1994.

(B) Includes \$11.2 million relating to the sale of Frizzell.

An analysis of the valuation allowance for certain foreign deferred tax assets as of December 31, 1996, 1995 and 1994 follows (in millions of dollars):

	1996 -----	1995 -----	1994 -----
Balance at beginning of year	\$25.2	\$24.7	\$23.6
Provision	--	--	.5
Effect of exchange rate changes	2.2	.5	.6
	-----	-----	-----
Balance at end of year (A)	\$27.4	\$25.2	\$24.7
	=====	=====	=====

(A) Included in other liabilities in the Consolidated Balance Sheets.

MARSH & McLENNAN COMPANIES, INC. AND SUBSIDIARIES
 SUPPLEMENTAL NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

17. An analysis of intangible assets at December 31, 1996 and 1995 follows (in millions of dollars):

	1996 -----	1995 -----
Goodwill	\$608.7	\$787.4
Other intangible assets	92.3	92.3
	-----	-----
Subtotal	701.0	879.7
Less - accumulated amortization	(155.7)	(150.0)
	-----	-----
Total	\$545.3 (A) =====	\$729.7 =====

(A) The decrease from December 31, 1995 is primarily due to the sale of Frizzell (\$142.5 million) and goodwill write-offs (\$17 million).

18. Per share data, as presented in the Consolidated Statements of Income, is computed by using the average number of shares of the Company's 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 years ended December 31, 1996 (in millions of shares).

	1996 ----	1995 ----	1994 ----
Primary	1.3 ===	.8 ===	.7 ===
Fully Diluted	1.7 ===	1.1 ===	.7 ===

EXHIBIT INDEX

- (3)(a) --the registrant's restated certificate of incorporation (incorporated by reference to the registrant's Annual Report on Form 10-K for the year ended December 31, 1987)
- (b) --the registrant's by-laws
- (10)(a) --Stock Purchase Agreement, dated as of March 12, 1997, by and among the registrant, Johnson & Higgins and the stockholders of Johnson & Higgins (incorporated by reference to the registrant's Current Report on Form 8-K dated March 14, 1997)
- (b) --Marsh & McLennan Companies, Inc. 1997 Senior Executive Incentive and Stock Award Plan (subject to stockholder approval at the 1997 annual meeting)
- (c) --Marsh & McLennan Companies, Inc. 1992 Incentive and Stock Award Plan (incorporated by reference to the registrant's Annual Report on Form 10-K for the year ended December 31, 1995)
- (d) --Marsh & McLennan Companies, Inc. Restricted Shares Voluntary Deferral Program for U.S. Employees (incorporated by reference to the registrant's Annual Report on Form 10-K for the year ended December 31, 1995)
- (e) --Marsh & McLennan Companies Stock Investment Supplemental Plan (incorporated by reference to the registrant's Annual Report on Form 10-K for the year ended December 31, 1994)
- (f) --Marsh & McLennan Companies Special Severance Pay Plan (as amended and restated 11/21/96)
- (g) --Putnam Investments, Inc. Executive Deferred Compensation Plan (incorporated by reference to the registrant's Annual Report on Form 10-K for the year ended December 31, 1994)

EXHIBIT INDEX (cont'd)

- (h) --Marsh & McLennan Companies Supplemental Retirement Plan (incorporated by reference to the registrant's Annual Report on Form 10-K for the year ended December 31, 1992)
- (i) --Marsh & McLennan Companies Senior Management Incentive Compensation Plan (incorporated by reference to the registrant's Annual Report on Form 10-K for the year ended December 31, 1994)
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- (k) --Marsh & McLennan Companies, Inc. Canadian Employee 1996 Cash Bonus Award Voluntary Deferral Plan
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- (m) --Amended and Restated Employment Agreement effective as of December 31, 1993 between Robert Clements and Marsh & McLennan Risk Capital Corp. and related Guaranty of the registrant (incorporated by reference to the registrant's Annual Report on Form 10-K for the year ended December 31, 1994)
- (n) --Amendment to Amended and Restated Employment Agreement made as of March 21, 1996 between Robert Clements and Marsh & McLennan Risk Capital Corp. and related Guaranty of the registrant (incorporated by reference to the registrant's Annual Report on Form 10-K for the year ended December 31, 1995)
- (o) --Agreement made as of March 29, 1996 between Robert Clements, Marsh & McLennan Risk Capital Corp. and Marsh & McLennan Risk Capital Holdings, Ltd.

EXHIBIT INDEX (cont'd)

- (p) --Employment Agreement between Jeffrey W. Greenberg and Marsh & McLennan Risk Capital Corp. and related Guaranty of the registrant (incorporated by reference to the registrant's Annual Report on Form 10-K for the year ended December 31, 1995)
- (13) --Annual Report to Stockholders for the year ended December 31, 1996, to be deemed filed only with respect to those portions which are expressly incorporated by reference
- (21) --list of subsidiaries of the registrant (as of 2/28/97)
- (23) --consent of independent auditors
- (24) --powers of attorney
- (27) --Financial Data Schedule (filed only with SEC for EDGAR purposes)

BY-LAWS
OF
MARSH & McLENNAN COMPANIES, INC.

RESTATED AS LAST AMENDED

May 21, 1996

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BY-LAWS
OF
MARSH & McLENNAN COMPANIES, INC.

ARTICLE I

Offices

The principal office of the Corporation in Delaware shall be at Corporation Trust Center, 1209 Orange Street, in the City of Wilmington, County of New Castle, in the State of Delaware, and The Corporation Trust Company shall be the resident agent of the Corporation in charge thereof. The Corporation may also have such other offices at such other places as the Board of Directors may from time to time designate or the business of the Corporation may require.

ARTICLE II

Meetings of the Stockholders

SECTION 1. Place of Meetings. Meetings of the stockholders may be held at such place as the Board of Directors may determine.

SECTION 2. Annual Meetings. The annual meeting of the stockholders shall be held on the third Tuesday of May in each year, or such other day in May as may be determined from time to time by the Board of Directors, at such time and place as the Board of Directors may designate. At said meeting the

stockholders shall elect a Board of Directors and transact any other business authorized or required to be transacted by the stockholders.

SECTION 3. Special Meetings. Special meetings of the stockholders, except as otherwise provided by law, shall be called by the Chairman of the Board, or whenever the Board of Directors shall so direct, the Secretary.

SECTION 4. Notice of Meetings. Except as otherwise provided by law, written or printed notice stating the place, day and hour of the meeting, and in the case of a special meeting the purpose or purposes for which the meeting is called, shall be delivered personally or mailed, postage prepaid, at least ten (10) days but not more than sixty (60) days before such meeting to each stockholder at such address as appears on the stock books of the Corporation.

SECTION 5. Fixing of Record Date. In order to determine the stockholders entitled to notice of or to vote at any meeting of the stockholders or any adjournment thereof, or entitled to receive payment of any dividend or other distribution or allotment of any rights, or entitled to exercise any rights in respect of any change, conversion or exchange of stock or for the purpose of any other lawful action, the Board of Directors may

fix, in advance, a record date which shall not be more than sixty (60) nor less than ten (10) days before the date of such meeting, and no more than sixty (60) days prior to any other action.

If no record date is fixed by the Board of Directors, the record date for determining stockholders entitled to notice of or to vote at a meeting of stockholders shall be at the close of business on the day next preceding the day on which notice of the meeting is given or, if notice is waived, at the close of business on the day next preceding the day on which the meeting is held, and such date for any other purpose shall be the date on which the Board of Directors adopts the resolution relating thereto. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; provided, however, that the Board of Directors may fix a new record date for the adjourned meeting.

SECTION 6. Quorum. The holders of a majority of the stock issued and outstanding present in person or represented by proxy shall be requisite and shall constitute a quorum at all meetings of the stockholders for the transaction of business, except as otherwise provided by law, by the Restated Certificate of Incorporation or by these by-laws. If, however, such majority shall not be present or represented at any meeting of the

stockholders, the stockholders present in person or by proxy shall have power to adjourn the meeting from time to time without notice other than announcement at the meeting until the requisite amount of stock shall be represented. At such adjourned meeting at which the requisite amount of stock shall be represented, any business may be transacted which might have been transacted at the meeting as originally called.

SECTION 7. Voting. Each stockholder entitled to vote in accordance with the terms of the Restated Certificate of Incorporation and in accordance with the provisions of these by-laws shall be entitled to one vote, in person or by proxy, for each share of stock entitled to vote held by such stockholder, but no proxy shall be voted after three years from its date unless such proxy provides for a longer period. The vote for directors and, upon demand of any stockholder, the vote upon any question before the meeting shall be by ballot. All elections of directors shall be decided by plurality vote; all other questions shall be decided by a majority of the shares present in person or represented by proxy at the meeting of stockholders and entitled to vote on the subject matter, except as otherwise provided in the Restated Certificate of Incorporation or by law or regulation.

SECTION 8. Inspectors of Election. All elections of directors and all votes where a ballot is required shall be conducted by two inspectors of election who shall be appointed by the Board of Directors; but in the absence of such appointment by the Board of Directors, the Chairman of the meeting shall appoint such inspectors who shall not be directors or candidates for the office of director.

SECTION 9. Voting List. The Secretary shall prepare and make, at least ten days before every election of directors, a complete list of the stockholders entitled to vote, arranged in alphabetical order and showing the address of each stockholder and the number of shares registered in his name. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting, during ordinary business hours, for a period of at least ten days prior to the meeting, either at a place within the city where the meeting is to be held, which place shall be specified in the notice of the meeting, or, if not so specified, at the place where the meeting is to be held. The list shall also be produced and kept at the time and place of the meeting during the whole time thereof, and may be inspected by any stockholder who is present.

Section 10. Stockholder Nominations of Directors. Only persons who are nominated in accordance with the following procedures shall be eligible for election as directors at a meeting of stockholders. Nominations of persons for election to the Board of Directors of the Corporation may be made at a meeting of stockholders by or at the direction of the Board of Directors, by any person appointed by the Board of Directors or by any stockholder of the Corporation entitled to vote for the election of directors at the meeting who complies with the notice procedures set forth in this Section 10. Such nominations, other than those made by or at the direction of the Board of Directors or by any person appointed by the Board of Directors, shall be made pursuant to timely notice in writing to the Secretary, Marsh & McLennan Companies, Inc. To be timely, a stockholder's notice shall be delivered to or mailed and received at the principal executive offices of the Corporation not less than 60 days nor more than 90 days prior to the meeting; provided, however, that in the event that the meeting is not to be held on the date set forth in Article II, Section 2 and less than 75 days' notice or prior public disclosure of the date of the meeting is given or made to stockholders, notice by the stockholder to be timely must be so received not later than the close of business on the 15th

day following the day on which such public disclosure was made. Such stockholder's notice to the Secretary shall set forth (a) as to each person whom the stockholder proposes to nominate for election or reelection as a director, (i) the name, age, business address and residence address of the person, (ii) the principal occupation or employment of the person, (iii) the class and number of shares of capital stock of the Corporation which are beneficially owned by the person and (iv) any other information relating to the person that is required to be disclosed in solicitations for proxies for election of directors pursuant to Rule 14a under the Securities Exchange Act of 1934, as amended; and (b) as to the stockholder giving the notice (i) the name and record address of the stockholder and (ii) the class and number of shares of capital stock of the Corporation which are beneficially owned by the stockholder. The Corporation may require any proposed nominee to furnish such other information as may reasonably be required by the Corporation to determine the eligibility of such proposed nominee to serve as a director of the Corporation. No person shall be eligible for election as a director of the Corporation unless nominated in accordance with the procedures set forth herein.

The Chairman of the meeting shall, if the facts warrant, determine and declare to the meeting that a nomination was not made in accordance with the foregoing procedure, and if he should so determine, he shall so declare to the meeting and the defective nomination shall be disregarded.

Section 11. Advance Notice of Stockholder Proposed Business at Annual Meetings. At an annual meeting of the stockholders, only such business shall be conducted as shall have been properly brought before the meeting. To be properly brought before an annual meeting, business must be specified in the notice of meeting (or any supplement thereto) given by or at the direction of the Board of Directors, otherwise properly brought before the meeting by or at the direction of the Board of Directors, or otherwise properly brought before the meeting by a stockholder. In addition to any other applicable requirements, for business to be properly brought before an annual meeting by a stockholder, the stockholder must have given timely notice thereof in writing to the Secretary, Marsh & McLennan Companies, Inc. To be timely, a stockholder's notice must be delivered to or mailed and received at the principal executive offices of the Corporation, not less than 60 days nor more than 90 days prior to the meeting; provided, however, that in the event that the

meeting is not to be held on the date set forth in Article II, Section 2 and less than 75 days' notice or prior public disclosure of the date of the meeting is given or made to stockholders, notice by the stockholder to be timely must be so received not later than the close of business on the 15th day following the day on which such notice of the date of the annual meeting was mailed or such public disclosure was made. A stockholder's notice to the Secretary shall set forth as to each matter the stockholder proposes to bring before the annual meeting (i) a brief description of the business desired to be brought before the annual meeting and the reasons for conducting such business at the annual meeting, (ii) the name and record address of the stockholder proposing such business, (iii) the class and number of shares of capital stock of the Corporation which are beneficially owned by the stockholder and (iv) any material interest of the stockholder in such business.

Notwithstanding anything in these by-laws to the contrary, no business shall be conducted at the annual meeting except in accordance with the procedures set forth in this Section 11; provided, however, that nothing in this Section 11 shall be deemed to preclude discussion by any stockholder of any

business properly brought before the annual meeting in accordance with said procedure.

The Chairman of an annual meeting shall, if the facts warrant, determine and declare to the meeting that business was not properly brought before the meeting in accordance with the provisions of this Section, and if he should so determine, he shall so declare to the meeting and any such business not properly brought before the meeting shall not be transacted.

ARTICLE III

Directors

SECTION 1. Powers, Number, Tenure, Qualifications and Compensation.

The business and affairs of the Corporation shall be managed by its Board of Directors which shall consist of the number of members set forth in Article FIFTH of the Restated Certificate of Incorporation, none of whom need be stockholders, but no person shall be eligible to be nominated or elected a director of the Corporation who has attained the age of 72 years. In addition to the powers and duties by these by-laws expressly conferred upon them, the Board of Directors may exercise all such powers of the Corporation and do all such lawful acts and things as are not by statute or by the Restated Certificate of

Incorporation or by these by-laws directed or required to be exercised or done by the stockholders. The Board of Directors may provide for compensation of directors who are not otherwise compensated by the Corporation or any subsidiary thereof.

SECTION 2. Meetings and Notice. The Board shall, for the purposes of organization, the election and appointment of officers and the transaction of other business, hold a meeting as soon as convenient after the annual meeting of stockholders. Regular meetings of the directors may be held without notice at such places and times as shall be determined from time to time by resolution of the directors. Special meetings of the Board may be called by the Chairman of the Board on at least twenty-four (24) hours' notice to each director, personally or by mail or by telegram or by telephone. Special meetings shall also be called in like manner on the written request of any three (3) directors. The attendance of a director at any meeting shall dispense with notice to him of the meeting. Members of the Board of Directors may participate in a meeting of the Board by means of conference telephone or similar communications equipment, by means of which all persons participating in the meeting can hear each other, and participation in a meeting pursuant to this section shall constitute presence in person at such meeting.

SECTION 3. Offices, Books, Place of Meeting. The Board of Directors may have one or more offices and keep the books of the Corporation outside of Delaware, and may hold its meetings at such places as it may from time to time determine.

SECTION 4. Quorum. At all meetings of the Board of Directors one-third (1/3) of the total number of directors shall be necessary and sufficient to constitute a quorum for the transaction of business, and the act of a majority of the directors present at any meeting at which there is a quorum shall be the act of the Board of Directors, except as may be otherwise specifically provided by statute or by the Restated Certificate of Incorporation or by these by-laws.

SECTION 5. Informal Action. The Board of Directors shall, except as otherwise provided by law, have power to act in the following manner: A resolution in writing, signed by all of the members of the Board of Directors shall be deemed to be action by such Board to the effect therein expressed with the same force and effect as if the same had been duly passed at a duly convened meeting, and it shall be the duty of the Secretary of the Corporation to record any such resolution in the minute book of the Corporation, under its proper date.

ARTICLE IV

Officers

SECTION 1. Election. The Board of Directors shall elect officers of the Corporation, including a Chairman of the Board, one or more Vice Presidents, a Secretary, a Treasurer and a Controller. Such officers shall be elected at the annual meeting of the Board of Directors following the annual meeting of stockholders. The Board of Directors may, as it deems advisable, elect one or more Assistant Vice Presidents, Assistant Secretaries and Assistant Treasurers and such other officers as it may deem appropriate. The Board of Directors may at any meeting fill any vacancy that shall occur, or create new offices and elect incumbents thereto.

SECTION 2. Term and Removal. The officers of the Corporation designated in SECTION 1 of this Article IV, shall hold office for one year and until their respective successors are chosen and qualify in their stead. Any officer may be removed at any time, with or without cause, by the Board of Directors. An officer appointed by the Executive Committee may also be removed at any time, with or without cause by said Committee.

SECTION 3. Chairman of the Board. The Chairman of the Board of Directors shall be the Chief Executive Officer of the Corporation and, subject to the control of the Board of Directors, and of the committees exercising functions of the Board of Directors, shall have general supervision over the business and property of the Corporation. He shall preside at all meetings of the stockholders and of the Board of Directors. He shall review and recommend to the Board of Directors both short-term objectives and long-term planning for the business. He shall also preside at meetings of any committee of which he is a member which is not attended by the chairman of such committee. He or his delegate may vote on behalf of the Corporation the shares owned by the Corporation in other corporations in such manner as they deem advisable unless otherwise directed by the Board of Directors. He shall have full authority to take other action on behalf of the Corporation in respect of shares of stock in other corporations owned by the Corporation, directly or indirectly, including the obtaining of information and reports.

SECTION 4. Vice Presidents. The Vice President shall have such powers, duties, supplementary titles and other designations as the Board of Directors may from time to time determine.

SECTION 5. Secretary. The Secretary shall attend all meetings of the stockholders and the Board of Directors. He shall, at the invitation of the chairman thereof, attend meetings of the committees elected by the Board or established by these by-laws. He shall record all votes and minutes of all proceedings which he attends and receive and maintain custody of all votes and minutes of all such proceedings. Votes and minutes of meetings of the Compensation and Audit Committees shall be recorded and maintained as each such committee shall determine. The Secretary shall give or cause to be given notice of meetings of the stockholders, Board of Directors, and, when instructed to do so by the Chairman thereof, committees of the Board of Directors, and shall have such other powers and duties as may be prescribed by appropriate authority. The Secretary shall keep in safe custody the seal of the Corporation and shall affix the seal to any instrument requiring the same. The Assistant Secretaries shall have such powers and perform such duties as may be prescribed by appropriate authority.

SECTION 6. Treasurer. The Treasurer shall have the custody of the corporate funds and securities and shall deposit all monies and other valuable effects in the name and to the credit of the Corporation in such depositories as may be

designated by, or in accordance with general policies adopted by, the Board of Directors or Executive Committee. He shall disburse the funds of the Corporation as may be ordered by the Chairman, the chief financial officer, the Board of Directors or the Executive Committee, taking proper vouchers for such disbursements, and shall render to the Chairman, the chief financial officer and the Board of Directors whenever they may require it, an account of all his transactions as Treasurer. He shall have such powers and perform such duties as shall be assigned to him by appropriate authority. The Assistant Treasurers shall have such powers and perform such duties as may be prescribed by the chief financial officer or the Treasurer.

SECTION 7. Controller. The Controller shall be the chief accounting officer of the Corporation. He shall keep or cause to be kept all books of account and accounting records of the Corporation and shall render to the Chairman, the chief financial officer and the Board of Directors whenever they may require it, a report of the financial condition of the Corporation. He shall have such other powers and duties as shall be assigned to him by appropriate authority. The Assistant Controllers shall have such powers and perform such duties as may be prescribed by the chief financial officer or the Controller.

SECTION 8. Bond. The Board of Directors may, or the Chairman may, require any officers, agents or employees of the Corporation to furnish bonds conditioned on the faithful performance of their respective duties with a surety company satisfactory to the Board of Directors or the Chairman as surety. The expenses of such bond shall be paid by the Corporation.

ARTICLE V

Committees

SECTION 1. Executive Committee. An Executive Committee, composed of the Chairman and such other directors as the Board of Directors may determine from time to time shall be elected by the Board of Directors. Except as provided hereinafter or in resolutions of the Board, the Executive Committee shall have, and may exercise when the Board is not in session, all the powers and authority of the Board of Directors in the management of the business and affairs of the Corporation and may authorize the seal of the Corporation to be affixed to all papers which may require it. The Executive Committee shall not, however, have power or authority in reference to amending the Restated Certificate of Incorporation, adopting an agreement of merger or consolidation, recommending to the stockholders the

sale, lease or exchange of all or substantially all of the Corporation's property and assets, recommending to the stockholders a dissolution of the Corporation or a revocation of a dissolution, or amending the by-laws of the Corporation, or declaring a dividend. Unless and to the extent otherwise provided for by resolutions of the Board of Directors, the Executive Committee shall not have the power or authority to elect or appoint the Chairman of the Board of the Corporation, or to authorize the acquisition or entering into of an agreement for acquiring the stock or assets of any other corporation or business entity in the event such acquisition involves an expenditure of more than \$10,000,000 or the issuance of more than 200,000 shares of the common stock of the Corporation or in the event such other corporation or business entity is engaged in any business other than the insurance, reinsurance, real estate consulting, investment management or a related business. The Executive Committee may authorize the issuance not to exceed 200,000 shares of common stock of the Corporation at any one time for the purpose of acquiring the stock or assets of another corporation as aforesaid, but may not authorize the issuance of stock for any other purpose or authorize the issuance of debt obligations except for short-term borrowings.

SECTION 2. Compensation Committee. A Compensation Committee, including a chairman, having such number of directors as the Board of Directors shall determine from time to time, shall be elected by the Board of Directors. No member of the Compensation Committee while holding such office and within the previous year shall, in addition to usual compensation as a director, receive or be granted or be eligible for any award or any other benefit under any compensation, stock option or other benefit plans that the committee may supervise, administer, or review or while holding such office shall be a full-time employee of the Corporation or any of its subsidiaries. The Compensation Committee shall fix the compensation of the chief executive officer of the Corporation and approve the compensation of senior executives of the Corporation or any of its subsidiaries designated under procedures established by the Committee from time to time. The Compensation Committee will approve, disapprove or modify the retention by the Corporation of advisors or consultants on matters relating to the compensation of the chief executive officer and senior executives of the Corporation. The Compensation Committee shall also satisfy itself, if in its opinion circumstances make it desirable to do so, that the general compensation policies and practices followed by the

Corporation and its subsidiaries are in the Corporation's best interests. The Compensation Committee shall have such other duties as may be set forth in the Corporation's compensation, stock option or other benefit plans as they may exist from time to time, or otherwise as provided by the Board of Directors. The Compensation Committee shall report to the Board at least annually and whenever the Board may require respecting the discharge of the committee's duties and responsibilities. The term "compensation" as used in this Section shall mean salaries, bonuses, agreements to pay deferred compensation, and discretionary benefits such as stock options, but shall not include payments to or under any employee pension, retirement, profit sharing, stock investment, or similar plan.

SECTION 3. Audit Committee. An Audit Committee, including a chairman, having such number of directors as the Board of Directors may determine from time to time, shall be elected by the Board of Directors. The members of the Audit Committee shall be elected by the Board of Directors from among the members of the Board who are not officers or employees of the Corporation. The Audit Committee shall meet at least annually with the Corporation's independent public accountants, and at any time during the year when considered appropriate by the independent

public accountants or the committee. The committee shall review the annual financial statements of the Corporation with the independent public accountants and shall review the practices and procedures adopted by the Corporation in the preparation of such financial statements. The Audit Committee shall submit recommendations to the Board of Directors with respect to the selection of independent public accountants to examine the Corporation's annual financial statements and shall review the independent public accountant's annual scope of audit. The Audit Committee shall, as it may deem appropriate from time to time, report and make recommendations to the Board of Directors.

SECTION 4. Reports. The Executive Committee shall report to each regular meeting and, if directed, to each special meeting of the Board of Directors all action taken by such committee subsequent to the date of its last report, and other committees shall report to the Board of Directors at least annually.

SECTION 5. Other Committees. The Board of Directors may appoint such other committee or committees as it deems desirable.

SECTION 6. Election and Term. The Chairman and each member of every committee shall be a member of and elected by the

Board of Directors and shall serve until he shall cease to be a member of the Board of Directors or his membership on the committee shall be terminated by the Board.

SECTION 7. Meetings, Quorum and Notice. The Chairman of any committee shall be the presiding officer thereof. Any committee may meet at such time or times on notice to all the members thereof by the Chairman or by a majority of the members or by the Secretary of the Corporation and at such place or places as such notice may specify. At least twenty-four (24) hours' notice of the meeting shall be given but such notice may be waived. Such notice may be given by mail, telegraph, telephone or personally. Each committee shall cause minutes to be kept of its meetings which record all actions taken. Such minutes shall be placed in the custody of the Secretary of the Corporation except that the Compensation and Audit Committees shall each determine who shall maintain custody of its minutes or portions thereof. Any committee may, except as otherwise provided by law, act in its discretion by a resolution or resolutions in writing signed by all the members of such committee with the same force and effect as if duly passed by a duly convened meeting. Any such resolution or resolutions shall be recorded in the minute book of the committee under the proper

date thereof. Members of any committee may also participate in a meeting of such committee by means of conference telephone or similar communications equipment, by means of which all persons participating in the meeting can hear each other and participation in the meeting pursuant to this provision shall constitute presence in person at such meeting. A majority of the members of each committee shall constitute a quorum.

ARTICLE VI

Indemnification

SECTION 1. Right to Indemnification. Each person who was or is made a party or is threatened to be made a party to or is otherwise involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative (hereinafter, a "proceeding"), by reason of the fact that, on or after May 21, 1987, he or she is serving or had served as a director, officer or employee of the Corporation or, while serving as such director, officer or employee, is serving or had served at the request of the Corporation as a director, officer, employee or agent of, or in any other capacity with respect to, another corporation or a partnership, joint venture, trust or other entity or enterprise, including service with respect to employee

benefit plans (hereinafter, an "indemnitee"), whether the basis of such proceeding is alleged action in an official capacity as a director, officer, employee or agent or in any other capacity while serving as a director, officer or employee of the Corporation, shall be indemnified and held harmless by the Corporation to the fullest extent authorized by Delaware law, as the same exists or may hereafter be changed or amended (but, in the case of any such change or amendment, only to the extent that such change or amendment permits the Corporation to provide broader indemnification rights than permitted prior thereto), against all expense, liability and loss (including attorneys' fees, judgments, fines, ERISA excise taxes or penalties and amounts to be paid in settlement) reasonably incurred or suffered by an indemnitee in connection therewith and such indemnification shall continue as to an indemnitee who has ceased to be a director, officer or employee of the Corporation and shall inure to the benefit of the indemnitee's heirs, executors and administrators; provided, however, that except as provided in Section 3 of this Article with respect to proceedings seeking to enforce rights to indemnification, the Corporation shall indemnify an indemnitee in connection with a proceeding (or part thereof) initiated by the indemnitee only if such proceeding (or

part thereof) was authorized by the board of directors of the Corporation. The right to indemnification conferred in this Article shall be a contract right.

SECTION 2. Advancement of Expenses. An indemnitee who is a director or officer of the Corporation, and any other indemnitee to the extent authorized from time to time by the board of directors of the Corporation, shall have the right to be paid by the Corporation the expenses incurred in defending any such proceeding in advance of its final disposition (hereinafter, an "advancement of expenses"); provided, however, that, if the Delaware General Corporation Law requires, an advancement of expenses incurred by an indemnitee in his or her capacity as a director or officer (and not in any other capacity in which service was or is rendered by such indemnitee, including, without limitation, service to an employee benefit plan) shall be made only upon delivery to the Corporation of an undertaking (hereinafter, an "undertaking"), by or on behalf of such indemnitee, to repay all amounts so advanced if it shall ultimately be determined by final judicial decision from which there is no further right to appeal (hereinafter, a "final adjudication") that such indemnitee is not entitled to be indemnified for such expenses under this Article or otherwise.

SECTION 3. Right of Indemnitee to Bring Suit. If a claim under Section 1 or Section 2 of this Article is not paid in full by the Corporation within sixty days in the case of Section 1 and twenty days in the case of Section 2 after a written claim has been received by the Corporation, the indemnitee may at any time thereafter bring suit against the Corporation to recover the unpaid amount of the claim. If successful in whole or in part in any such suit, or in a suit brought by the Corporation to recover an advancement of expenses pursuant to terms of an undertaking, the indemnitee shall be entitled to be paid also the expense of prosecuting or defending such suit. In (i) any suit brought by the indemnitee to enforce a right to indemnification hereunder (other than a suit brought by the indemnitee to enforce a right to an advancement of expenses), it shall be a defense that, and (ii) any suit by the Corporation to recover an advancement of expenses pursuant to the terms of an undertaking the Corporation shall be entitled to recover such expenses upon a final adjudication that, the indemnitee has not met the applicable standard of conduct set forth in the Delaware General Corporation Law. Neither the failure of the Corporation (including its board of directors, independent legal counsel, or its stockholders) to have made a

determination prior to the commencement of such suit that indemnification of the indemnitee is proper in the circumstances because the indemnitee has met the applicable standard of conduct set forth in the Delaware General Corporation Law, nor an actual determination by the Corporation (including its board of directors, independent legal counsel, or its stockholders) that the indemnitee has not met such applicable standard of conduct, shall create a presumption that the indemnitee has not met the applicable standard of conduct or, in the case of such a suit brought by the indemnitee, be a defense to the action. In any suit brought by the indemnitee to enforce a right to indemnification or to an advancement of expenses hereunder, or by the Corporation to recover an advancement of expenses pursuant to the terms of an undertaking, the burden of proving that the indemnitee is not entitled to be indemnified, or to such advancement of expenses, under this Article or otherwise shall be on the Corporation.

SECTION 4. Indemnification of Agents of the Corporation. The Corporation may, to the extent authorized from time to time by its board of directors, grant rights to indemnification, and to be paid by the Corporation the expenses incurred in defending any proceeding in advance of its final

disposition, to any agent of the Corporation to the fullest extent of the provisions of this Article with respect to the indemnification of directors, officers and employees of the Corporation and advancement of expenses of directors and officers of the Corporation.

SECTION 5. Non-Exclusivity of Rights. The right to indemnification and to the advancement of expenses conferred in this Article shall not be exclusive of any other right which any person may have or hereafter acquire under any statute, the Corporation's Restated Certificate of Incorporation, these by-laws, any agreement, vote of stockholders or disinterested directors, or otherwise.

SECTION 6. Insurance. The Corporation may maintain insurance, at its expense, to protect itself and any director, officer, employee or agent of the Corporation or of another corporation, partnership, joint venture, trust or other enterprise against any expense, liability or loss, whether or not the Corporation would have the power to indemnify such person against such expense, liability or loss under the Delaware General Corporation Law.

SECTION 7. Survival of Prior Indemnification Provisions; Effect of Subsequent Change on Existing Rights. Nothing contained in this Article shall be construed as altering or eliminating the rights to indemnification existing, or based upon service by an indemnitee, prior to May 21, 1987. Any repeal or modification of this Article shall not adversely affect any right or protection of a director, officer or employee of the Corporation existing at the time of such repeal or modification.

ARTICLE VII

Checks, Contracts, Other Instruments

SECTION 1. Documents, Instruments Not Requiring Seal. All checks, notes, drafts, acceptances, bills of exchange, orders for the payment of money, and all written contracts and instruments of every kind which do not require a seal shall be signed by such officer or officers, or person or persons as these by-laws, or the Board of Directors or Executive Committee by resolution, may from time to time prescribe.

SECTION 2. Documents, Instruments Requiring Seal. All bonds, deeds, mortgages, leases, written contracts and instruments of every kind which require the corporate seal of the Corporation to be affixed thereto, shall be signed and attested

by such officer or officers as these by-laws, or the Board of Directors or Executive Committee, by resolution, may from time to time prescribe.

ARTICLE VIII

Capital Stock

SECTION 1. Stock Certificates. The certificates for shares of the capital stock of the Corporation shall be in such form, not inconsistent with the Restated Certificate of Incorporation, as shall be approved by the Board of Directors. Each certificate shall be signed by the Chairman of the Board of Directors or a Vice President and also by the Secretary, an Assistant Secretary, the Treasurer or an Assistant Treasurer, provided, however, that any such signature of an officer of the Corporation or of the Transfer Agent, Assistant Transfer Agent, Registrar or Assistant Registrar, or any of them, may be a facsimile. In case any officer or officers who shall have signed, or whose facsimile signature or signatures shall have been used on any such certificate or certificates shall cease to be such officer or officers of the Corporation, whether because of death, resignation or otherwise before such certificate or certificates shall have been delivered by the Corporation, such certificate or certificates may nevertheless be adopted by the

Corporation and be used and delivered as though the officer or officers who signed the said certificate or certificates or whose facsimile signature or signatures shall have been used thereon had not ceased to be said officer or officers of the Corporation. All certificates shall be consecutively numbered, shall bear the corporate seal and the names and addresses of all persons owning shares of capital stock of the Corporation with the number of shares owned by each; and, the date or dates of issue of the shares of stock held by each shall be entered in books kept for that purpose by the proper officers or agents of the Corporation.

SECTION 2. Recognition of Holders of Record. The Corporation shall be entitled to treat the holder of record of any share or shares of stock as the holder in fact thereof, and, accordingly, shall not be bound to recognize any equitable or other claim to or interest in such share or shares on the part of any other person, whether or not it has actual or other notice thereof, save as expressly provided by the laws of the State of Delaware.

SECTION 3. Lost Certificates. Except in cases of lost or destroyed certificates, and in that case only after conforming to the requirements hereinafter provided, no new certificates shall be issued until the former certificate for the shares

represented thereby shall have been surrendered and cancelled. The Board of Directors may direct a new certificate or certificates to be issued in place of any certificate or certificates theretofore issued by the Corporation alleged to have been lost or destroyed, upon the making of an affidavit of that fact by the person claiming the certificate or certificates to be lost or destroyed; and the Board of Directors may, in its discretion and as a condition precedent to the issuance of any such new certificate or certificates, require (i) that the owner of such lost or destroyed certificate or certificates, or his legal representative give the Corporation and its transfer agent or agents, registrar or registrars a bond in such form and amount as the Board of Directors may direct as indemnity against any claim that may be made against the Corporation and its transfer agent or agents, registrar or registrars, or (ii) that the person requesting such new certificate or certificates obtain a final order or decree of a court of competent jurisdiction as to his right to receive such new certificate or certificates.

SECTION 4. Transfer of Shares. Shares of stock shall be transferred on the books of the Corporation by the holder thereof or by his attorney thereunto duly authorized upon the

surrender and cancellation of certificates for a like number of shares.

SECTION 5. Regulations Governing Transfer of Shares. The Board of Directors may make such regulations as it may deem expedient concerning the issue, transfer and registration of stock.

SECTION 6. Appointment of Transfer Agent, Registrar. The Board may appoint a Transfer Agent or Transfer Agents and Registrar or Registrars for transfers and may require all certificates to bear the signature of either or both.

ARTICLE IX

Miscellaneous

SECTION 1. Inspection of Books. The Board of Directors or the Executive Committee shall determine from time to time whether and, if allowed, when and under what conditions and regulations the accounts and books of the Corporation (except such as may by statute be specifically open to inspection), or any of them shall be open to the inspection of the stockholders, and the stockholders' rights in this respect are and shall be restricted and limited accordingly.

SECTION 2. Corporate Seal. The corporate seal shall have inscribed thereon the name of the Corporation, the year of its organization, and the words "Corporate Seal, Delaware".

SECTION 3. Fiscal Year. The fiscal year shall begin on the first day of January of each year.

SECTION 4. Waiver of Notice. Whenever by statute, the provisions of the Restated Certificate of Incorporation, or these by-laws, the stockholders, the Board of Directors or any committee established by the Board of Directors in accordance with these by-laws are authorized to take any action after notice, such notice may be waived, in writing, before or after the holding of the meeting at which such action is to be taken, by the person or persons entitled to such notice or, in the case of a stockholder, by his attorney thereunto authorized.

ARTICLE X

Amendments

SECTION 1. By Stockholders. These by-laws, or any of them, may be amended, altered, changed, added to or repealed at any regular or special meeting of the stockholders, by the affirmative vote of a majority of the shares of stock then issued and outstanding.

SECTION 2. By the Board of Directors. The Board of Directors, by affirmative vote of a majority of its members, may, at any regular or special meeting, amend, alter, change, add to or repeal these by-laws, or any of them, but any by-laws made by the Directors may be amended, altered, changed, added to or repealed by the stockholders.

1997 SENIOR EXECUTIVE INCENTIVE AND STOCK AWARD PLAN

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1997 SENIOR EXECUTIVE INCENTIVE AND STOCK AWARD PLAN

1. Purposes. The purposes of the 1997 Senior Executive Incentive and Stock Award Plan are to advance the interests of Marsh & McLennan Companies, Inc. and its stockholders by providing a means to attract, retain, and motivate senior executives of the Company and its Subsidiaries and Affiliates, and to strengthen the mutuality of interest between such senior executives and the Company's stockholders. This Plan shall be the successor to the Marsh & McLennan Companies, Inc. 1992 Incentive and Stock Award Plan.

2. Definitions. For purposes of the Plan, the following terms shall be defined as set forth below:

(a) "Affiliate" means any entity other than the Company and its Subsidiaries that is designated by the Committee as a participating employer under the Plan, provided that the Company directly or indirectly owns at least 20% of the combined voting power of all classes of voting stock of such entity or at least 20% of the ownership interests in such entity.

(b) "Award" means any Option, SAR, Restricted Stock, Restricted Stock Unit, Stock Bonus or Stock Award in Lieu of Cash, Dividend Equivalent, Other Stock-Based Award, or Unit- Based Award, including Performance Awards granted to a Participant under the Plan.

(c) "Award Agreement" means any written agreement, contract, or other instrument or document evidencing an Award.

(d) "Beneficiary" means the person, persons, trust or trusts which have been designated by such Participant in his or her most recent written beneficiary designation filed with the Company to receive the benefits specified under this Plan upon the death of the Participant, or, if there is no designated Beneficiary or surviving designated Beneficiary, then the person, persons, trust or trusts entitled by will or the laws of descent and distribution to receive such benefits.

(e) "Board" means the Board of Directors of the Company.

(f) "Change in Control" means Change in Control as defined with related terms in Section 9.

(g) "Code" means the Internal Revenue Code of 1986, as amended from time to time. References to any provision of the Code shall be deemed to include successor provisions thereto and regulations thereunder.

(h) "Committee" means the Compensation Committee of the Board, or such other Board committee as may be designated by the Board to administer the Plan. The Committee shall consist solely of two or more directors of the Company.

(i) "Company" means Marsh & McLennan Companies, Inc., a corporation organized under the laws of the State of Delaware, or any successor corporation.

(j) "Dividend Equivalent" means a right, granted to a Participant under Section 6(g), to receive cash, Stock, or other property equal in value to dividends paid with respect to a specified number of shares of Stock or to periodic distributions on other specified equity securities of the Company or any Subsidiary or Affiliate. Dividend Equivalents may be awarded on a free-standing basis or in connection with another Award and may be paid currently or on a deferred basis.

(k) "Exchange Act" means the Securities Exchange Act of 1934, as amended from time to time. References to any provision of the Exchange Act shall be deemed to include successor provisions thereto and regulations thereunder.

(l) "Fair Market Value" means, with respect to Stock, Awards, or other property, the fair market value of such Stock, Awards, or other property determined by such methods or procedures as shall be established from time to time by the Committee. Unless otherwise determined by the Committee in good faith, the Fair Market Value of Stock as of any given date shall mean the per share value of Stock as determined by using the mean between the high and low selling prices of such Stock on the immediately preceding date (or, if the NYSE was not open that day, the next preceding day that the NYSE was open for trading and the Stock was traded) as reported for such date in the table titled "NYSE--Composite Transactions," contained in The Wall Street Journal or an equivalent successor table.

(m) "ISO" means any Option intended to be and designated as an incentive stock option within the meaning of Section 422 of the Code.

(n) "NQSO" means any Option that is not an ISO.

(o) "Option" means a right, granted to a Participant under Section 6(b), to purchase Stock. An Option may be either an ISO or an NQSO.

(p) "Other Stock-Based Award" means a right, granted to a Participant under Section 6(h), that is denominated or payable in, valued in whole or in part by reference to, or otherwise based on, or related to, Stock or other securities of the Company or any Subsidiary or Affiliate, including, without limitation, rights convertible or exchangeable into Stock or such other securities, purchase rights for Stock or such other securities, and Awards with value or payment contingent upon performance of the Company, a Subsidiary, or Affiliate, or upon any other factor or performance condition designated by the Committee.

(q) "Participant" means a person who, as an officer or employee of the Company, a Subsidiary or Affiliate, has been granted an Award under the Plan.

(r) "Performance Award" means an Award of one of the types specified in Section 6 the grant, exercise, or settlement of which is subject to achievement of performance goals and other terms specified under Section 8.

(s) "Plan" means this 1997 Senior Executive Incentive and Stock Award Plan, as amended from time to time.

(t) "Preexisting Plans" mean the Marsh & McLennan Companies, Inc. 1992 Incentive and Stock Award Plan and any other Company plan adopted prior to 1992 and approved by the Company's stockholders that provides for the grant or award of equity-based compensation.

(u) "Qualified Member" means a member of the Committee who is a "Non-Employee Director" within the meaning of Rule 16b-3(b)(3) and an "outside director" within the meaning of Treasury Regulation 1.162-27(e)(3) under Code Section 162(m).

(v) "Restricted Stock" means an award of shares of Stock to a Participant under Section 6(d) that may be subject to certain restrictions and to a risk of forfeiture.

(w) "Restricted Stock Unit" means an award, granted to a Participant under Section 6(e), representing the right to receive either Stock or cash or any combination thereof at the end of a specified deferral period.

(x) "Rule 16b-3" means Rule 16b-3, as from time to time in effect and applicable to the Plan and Participants, promulgated by the Securities and Exchange Commission under Section 16 of the Exchange Act.

(y) "Stock" means the Common Stock, \$1.00 par value per share, of the Company or such other securities as may be substituted or resubstituted therefor pursuant to Section 5.

(z) "SAR" or "Stock Appreciation Right" means the right, granted to a Participant under Section 6(c), to be paid an amount measured by the appreciation in the Fair Market Value of Stock from the date of grant to the date of exercise of the right, with payment to be made in cash, Stock, other Awards, or other property as specified in the Award or determined by the Committee.

(aa) "Subsidiary" means any corporation (other than the Company) in an unbroken chain of corporations beginning with the Company if each of the corporations (other than the last corporation in the unbroken chain) owns stock possessing 50% or more of the total combined voting power of all classes of stock in one of the other corporations in the chain.

(bb) "Unit-Based Award" means a unit, granted to a Participant under Section 6(i), with value or payment contingent upon performance of the Company, a Subsidiary, or Affiliate, or upon any other factor or performance condition designated by the Committee.

3. Administration.

(a) Authority of the Committee. The Plan shall be administered by the Committee. The Committee shall have full and final authority to take the following actions, in each case subject to and consistent with the provisions of the Plan:

(i) to select Participants to whom Awards may be granted;

(ii) to designate Affiliates;

(iii) to determine the type or types of Awards to be granted to each Participant;

(iv) to determine the type and number of Awards to be granted, the number of shares of Stock to which an Award may relate, the terms and conditions of any Award granted under the Plan (including any exercise price, grant price, or purchase price, any restriction or condition, any schedule for lapse of restrictions or conditions

relating to transferability or forfeiture, exercisability, or settlement of an Award, and waivers or accelerations thereof, and waivers of performance conditions relating to an Award, based in each case on such considerations as the Committee shall determine), and all other matters to be determined in connection with an Award;

(v) to determine whether, to what extent, and under what circumstances an Award may be settled, or the exercise price of an Award may be paid, in cash, Stock, other Awards, or other property, or an Award may be canceled, forfeited, exchanged, or surrendered;

(vi) to determine whether, to what extent, and under what circumstances cash, Stock, other Awards, or other property payable with respect to an Award will be deferred either automatically, at the election of the Committee, or at the election of the Participant, and whether to create trusts and deposit Stock or other property therein;

(vii) to prescribe the form of each Award Agreement, which need not be identical for each Participant;

(viii) to adopt, amend, suspend, waive, and rescind such rules and regulations and appoint such agents as the Committee may deem necessary or advisable to administer the Plan;

(ix) to correct any defect or supply any omission or reconcile any inconsistency in the Plan and to construe and interpret the Plan and any Award, rules and regulations, Award Agreement, or other instrument hereunder; and

(x) to make all other decisions and determinations as may be required under the terms of the Plan or as the Committee may deem necessary or advisable for the administration of the Plan.

Other provisions of the Plan notwithstanding, the Board may perform any function of the Committee under the Plan, including for the purpose of ensuring that transactions under the Plan by Participants who are then subject to Section 16 of the Exchange Act in respect of the Company are exempt under Rule 16b-3. In any case in which the Board is performing a function of the Committee under the Plan, each reference to the Committee herein shall be deemed to refer to the Board, except where the context otherwise requires.

(b) Manner of Exercise of Committee Authority. At any time that a member of the Committee is not a Qualified Member, any action of the Committee relating to an Award to be granted to a Participant who is then subject to Section 16 of the Exchange Act in respect of the Company, or relating to an Award intended to constitute "qualified performance-based compensation" within the meaning of Code Section 162(m) and regulations thereunder, may be taken either (i) by a subcommittee composed solely of two or more Qualified Members, or (ii) by the Committee but with each such member who is a not Qualified Member abstaining or recusing himself or herself from such action, provided that, upon such abstention or recusal, the Committee remains composed solely of two or more Qualified Members. Such action, authorized by such a subcommittee or by the Committee upon the abstention or recusal of such non-Qualified Member(s), shall be the action of the Committee for purposes of the Plan. Any action of the Committee with respect to the Plan shall be final, conclusive, and binding on all persons, including the Company, Subsidiaries, Affiliates, Participants, any person claiming

any rights under the Plan from or through any Participant, and stockholders. The express grant of any specific power to the Committee, and the taking of any action by the Committee, shall not be construed as limiting any power or authority of the Committee. The Committee may delegate to officers or managers of the Company or any Subsidiary or Affiliate the authority, subject to such terms as the Committee shall determine, to perform administrative functions and such other functions as the Committee may determine, to the extent permitted under applicable law and, with respect to any Participant who is then subject to Section 16 of the Exchange Act in respect of the Company, to the extent performance of such function will not result in a subsequent transaction failing to be exempt under Rule 16b-3(d).

(c) Limitation of Liability. Each member of the Committee shall be entitled to, in good faith, rely or act upon any report or other information furnished to him or her by any officer or other employee of the Company or any Subsidiary or Affiliate, the Company's independent certified public accountants, or other professional retained by the Company to assist in the administration of the Plan. No member of the Committee, nor any officer or employee of the Company acting on behalf of the Committee, shall be personally liable for any action, determination, or interpretation taken or made in good faith with respect to the Plan, and all members of the Committee and any officer or employee of the Company acting on their behalf shall, to the extent permitted by law, be fully indemnified and protected by the Company with respect to any such action, determination, or interpretation.

4. Eligibility.

(a) Generally. Senior executives of the Company and Subsidiaries and Affiliates (including any director who is also an employee but excluding directors of the Company who are not employees) are eligible to be granted Awards under the Plan.

(b) Annual Per-Person Limitation Applicable to Certain Awards. In each fiscal year during any part of which the Plan is in effect, a Participant may be granted (i) Options under Section 6(b), (ii) SARs under Section 6(c), and (iii) Performance Awards pursuant to Section 8(b), involving Awards under Sections 6(d), 6(e), 6(f), or 6(h), relating, in the aggregate, to no more than one million shares of Stock, subject to adjustment as provided in Section 5(d). With respect to Performance Awards pursuant to Section 8(b) not relating to Stock at the date of grant (including Unit-Based Awards), the maximum amount payable to a Participant in settlement of such an Award in any fiscal year shall be the greater of the Fair Market Value of the number of shares of Stock specified in the preceding sentence (subject to adjustment) at the date of grant or at the date of settlement of the Performance Award (this limitation is separate and not affected by the limitation on shares of Stock set forth in the preceding sentence).

5. Stock Subject to the Plan; Adjustments.

(a) Shares Reserved. Subject to adjustment as hereinafter provided, the total number of shares of Stock reserved for issuance in connection with Awards under the Plan shall be two million five hundred thousand (2,500,000), plus (for Awards other than ISOs) the additional number of shares of Stock specified in the succeeding sentence. There shall be added to the number of shares of Stock reserved for issuance under this Section 5(a) the number of shares authorized and reserved for awards under the Preexisting Plans to the extent (A) that such shares were available for grants of awards under the Preexisting Plans immediately prior to the Approval Date or (B) that such shares were subject to outstanding

awards under the Preexisting Plans on the Approval Date and thereafter an event occurs (including expiration or forfeiture) which would result in such shares again being available for Awards under the Plan (as determined pursuant to Section 5(b)). No Award may be granted if the number of shares to which such Award relates, when added to the number of shares previously issued under the Plan and the number of shares to which other then-outstanding Awards relate, exceeds the number of shares reserved under this Section 5(a). Shares of Stock issued under the Plan shall be counted against this limit in the manner specified in Section 5(b).

(b) Manner of Counting Shares. If any shares subject to an Award or Preexisting Plan award are forfeited, canceled, exchanged, or surrendered or such Award or award is settled in cash or otherwise terminates without a distribution of shares to the Participant, including (i) the number of shares withheld in payment of any exercise or purchase price or tax obligation relating to such an Award or award and (ii) the number of shares equal to the number surrendered in payment of any exercise or purchase price or tax obligation relating to any Award or award, such number of shares will again be available for Awards under the Plan. The Committee may make determinations and adopt regulations for the counting of shares relating to any Award to ensure appropriate counting, avoid double counting (in the case of tandem or substitute awards), and provide for adjustments in any case in which the number of shares actually distributed differs from the number of shares previously counted in connection with such Award.

(c) Type of Shares Distributable. Any shares of Stock distributed pursuant to an Award may consist, in whole or in part, of authorized and unissued shares or treasury shares, including shares acquired by purchase in the open market or in private transactions.

(d) Adjustments. In the event that the Committee shall determine that any dividend or other distribution (whether in the form of cash, Stock, or other property) which is unusual and non-recurring, or any recapitalization, Stock split, reverse split, reorganization, merger, consolidation, spin-off, combination, repurchase, or share exchange, or other similar corporate transaction or event, affects the Stock such that an adjustment is appropriate in order to prevent dilution or enlargement of the rights of Participants under the Plan, then the Committee shall make such equitable changes or adjustments as it deems appropriate and, in such manner as it may deem equitable, adjust any or all of (i) the number and kind of shares of Stock which may thereafter be issued in connection with Awards, (ii) the number and kind of shares of Stock issued or issuable in respect of outstanding Awards or, if deemed appropriate, make provisions for payment of cash or other property with respect to any outstanding Award, (iii) the exercise price, grant price, or purchase price relating to any Award, and (iv) the number and kind of shares of Stock set forth in Section 4(b) as the annual per-person limitation; provided, however, in each case that, with respect to ISOs, such adjustment shall be made in accordance with Section 424(h) of the Code, unless the Committee determines otherwise. In addition, the Committee is authorized to make adjustments in the terms and conditions of, and the criteria and performance objectives included in, Awards (including Performance Awards and performance goals) in recognition of unusual or non-recurring events (including events described in the preceding sentence, as well as acquisitions and dispositions of assets or all or part of businesses) affecting the Company or any Subsidiary, Affiliate, or business unit, or the financial statements thereof, or in response to changes in applicable laws, regulations, accounting principles, tax rates and regulations, or business conditions or in view of the Committee's assessment of the business strategy of the Company, a Subsidiary, Affiliate, or business unit thereof, performance of comparable organizations, economic and business

conditions, personal performance of a Participant, and any other circumstances deemed relevant; provided that, unless otherwise determined by the Committee, no such adjustment shall be made if and to the extent that such adjustment would cause Options, SARs, or Performance Awards granted pursuant to Section 8(b) hereof to Participants designated by the Committee as Covered Employees (as defined in Section 8(d) hereof) to fail to qualify as "performance-based compensation" under Code Section 162(m) and regulations thereunder.

6. Specific Terms of Awards.

(a) General. Awards may be granted on the terms and conditions set forth in this Section 6. In addition, the Committee may impose on any Award or the exercise thereof, at the date of grant or thereafter (subject to Section 10(e)), such additional terms and conditions, not inconsistent with the provisions of the Plan, as the Committee shall determine, including terms regarding forfeiture of Awards or continued exercisability of Awards in the event of termination of employment by the Participant.

(b) Options. The Committee is authorized to grant Options to participants on the following terms and conditions:

(i) Exercise Price. The exercise price per share of Stock purchasable under an Option shall be determined by the Committee; provided, however, that, except as provided in Section 7(a), such exercise price shall be not less than the Fair Market Value of a share on the date of grant of such Option, and in no event shall the exercise price for the purchase of shares be less than par value.

(ii) Time and Method of Exercise. The Committee shall determine at the date of grant or thereafter the time or times at which an Option may be exercised in whole or in part, the methods by which such exercise price may be paid or deemed to be paid, the form of such payment, including cash, Stock, other Awards, shares or units valued by reference to shares issued under any other plan of the Company or a Subsidiary or Affiliate (including shares or units subject to restrictions, so long as an equal number of shares issued upon exercise of the Option are subject to substantially similar restrictions), or notes or other property, and the methods by which Stock will be delivered or deemed to be delivered to Participants (including deferral of delivery of shares under a deferral arrangement).

(iii) ISOs. The terms of any ISO granted under the Plan shall comply in all respects with the provisions of Section 422 of the Code.

(c) SARs. The Committee is authorized to grant SARs to Participants on the following terms and conditions:

(i) Right to Payment. An SAR shall confer on the Participant to whom it is granted a right to receive with respect to each share subject thereto, upon exercise thereof, the excess of (1) the Fair Market Value of one share of Stock on the date of exercise (or, if the Committee shall so determine in the case of any such right other than one related to an ISO, the Fair Market Value of one share at any time during a specified period before or after the date of exercise, or the Change in Control Price as defined in Section 9(c)) over (2) the grant price of the SAR as of the date of grant of the SAR, which shall be not less than the Fair Market Value of one share of Stock on the

date of grant of such SAR (or, in the case of an SAR granted in tandem with an Option, shall be equal to the exercise price of the underlying Option).

(ii) Other Terms. The Committee shall determine, at the time of grant or thereafter, the time or times at which an SAR may be exercised in whole or in part, the method of exercise, method of settlement, form of consideration payable in settlement, method by which Stock will be delivered or deemed to be delivered to Participants, whether or not an SAR shall be in tandem with any other Award, and any other terms and conditions of any SAR. Unless the Committee determines otherwise, an SAR (1) granted in tandem with an NQSO may be granted at the time of grant of the related NQSO or at any time thereafter or (2) granted in tandem with an ISO may only be granted at the time of grant of the related ISO.

(d) Restricted Stock. The Committee is authorized to grant Restricted Stock to Participants on the following terms and conditions:

(i) Issuance and Restrictions. Restricted Stock shall be subject to such restrictions on transferability and other restrictions, if any, as the Committee may impose at the date of grant or thereafter, which restrictions may lapse separately or in combination at such times, under such circumstances, in such installments, or otherwise, as the Committee may determine. Except to the extent restricted under the Award Agreement relating to the Restricted Stock, a Participant granted Restricted Stock shall have all of the rights of a stockholder including the right to vote Restricted Stock and the right to receive dividends thereon.

(ii) Forfeiture. Upon termination of employment (as determined by the Committee) during the applicable restriction period, Restricted Stock, and any accrued but unpaid dividends or Dividend Equivalents, that is or are then subject to a risk of forfeiture shall be forfeited; provided, however, that the Committee may provide, by rule or regulation or in any Award Agreement, or may determine in any individual case, that restrictions or forfeiture conditions relating to Restricted Stock and any accrued but unpaid dividends or Dividend Equivalents will be waived in whole or in part in the event of terminations resulting from specified causes, and the Committee may in other cases waive in whole or in part the forfeiture of Restricted Stock and any accrued but unpaid dividends or Dividend Equivalents.

(iii) Certificates for Stock. Restricted Stock granted under the Plan may be evidenced in such manner as the Committee shall determine. If certificates representing Restricted Stock are registered in the name of the Participant, such certificates shall bear an appropriate legend referring to the terms, conditions, and restrictions applicable to such Restricted Stock, the Company shall retain physical possession of the certificate, and the Company may require the Participant to deliver a stock power, endorsed in blank, relating to the Restricted Stock.

(iv) Dividends. Dividends paid on Restricted Stock shall be either paid at the dividend payment date in cash or in shares of unrestricted Stock having a Fair Market Value equal to the amount of such dividends, or the payment of such dividends shall be deferred or the amount or value thereof automatically reinvested in additional Restricted Stock, Restricted Stock Units, other Awards, or other investment vehicles, as the Committee shall determine or permit the Participant to elect. Stock distributed in

connection with a Stock split or Stock dividend, and other property distributed as a dividend, shall be subject to restrictions and a risk of forfeiture to the same extent as the Restricted Stock with respect to which such Stock or other property has been distributed.

(e) Restricted Stock Units. The Committee is authorized to grant Restricted Stock Units to Participants, subject to the following terms and conditions:

(i) Award and Restrictions. Delivery of Stock or cash, as the case may be, will occur upon expiration of the deferral period specified for Restricted Stock Units by the Committee (or, if permitted by the Committee, as elected by the Participant). In addition, Restricted Stock Units shall be subject to such restrictions as the Committee may impose, if any, at the date of grant or thereafter, which restrictions may lapse at the expiration of the deferral period or at earlier or later specified times, separately or in combination, in installments or otherwise, as the Committee may determine.

(ii) Forfeiture. Upon termination of employment (as determined by the Committee) during the applicable deferral period or portion thereof to which forfeiture conditions apply (as provided in the Award Agreement evidencing the Restricted Stock Units), or upon failure to satisfy any other conditions precedent to the delivery of Stock or cash to which such Restricted Stock Units relate, all Restricted Stock Units, and any accrued but unpaid Dividend Equivalents, that are at that time subject to a risk of forfeiture shall be forfeited; provided, however, that the Committee may provide, by rule or regulation or in any Award Agreement, or may determine in any individual case, that restrictions or forfeiture conditions relating to Restricted Stock Units and any accrued but unpaid Dividend Equivalents will be waived in whole or in part in the event of termination resulting from specified causes, and the Committee may in other cases waive in whole or in part the forfeiture of Restricted Stock Units and any accrued but unpaid Dividend Equivalents.

(f) Stock Bonuses and Stock Awards in Lieu of Cash Awards. The Committee is authorized to grant Stock as a bonus, or to grant other Awards, in lieu of Company commitments to pay cash under other plans or compensatory arrangements. Stock or Awards granted hereunder shall have such other terms as shall be determined by the Committee.

(g) Dividend Equivalents. The Committee is authorized to grant Dividend Equivalents to Participants. The Committee may provide, at the date of grant or thereafter, that Dividend Equivalents shall be paid or distributed when accrued or shall be deemed to have been reinvested in additional Stock, or other investment vehicles as the Committee may specify.

(h) Other Stock-Based Awards. The Committee is authorized, subject to limitations under applicable law, to grant to Participants Other Stock-Based Awards that are deemed by the Committee to be consistent with the purposes of the Plan. The Committee shall determine the terms and conditions of such Awards at the date of grant or thereafter. Stock or other securities or property delivered pursuant to an Award in the nature of a purchase right granted under this Section 6(h) shall be purchased for such consideration, paid for at such times, by such methods, and in such forms, including, without limitation, cash, Stock, other Awards, notes or other property, as the Committee shall determine, subject to any required corporate action.

(i) Unit-Based Awards. The Committee is authorized to grant to Participants Unit-Based Awards that are deemed by the Committee to be consistent with the purposes of the Plan. Such Awards may be paid or settled in cash, Stock, other Awards or property.

7. Certain Provisions Applicable to Awards.

(a) Stand-Alone, Additional, Tandem and Substitute Awards. Awards granted under the Plan may, in the discretion of the Committee, be granted either alone or in addition to, in tandem with, or in exchange or substitution for, any other Award granted under the Plan or any award granted under any other plan of the Company, any Subsidiary or Affiliate, or any business entity to be acquired by the Company or a Subsidiary or Affiliate, or any other right of a Participant to receive payment from the Company or any Subsidiary or Affiliate. Awards may be granted in addition to or in tandem with such other Awards or awards may be granted either as of the same time as or a different time from the grant of such other Awards or awards. The per share exercise price of any Option, grant price of any SAR, or purchase price of any other Award conferring a right to purchase Stock which is granted, in connection with the substitution of awards granted under any other plan of the Company or any Subsidiary or Affiliate or any business entity to be acquired by the Company or any Subsidiary or Affiliate, shall be determined by the Committee, in its discretion, and may, to the extent the Committee determines necessary in order to preserve the value of such other award, be less than the Fair Market Value of a share on the date of grant of such substitute Award.

(b) Terms of Awards. The term of each Award shall be for such period as may be determined by the Committee; provided, however, that in no event shall the term of any ISO or an SAR granted in tandem therewith exceed a period of ten years from the date of its grant (or such shorter period as may be applicable under Section 422 of the Code).

(c) Form of Payment Under Awards. Subject to the terms of the Plan and any applicable Award Agreement, payments to be made by the Company or a Subsidiary or Affiliate upon the grant, maturation, or exercise of an Award may be made in such forms as the Committee shall determine at the date of grant or thereafter, including, without limitation, cash, Stock, or other property, and may be made in a single payment or transfer, in installments, or on a deferred basis. The Committee may make rules relating to installment or deferred payments with respect to Awards, including the rate of interest to be credited with respect to such payments.

(d) Buyouts. The Committee may at any time offer to buy out any outstanding Award for a payment in cash, Stock, other Awards (subject to Section 7(a)), or other property based on such terms and conditions as the Committee shall determine.

(e) Cancellation and Rescission of Awards. The Committee may provide in any Award Agreement that, in the event a Participant violates a term of the Award Agreement or other agreement with or policy of the Company or a Subsidiary or Affiliate, takes or omits to take actions that are deemed to be in competition with the Company or its Subsidiaries or Affiliates, an unauthorized solicitation of customers, suppliers, or employees of the Company or its Subsidiaries or Affiliates, or an unauthorized disclosure or misuse of proprietary or confidential information of the Company or its Subsidiaries or Affiliates, or takes or omits to take any other action as may be specified in the Award Agreement, the Participant shall be subject to forfeiture of such Award or portion, if any, of the Award as may then remain

outstanding and also to forfeiture of any amounts of cash, Stock, other Awards, or other property received by the Participant upon exercise or settlement of such Award or in connection with such Award during such period (as the Committee may provide in the Award Agreement) prior to the occurrence which gives rise to the forfeiture.

(f) Awards to Participants Outside the United States. The Committee may modify the terms of any Award under the Plan granted to a Participant who is, at the time of grant or during the term of the Award, resident or primarily employed outside of the United States in any manner deemed by the Committee to be necessary or appropriate in order that such Award shall conform to laws, regulations, and customs of the country in which the Participant is then resident or primarily employed, or so that the value and other benefits of the Award to the Participant, as affected by foreign tax laws and other restrictions applicable as a result of the Participant's residence or employment abroad, shall be comparable to the value of such an Award to a Participant who is resident or primarily employed in the United States. An Award may be modified under this Section 7(f) in a manner that is inconsistent with the express terms of the Plan, so long as such modifications will not contravene any applicable law or regulation.

8. Performance Awards.

(a) Performance Conditions. The right of a Participant to exercise or receive a grant or settlement of any Award, and the timing thereof, may be subject to such performance conditions as may be specified by the Committee. The Committee may use such business criteria and other measures of performance as it may deem appropriate in establishing any performance conditions, and may exercise its discretion to reduce or increase the amounts payable under any Award subject to performance conditions, except as limited under Section 8(b) hereof in the case of a Performance Award intended to qualify under Code Section 162(m).

(b) Performance Awards Granted to Designated Covered Employees. If the Committee determines that a Performance Award to be granted to a person who is designated by the Committee as likely to be a Covered Employee (as hereinafter defined) should qualify as "performance-based compensation" for purposes of Code Section 162(m), the grant and/or settlement of such Performance Award shall be contingent upon achievement of preestablished performance goals and other terms set forth in this Section 8(b).

(i) Performance Goals Generally. The performance goals for such Performance Awards shall consist of one or more business criteria and a targeted level or levels of performance with respect to each such criteria, as specified by the Committee consistent with this Section 8(b), which level may also be expressed in terms of a specified increase or decrease in the particular criteria compared to a past period. Performance goals shall be objective and shall otherwise meet the requirements of Code Section 162(m) and regulations thereunder (including Regulation 1.162-27 and successor regulations thereto), including the requirement that the level or levels of performance targeted by the Committee result in the achievement of performance goals being "substantially uncertain." The Committee may determine that such Performance Awards shall be granted, exercised, and/or settled upon achievement of any one performance goal or that two or more of the performance goals must be achieved as a condition to settlement of such Performance Awards. Performance goals may differ for Performance Awards granted to any one Participant or to different Participants.

(ii) Business Criteria. One or more of the following business criteria for the Company, on a consolidated basis, and/or for specified Subsidiaries, Affiliates, business units or ventures of the Company (except with respect to the total stockholder return and earnings per share criteria), shall be used by the Committee in establishing performance goals for such Performance Awards: (1) earnings per share; (2) revenues; (3) cash flow; (4) cash flow return on investment; (5) return on assets, return on investment, return on capital, return on equity; (6) identification and/or consummation of investment opportunities or completion of specified projects in accordance with corporate business plans; (7) operating margin; (8) net income; net operating income; pretax earnings; pretax earnings before interest, depreciation and amortization; pretax operating earnings after interest expense and before incentives, service fees, and extraordinary or special items; operating earnings; (9) total stockholder return; and (10) any of the above goals as compared to the performance of a published or special index deemed applicable by the Committee including, but not limited to, the Standard & Poor's 500 Stock Index or other indexes or groups of comparable companies referenced in the Company's proxy statement in response to Item 402(1) of Regulation S-K.

(iii) Performance Period; Timing For Establishing Performance Goals. Achievement of performance goals in respect of such Performance Awards shall be measured over a performance period specified by the Committee. Performance goals shall be established not later than 90 days after the beginning of any performance period applicable to such Performance Awards, or at such other date as may be required or permitted for "performance-based compensation" under Code Section 162(m).

(iv) Performance Award Pool. The Committee may establish a Performance Award pool, which shall be an unfunded pool, for purposes of measuring Company performance in connection with such Performance Awards. The amount of such Performance Award pool shall be based upon the achievement of a performance goal or goals based on one or more of the business criteria set forth in Section 8(b)(ii) hereof during the given performance period, as specified by the Committee in accordance with Section 8(b)(iii) hereof. The Committee may specify the amount of the Performance Award pool as a percentage of any of such business criteria, a percentage thereof in excess of a threshold amount, or another amount which need not bear a strictly mathematical relationship to such business criteria.

(v) Settlement of Such Performance Awards; Other Terms. Settlement of such Performance Awards shall be in cash, Stock, other Awards, or other property, in the discretion of the Committee. The Committee may, in its discretion, reduce the amount of a settlement otherwise to be made in connection with such Performance Awards, but may not exercise discretion to increase any such amount payable to a Covered Employee in respect of a Performance Award subject to this Section 8(b). The Committee shall specify the circumstances in which such Performance Awards shall be forfeited in the event of termination of employment by the Participant prior to the end of a performance period or settlement of Performance Awards, and other terms relating to such Performance Awards in accordance with Section 6 and this Section 8.

(c) Written Determinations. All determinations by the Committee as to the establishment of performance goals, the amount of any Performance Award pool or potential individual Performance Awards and as to the achievement of performance goals relating to Performance Awards under Section 8(b), shall be made in writing in the case of any Award intended to qualify under Code Section 162(m). The Committee may not delegate any responsibility relating to such Performance Awards.

(d) Status of Section 8(b) Awards Under Code Section 162(m). It is the intent of the Company that Performance Awards under Section 8(b) hereof granted to persons who are designated by the Committee as likely to be Covered Employees within the meaning of Code Section 162(m) and regulations thereunder (including Regulation 1.162-27 and successor regulations thereto) shall, if so designated by the Committee, constitute "qualified performance-based compensation" within the meaning of Code Section 162(m) and regulations thereunder. Accordingly, the terms of Sections 8(b), (c), and (d), including the definitions of Covered Employee and other terms used therein, shall be interpreted in a manner consistent with Code Section 162(m) and regulations thereunder. The foregoing notwithstanding, because the Committee cannot determine with certainty whether a given Participant will be a Covered Employee with respect to a fiscal year that has not yet been completed, the term "Covered Employee" as used herein shall mean only a person designated by the Committee, at the time of grant of Performance Awards, as likely to be a Covered Employee with respect to that fiscal year. If any provision of the Plan or any agreement relating to such Performance Awards does not comply or is inconsistent with the requirements of Code Section 162(m) or regulations thereunder, such provision shall be construed or deemed amended to the extent necessary to conform to such requirements.

9. Change in Control Provisions.

(a) Acceleration Upon Change in Control. Except as provided in Section 9(e) or in an Award Agreement, in the event of a "Change in Control," as defined in this Section:

(i) any Award carrying a right to exercise that was not previously exercisable and vested shall become fully exercisable and vested; and

(ii) the restrictions, deferral limitations, and forfeiture conditions applicable to any other Award granted under the Plan shall lapse, such Awards shall be deemed fully vested, any performance conditions imposed with respect to Awards shall be deemed to be fully achieved, and payment of such Awards shall be made in accordance with the terms of the Award Agreements.

(b) "Change in Control" Defined. For purposes of the Plan, a "Change in Control" shall have occurred if:

(i) any "person," as such term is used in Sections 13(d) and 14(d) of the Exchange Act (other than the Company, any trustee or other fiduciary holding securities under an employee benefit plan of the Company or any corporation owned, directly or indirectly, by the stockholders of the Company in substantially the same proportions as their ownership of stock of the Company), is or becomes the "beneficial owner" (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Company representing 50% or more of the combined voting power of the Company's then outstanding voting securities;

(ii) during any period of two consecutive years, individuals who at the beginning of such period constitute the Board, and any new director (other than a director designated by a person who has entered into an agreement with the Company to effect a transaction described in clause (i), (iii), or (iv) of this Section 9(b)) whose election by the Board or nomination for election by the Company's stockholders was approved by a vote of at least two-thirds (2/3) of the directors then still in office who either were directors at the beginning of the period or whose election or nomination for election was previously so approved, cease for any reason to constitute at least a majority thereof;

(iii) the stockholders of the Company approve a merger or consolidation of the Company with any other corporation, other than (A) a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving or parent entity) 50% or more of the combined voting power of the voting securities of the Company or such surviving or parent entity outstanding immediately after such merger or consolidation or (B) a merger or consolidation effected to implement a recapitalization of the Company (or similar transaction) in which no "person" (as hereinabove defined) acquired 50% or more of the combined voting power of the Company's then outstanding securities; or

(iv) the stockholders of the Company approve a plan of complete liquidation of the Company or an agreement for the sale or disposition by the Company of all or substantially all of the Company's assets (or any transaction having a similar effect).

(c) "Change in Control Price" Defined. For purposes of the Plan, "Change in Control Price" means the higher of (i) the highest price per share paid in any transaction constituting a Change in Control or (ii) the highest Fair Market Value per share at any time during the 60-day period preceding or following a Change in Control.

(d) Additional Payments. If any payment attributable to any Award under the Plan or any Preexisting Plan (the "Payments") will be subject to the tax (the "Excise Tax") imposed by Section 4999 of the Code (or any similar tax that may hereafter be imposed), the Company shall pay at the time specified below an additional amount (the "Gross-Up Payment") such that the net amount retained by a Participant after deduction of any Excise Tax on such Payments and any federal, state and local income and employment tax and Excise Tax upon the payment provided for by this Section, shall be equal to the Payments. For purposes of determining whether any of the Payments will be subject to the Excise Tax and the amount of such Excise Tax, (i) all payments or benefits received or to be received by a Participant in connection with a Change in Control of the Company or the Participant's termination of employment with the Company, a parent corporation thereof, a Subsidiary or Affiliate (pursuant to the Plan or any other plan, agreement or arrangement of the Company, its Subsidiaries or Affiliates) shall be treated as "parachute payments" within the meaning of Section 280G(b)(2) of the Code, and all "excess parachute payments" within the meaning of Section 280G(b)(1) shall be treated as subject to the Excise Tax, unless in the opinion of tax counsel selected by the Company's independent auditors and acceptable to the Participant such payments or benefits (in whole or in part) do not constitute parachute payments, or such excess parachute payments (in whole or in part) represent reasonable compensation for services actually rendered within the meaning of Section 280G(b)(4) of the Code in excess of the base amount

within the meaning of Section 280G(b)(3) of the Code, or are otherwise not subject to the Excise Tax; (ii) the amount of the Payments which shall be treated as subject to the Excise Tax shall be equal to the lesser of (1) the total amount of the Payments or (2) the amount of excess parachute payments within the meaning of Section 280G(b)(1) (after applying clause (i) above); and (iii) the value of any non-cash benefits or any deferred payment or benefit shall be determined by the Company's independent auditors in accordance with the principles of Sections 280G(d)(3) and (4) of the Code. For purposes of determining the amount of the Gross-Up Payment, the Participant shall be deemed to pay federal income taxes at the highest marginal rate of federal income taxation in the calendar year in which the Gross-Up Payment is to be made and state and local income taxes at the highest marginal rate of taxation in the state and locality of the Participant's residence on the date such Gross-Up Payment is made, net of the maximum reduction in federal income taxes which could be obtained from deduction of such state and local taxes. In the event that the Excise Tax is subsequently determined to be less than the amount taken into account hereunder at the time of the Gross-Up Payment, the Participant shall repay to the Company at the time that the amount of such reduction in Excise Tax is finally determined, the portion of the Gross-Up Payment attributable to such reduction (plus the portion of the Gross-Up Payment attributable to the Excise Tax and federal and state and local income tax imposed on the Gross-Up Payment being repaid by the Participant if such repayment results in a reduction in Excise Tax and/or a federal and state and local income tax deduction) plus interest on the amount of such repayment at the rate provided in Section 1274(b)(2)(B) of the Code. In the event that the Excise Tax is determined to exceed the amount taken into account hereunder at the time of the Gross-Up Payment (including by reason of any payment the existence or amount of which cannot be determined at the time of the Gross-Up Payment), the Company shall make an additional Gross-Up Payment in respect of such excess (plus any interest payable with respect to such excess) at the time that the amount of such excess is finally determined. Any Gross-Up Payment to be made to the Participant under this paragraph shall be payable within thirty (30) days of the date of the Change in Control.

(e) Pooling of Interests. Notwithstanding the provisions of this Section 9, in the event that consummation of a Change in Control is contingent on the ability to account for such Change in Control under "pooling of interests" accounting methodology, the provisions of Sections 9(a) and 9(d) hereof shall not be implemented to the extent such implementation would prevent the Change in Control transaction from being accounted for in such manner. In such event, the Committee may in its discretion take such action as it deems appropriate, without precluding the Change in Control transaction from being so accounted for, to enable holders of Awards to realize substantially similar economic results as would have been realized through application of Sections 9(a) and 9(d) hereof.

10. General Provisions.

(a) Compliance with Legal and Exchange Requirements. The Plan, the granting and exercising of Awards thereunder, and the other obligations of the Company under the Plan and any Award Agreement, shall be subject to all applicable federal and state laws, rules and regulations, and to such approvals by any regulatory or governmental agency as may be required. The Company, in its discretion, may postpone the issuance or delivery of Stock under any Award until completion of such stock exchange listing or registration or qualification of such Stock or other required action under any state, federal or foreign law, rule or regulation as the Company may consider appropriate, and may require any Participant to make such representations and furnish such information as it may consider appropriate in connection with the issuance or delivery of Stock in compliance with applicable laws, rules and regulations.

(b) Nontransferability. Except as otherwise provided in this Section 10(b), Awards shall not be transferable by a Participant other than by will or the laws of descent and distribution or pursuant to a designation of a Beneficiary, and Awards shall be exercisable during the lifetime of a Participant only by such Participant or his guardian or legal representative. In addition, except as otherwise provided in this Section 10(b), no rights under the Plan may be pledged, mortgaged, hypothecated, or otherwise encumbered, or subject to the claims of creditors. The foregoing notwithstanding, the Committee may, in its sole discretion, provide that Awards (or rights or interests therein) other than ISOs and Awards in tandem with ISOs shall be transferable, including permitting transfers, without consideration, to a Participant's immediate family members (i.e., spouse, children, grandchildren, or siblings, as well as the Participant), to trusts for the benefit of such immediate family members, and to partnerships in which such family members are the only parties, or other transfers deemed by the Committee to be not inconsistent with the purposes of the Plan.

(c) No Right to Continued Employment. Neither the Plan nor any action taken thereunder shall be construed as giving any employee the right to be retained in the employ of the Company or any of its Subsidiaries or Affiliates, nor shall it interfere in any way with the right of the Company or any of its Subsidiaries or Affiliates to terminate any employee's employment at any time.

(d) Taxes. The Company or any Subsidiary or Affiliate is authorized to withhold from any Award granted, any payment relating to an Award under the Plan, including from a distribution of Stock, or any payroll or other payment to a Participant, amounts of withholding and other taxes due in connection with any transaction involving an Award, and to take such other action as the Committee may deem advisable to enable the Company and Participants to satisfy obligations for the payment of withholding taxes and other tax obligations relating to any Award. This authority shall include authority to withhold or receive Stock or other property and to make cash payments in respect thereof in satisfaction of a Participant's tax obligations.

(e) Changes to the Plan and Awards. The Board may amend, alter, suspend, discontinue, or terminate the Plan or the Committee's authority to grant Awards under the Plan without the consent of stockholders or Participants, except that any such amendment, alteration, suspension, discontinuation, or termination shall be subject to the approval of the Company's stockholders within one year after such Board action if such stockholder approval is required by any federal law or regulation or the rules of any stock exchange or automated quotation system on which the Stock may then be listed or quoted; provided, however, that, without the consent of an affected Participant, no amendment, alteration, suspension,

discontinuation, or termination of the Plan may materially adversely affect the rights of such Participant under any Award theretofore granted to him or her. The Committee may waive any conditions or rights under, or amend, alter, suspend, discontinue, or terminate any Award theretofore granted and any Award Agreement relating thereto; provided, however, that, without the consent of an affected Participant, no such amendment, alteration, suspension, discontinuation, or termination of any Award may materially adversely affect the rights of such Participant under such Award. Following the occurrence of a Change in Control, the Board may not terminate this Plan or amend this Plan in any manner adverse to employees.

(f) No Rights to Awards; No Stockholder Rights. No Participant or employee shall have any claim to be granted any Award under the Plan, and there is no obligation for uniformity of treatment of Participants and employees. No Award shall confer on any Participant any of the rights of a stockholder of the Company unless and until Stock is duly issued or transferred to the Participant in accordance with the terms of the Award.

(g) Unfunded Status of Awards and Trusts. The Plan is intended to constitute an "unfunded" plan for incentive and deferred compensation. With respect to any payments not yet made to a Participant pursuant to an Award, nothing contained in the Plan or any Award shall give any such Participant any rights that are greater than those of a general creditor of the Company; provided, however, that the Committee may authorize the creation of trusts or make other arrangements to meet the Company's obligations under the Plan to deliver cash, Stock, other Awards, or other property pursuant to any Award, which trusts or other arrangements shall be consistent with the "unfunded" status of the Plan unless the Committee otherwise determines with the consent of each affected Participant. If and to the extent authorized by the Committee, the Company may deposit into such a trust Stock or other assets for delivery to the Participant in satisfaction of the Company's obligations under any Award. If so provided by the Committee, upon such a deposit of Stock or other assets for the benefit of a Participant, there shall be substituted for the rights of the Participant to receive delivery of Stock and other payments under this Plan a right to receive the assets of the trust (to the extent that the deposited Stock or other assets represented the full amount of the Company's obligation under the Award at the date of deposit). The trustee of the trust may be authorized to dispose of trust assets and reinvest the proceeds in alternative investments, subject to such terms and conditions as the Committee may specify and in accordance with applicable law.

(h) Nonexclusivity of the Plan. Neither the adoption of the Plan by the Board nor its submission to the stockholders of the Company for approval shall be construed as creating any limitations on the power of the Board to adopt such other incentive arrangements as it may deem desirable, including the granting of stock options and other awards otherwise than under the Plan, and such arrangements may be either applicable generally or only in specific cases.

(i) No Fractional Shares. No fractional shares of Stock shall be issued or delivered pursuant to the Plan or any Award. The Committee shall determine whether cash, other Awards, or other property shall be issued or paid in lieu of such fractional shares or whether such fractional shares or any rights thereto shall be forfeited or otherwise eliminated.

(j) Governing Law. The validity, construction, and effect of the Plan, any rules and regulations relating to the Plan, and any Award Agreement shall be determined in accordance with the laws of the state of Delaware, without giving effect to principles of conflicts of laws, and applicable federal law.

(k) Effective Date and Approval Date. The Plan shall become effective upon approval by the Board of Directors (the "Effective Date"); provided, however, that the Plan shall be subject to the subsequent approval by the Company's stockholders at a meeting of Company stockholders duly held in accordance with the Delaware General Corporation Law, or any adjournment thereof in accordance with applicable provisions of the Delaware General Corporation Law, such stockholder approval to be obtained not later than one year after the Effective Date (the date of such approval being referred to as the "Approval Date"). Any Awards granted under the Plan prior to such approval of stockholders shall be subject to such approval, and in the absence of such approval, such Awards shall be null and void.

(l) Titles and Headings; Certain Terms. The titles and headings of the sections in the Plan are for convenience of reference only. In the event of any conflict, the text of the Plan, rather than such titles or headings, shall control. The term "including," when used in the Plan, means in each case "including without limitation."

Marsh & McLennan Companies, Inc.
Special Severance Pay Plan
(as amended and restated as of November 21, 1996)

1. Eligibility:

Eligibility for severance payments under this Plan will be limited to executives who terminate from the Company or its subsidiaries for reasons other than cause, death, total and permanent disability or normal retirement and who at time of termination:

- a. are grantees of outstanding awards ("Awards") of restricted stock, incentive units awarded in lieu of restricted stock, restricted stock units awarded in lieu of restricted stock or restricted stock units awarded to replace another grant under the Marsh & McLennan Companies Restricted Stock Plan (1985), the Marsh & McLennan Companies 1988 Incentive and Stock Award Plan, the Marsh & McLennan Companies 1992 Incentive and Stock Award Plan (the "1992 Plan") or any successor thereto, but excluding any supplemental Awards ("Supplemental Awards") issued under the 1992 Plan (or any successor thereto) in connection with the granting of replacement awards under any such plan in exchange for the surrender and cancellation of then outstanding Awards (the outstanding Awards, other than any Supplemental Awards, shall hereinafter be referred to as the "Covered Awards"); and
- b. have at least ten years of service with the Company or its subsidiaries.

2. Non-Solicitation Agreement:

In addition to satisfying the above eligibility criteria, the executive at or before termination will be required to enter into a Non-Solicitation Agreement with the Company providing that in order to receive severance payments under this Plan, the executive must refrain, for a three year period from the date of termination, from (i) soliciting or accepting business from any clients of the Company or its subsidiaries, and (ii) soliciting an employee of the Company or its subsidiaries to terminate his or her employment.

3. Forfeiture:

All payments under this Plan made in accordance with Paragraph 4 below will be made only after the executive has, to the satisfaction of the Company in its sole discretion, demonstrated compliance with the Non-Solicitation Agreement. If, in the judgment of the Company, the executive has violated such agreement, all rights to severance payments remaining under this Plan shall be forfeited.

Marsh & McLennan Companies, Inc.
Special Severance Pay Plan
Page Two

4. Severance Amount Determination:

The total severance amount shall be based on a percentage of the shares and units subject to the executive's Covered Awards which were forfeited at the executive's termination of employment (the "Forfeited Awards"). Such percentage shall be determined by the executive's years of service at termination as follows:

Years of Service -----	Severance Amount (as a Percentage of Forfeited Awards) -----
10-14	50%
15-19	60%
20-24	75%
25 and Above	90%

5. Dividends:

Dividends or dividend equivalents as appropriate, shall be paid on all shares or share equivalents remaining unpaid under this Plan at the normal times that dividends are paid to other Company common stock owners.

6. Form and Manner of Payment:

Payments under this Plan shall be made in shares of MMC common stock in three annual installments commencing one year following termination of employment. Such payments, however, will be made only after the executive has, to the satisfaction of the Company, demonstrated compliance with the Non-Solicitation Agreement.

Annual share installments will be issued in MMC stock, less the number of shares needed to pay applicable withholding taxes. Such installments shall be determined by multiplying (i) the number of shares remaining under this Plan by (ii) a fraction, the numerator of which is 1 and the denominator of which is the number of remaining installments, including the one being

made.

7. Death Benefits:

If the executive dies after termination of employment and before payment of all installments under this Plan, shares remaining unpaid at death shall be issued to the estate of the executive. Such payment, however, will be made only after the executive's personal representative has to the satisfaction of the company demonstrated compliance by the executive through the date of his or her death with the Non-Solicitation Agreement.

8. Administration:

This Plan shall be administered by the Compensation Committee, which shall be composed of disinterested persons as such term is defined in the rules of the Securities and Exchange Commission, and whose actions and determination on matters related to this Plan shall be conclusive. Subject to the express provisions of this Plan, the powers of the Committee include having the authority, in its discretion, to:

- a. define, prescribe, amend and rescind rules, regulations, procedures, terms and conditions relating to this Plan, including any addenda required to comply with applicable non-United States law; and
- b. make all other determinations necessary or advisable for administering this Plan, including, but not limited to, interpreting this Plan, correcting defects, reconciling inconsistencies and resolving ambiguities.

9. Amendment and Termination:

This Plan may be amended or terminated at any time by the Board of Directors of the Company.

U.S. EMPLOYEE
1996 CASH BONUS AWARD VOLUNTARY DEFERRAL PLAN

1. ELIGIBILITY

All active U.S. employees of Marsh & McLennan Companies, Inc. (the "Corporation") and its subsidiaries who are designated as eligible for participation in the MMC Partners Bonus Plan or a Local Bonus Plan, and who are presently in salary grade 15 (or its equivalent) or above, may, at management's discretion, be considered for participation in the Marsh & McLennan Companies, Inc. U.S. Employee 1996 Cash Bonus Award Voluntary Deferral Plan (the "1996 Plan"). Participants in the 1996 Plan may make deferral elections pursuant to the rules outlined in Section 2 below.

2. PROGRAM RULES

Except as otherwise provided herein, the 1996 Plan shall be administered by the Compensation Committee of the Board of Directors of the Corporation (the "Committee"). The Committee shall have authority in its sole discretion to interpret the 1996 Plan and make all determinations, including the determination of bonus awards eligible to be deferred, with respect to the 1996 Plan. All determinations made by the Committee shall be final and binding. The Committee may delegate to any other individual or entity the authority to perform any or all of the functions of the Committee under the 1996 Plan and references to the Committee shall be deemed to include any such delegate. Exercise of deferral elections under the 1996 Plan must be made in accordance with the following rules.

a. Rights to an Award and to a Deferral Election

The right to a deferral election applies only to the annual cash bonus scheduled to be awarded in early 1997 in respect of 1996 services, the payment of which bonus would normally be made by the end of the first quarter of the 1997 calendar year. The granting of such an annual cash bonus award is discretionary and neither delivery of deferral election materials nor an election to defer shall affect entitlement to such an award. The right to a deferral election does not apply to bonuses (including, but not limited to, bonuses pursuant to an employment agreement, sign-on or guaranteed bonuses, commissions or non-annual incentive payments) that are not awarded as part of an annual cash bonus plan.

b. Election Forms

In order to ensure that elections to defer bonus amounts are effective under applicable tax laws, please complete and sign the attached election form(s) and return them (postmarked or delivered) no later than November 27, 1996. Form(s) should be returned, and any questions should be directed, to:

Vincent R. Belluccia
Manager, Executive Compensation
Marsh & McLennan Companies, Inc.
1166 Avenue of the Americas
New York, New York 10036-2774
(212) 345-5657

c. Deferral Options

(i) Deferral Amount. An eligible employee may elect to defer a portion of such employee's bonus award until January of a specific year ("year certain") or until January of the year following retirement in an amount represented by one of the following two choices:

1. 25%, 50% or 75% of the employee's cash bonus award, subject to a maximum limit established by the Committee, or
2. the lowest of 25%, 50% or 75% of the employee's cash bonus award which results in a deferral of at least \$10,000.

If the percentage selected times the amount of the cash bonus award is less than \$10,000, no deferral will be made or deducted from the award.

(ii) 1996 Deferred Bonus Accounts. If a deferral election is made, deferrals may be made into one or both of the two accounts which the Corporation shall make available to the participating employee. The relevant portion of the award deferral will be credited to the relevant account on the first day of the month following the date in which the bonus payment would have been made had it not been deferred. The available accounts for deferrals of bonuses (the "1996 Deferred Bonus Accounts") shall consist of (a) the 1996 Putnam Fund Account and (b) the 1996 Corporation Stock Account. Amounts may not be transferred between the 1996 Corporation Stock Account and either the 1996 Putnam Fund Account or the "Putnam Transfer Fund Account" (as referred to in Section 2.e. below).

d. 1996 Putnam Fund Account

(i) Account Valuation. The 1996 Putnam Fund Account is a bookkeeping account the value of which shall be based upon the performance of selected funds of the Putnam mutual fund group. The Corporation will determine in its sole discretion the funds of the Putnam mutual fund group into which deferrals may be made. Deferrals among selected funds comprising the 1996 Putnam Fund Account must be made in multiples of 5% of the total amounts deferred into the 1996 Putnam Fund Account. Deferred amounts will be credited to the 1996 Putnam Fund Account with units each reflecting one Class A share of the elected fund. Fractional units will also be credited to such account, if applicable. The number of such credited units will be determined by dividing the value of the bonus award deferred into such fund by the net asset value of the elected fund of the 1996 Putnam Fund Account as of the close of business on the last trading day on the New York Stock Exchange of the month in which such bonus payment would have been made had it not been deferred. All dividends paid with respect to an elected fund of a 1996 Putnam Fund Account will be deemed to be immediately reinvested in such fund.

(ii) Fund Transfers. Amounts deferred into a 1996 Putnam Fund Account and the Putnam Transfer Fund Account may be transferred between eligible funds of these respective accounts (but not between the 1996 Putnam Fund Account and the Putnam Transfer Fund Account) pursuant to an election which may be made once per calendar month (or at such other intervals as the Committee may prescribe). Such election shall be effective, and the associated transfer shall be based upon the net asset values of the applicable funds of the 1996 Putnam Fund Account or the Putnam Transfer Fund Account, as of the close of business on the last trading day on the New York Stock Exchange of the month (or other applicable period) in which such election is received by the Corporation, provided the election is received by the 25th day of such month (or at least a sufficient number of days, determined by the Committee, prior to the end of such other applicable period) and not revoked prior to such date. In the event the election is not received on a timely basis, such election shall be effective as of the close of business on the last trading day on the New York Stock Exchange of the immediately following calendar month (or other applicable period), provided such election is not revoked prior to the 25th day of such following calendar month (or prior to the date determined by the Committee for any other applicable period).

e. Putnam Transfer Fund Account

By November 27, 1996, each individual with respect to whom there is maintained an "Interest Factor Account" (established for deferrals of all pre-1993

bonus awards), whether or not any such individual is eligible for participation under Section 1 above, may make an irrevocable election to transfer all (but not less than all) of such participant's Interest Factor Account into a "Putnam Transfer Fund Account", which election shall be effective, and which transfer shall be based upon the net asset value of the selected funds of such Putnam Transfer Fund Account, as of the close of business on the last trading day on the New York Stock Exchange in 1996. The Putnam Transfer Fund Account shall be administered in a manner consistent with the administration of the 1996 Putnam Fund Account pursuant to Section 2.d.(i) above. Distribution elections (including the form of payment) otherwise in effect for the Interest Factor Account shall remain in effect for amounts transferred to the Putnam Transfer Fund Account.

f. 1996 Corporation Stock Account

(i) Account Valuation. The 1996 Corporation Stock Account is a bookkeeping account the value of which shall be based upon the performance of the common stock of the Corporation. Amounts deferred into the 1996 Corporation Stock Account will be credited to such account with units each reflecting one share of common stock of the Corporation. Fractional units will also be credited to such account, if applicable. The number of such credited units will be determined by dividing the value of the bonus award deferred into the 1996 Corporation Stock Account (plus the "supplemental amount" referred to in clause (ii) below) by the closing price of the common stock of the Corporation on the New York Stock Exchange on the last trading day on the New York Stock Exchange of the month in which such bonus payment would have been made had it not been deferred. Dividends paid on the common stock of the Corporation shall be reflected in a participant's 1996 Corporation Stock Account by the crediting of additional units in such account equal to the value of the dividend and based upon the closing price of the common stock of the Corporation on the New York Stock Exchange on the date such dividend is paid. Deferrals into the 1996 Corporation Stock Account must be deferred to a date not earlier than January 1, 2000.

(ii) Supplemental Amount. With respect to that portion of a bonus award which a participating employee defers into the 1996 Corporation Stock Account, there shall be credited to such participant's 1996 Corporation Stock Account an amount equal to the amount deferred into such account plus an additional amount equal to 15% of the amount so deferred (the "supplemental amount"). The maximum percentage of any participating employee's annual bonus award permitted to be deferred into the 1996 Corporation Stock Account (prior to giving effect to the supplemental amount) is 50% of such award.

g. Statement of Account

The Corporation shall provide periodically to each participant (but not less frequently than once per calendar quarter) a statement setting forth the balance to the credit of such participant in such participant's 1996 Deferred Bonus Accounts and Putnam Transfer Fund Account.

h. Irrevocability and Acceleration

Subject to the provisions of paragraph i. (iii) below, all deferral elections made under this 1996 Plan are irrevocable. However, the Committee may, in its sole discretion, and upon finding that a participant has demonstrated severe financial hardship, direct the acceleration of the payment of any or all deferred amounts then credited to the participant's 1996 Deferred Bonus Accounts.

i. Payment of Deferred Amounts

(i) Year Certain Deferrals. If the participant remains employed until the deferral year elected, all amounts relating to "year certain" deferrals will be paid in a single distribution, less applicable withholding taxes, in January of the deferral year elected, or the participant may elect (at the time of the original deferral election) to have distributions from the 1996 Corporation Stock Account or the 1996 Putnam Fund Account, as the case may be, made in up to ten (10) annual installments payable each January commencing with the deferral year elected. Annual installments will be paid in an amount, less applicable withholding taxes, determined by multiplying (i) the balance of the 1996 Corporation Stock Account or the 1996 Putnam Fund Account, as the case may be, by (ii) a fraction, the numerator of which is 1 and the denominator of which is a number equal to the remaining unpaid annual installments.

(ii) Retirement Deferrals. For participants who retire, amounts relating to deferrals until the year following retirement will be paid in a single distribution in January of the year following retirement, or the participant may elect (at the time of the original deferral election) to have distributions from the 1996 Corporation Stock Account or 1996 Putnam Fund Account, as the case may be, made in up to ten (10) annual installments payable each January commencing with the year following retirement. Annual installments will be paid in an amount, less applicable withholding taxes, determined by multiplying (i) the balance of the 1996 Corporation Stock Account or 1996 Putnam Fund Account, as the case may be, by (ii) a fraction, the numerator of which is 1 and the denominator of which is a number equal to the remaining unpaid annual installments.

(iii) Redeferral Election. Participants shall be permitted to delay the beginning date of distribution and/or increase the number of annual installments (up to the maximum number permitted under this 1996 Plan) for awards previously deferred or redeferred under this 1996 Plan provided that the redeferral election must be made at least one full calendar year prior to the beginning date of distribution.

(iv) Termination of Employment Prior to End of Deferral Period. Subject to the provisions of paragraph (vi) below, in the event of termination of employment for any reason prior to completion of the elected deferral period, all amounts then in the participant's 1996 Deferred Bonus Accounts will be paid to the participant (or the participant's designated beneficiary in the event of death) in a single distribution, less applicable withholding taxes, as soon as practicable after the end of the quarter in which the termination occurred; provided, however, that, subject to the provisions of paragraph (vi) below, upon a participant's retirement or termination for disability prior to completion of the elected deferral period all such amounts shall be paid in January of the year following such retirement or termination for disability, as the case may be.

(v) Death During Installment Period. If a participant dies after the commencement of payments from his or her 1996 Deferred Bonus Accounts, the designated beneficiary shall receive the remaining installments over the elected installment period.

(vi) Special Rules Applicable to 1996 Corporation Stock Account. Notwithstanding any provision in this 1996 Plan to the contrary (other than Section 2.h. above), with respect to a participant's 1996 Corporation Stock Account, in the event that prior to January 1, 2000, a participant's employment terminates for disability or retirement, all amounts in such account will be paid to the participant in a single distribution, less applicable withholding taxes, in January of 2000. In the event a participant's employment terminates on account of death prior to January 1, 2000, the distribution rule in paragraph (iv) above will apply. If, however, the termination of employment prior to January 1, 2000 is on account of a reason other than death, disability or retirement, the participant will receive, as soon as practicable following the end of the quarter in which the termination occurred, a single distribution, less applicable withholding taxes, of (a) the balance of the participant's 1996 Corporation Stock Account less (b) the portion of such balance attributable to the supplemental amount (including earnings thereon), which portion shall be forfeited in its entirety. For purposes of determining the portion of the balance of the 1996 Corporation Stock Account attributable to the supplemental amount, the supplemental amount shall be increased or decreased by the respective gain or loss in the 1996 Corporation Stock Account attributable to such supplemental amount.

(vii) Change in Control. Notwithstanding any other provision in this 1996 Plan to the contrary, in the event of a "change in control" of the Corporation, as defined in the Corporation's 1992 Incentive and Stock Award Plan (the "1992 Incentive Plan"), all amounts credited to a participant's 1996 Deferred Bonus Accounts as of the effective date of such change in control, including any interest accrued thereon, will be distributed within five days of such change in control as a lump sum cash payment, less applicable withholding taxes.

(viii) Form of Payment. All payments in respect of the 1996 Putnam Fund Account shall be made in cash and payments in respect of the 1996 Corporation Stock Account shall be made in shares of common stock of the Corporation (with cash paid in lieu of any fractional shares); provided, however, that in the event of a change in control of the Corporation, payments from the 1996 Corporation Stock Account shall be made in cash based upon (A) the highest price paid for shares of common stock of the Corporation in connection with such change in control or (B) if shares of common stock of the Corporation are not purchased or exchanged in connection with such change in control, the closing price of the common stock of the Corporation on the New York Stock Exchange on the last trading day on the New York Stock Exchange prior to the date of the change in control.

j. Tax Treatment

Under present Federal income tax laws, no portion of the balance credited to a participant's 1996 Deferred Bonus Accounts or Putnam Transfer Fund Account will be includable in income for Federal income tax purposes during the period of deferral. However, FICA tax withholding is required currently on the cash bonus amount (excluding any portion subject to a mandatory deferral) awarded to the participant, and such withholding is required on the supplemental amount in January of 2000. When any part of the 1996 Deferred Bonus Accounts or Putnam Transfer Fund Account is actually paid to the participant, such portion will be includable in income, and Federal, state and local income tax withholding will apply. The Corporation may make necessary arrangements in order to effectuate any such withholding, including the mandatory withholding of shares of common stock of the Corporation which would otherwise be distributed to a participant.

k. Beneficiary Designation

Each participant shall have the right, at any time, to designate any person or persons as beneficiary or beneficiaries (both principal as well as contingent) to whom payment shall be made under the 1996 Plan and any other Cash Bonus

Award Voluntary Deferral Plan for which the participant has an account balance (the "Plans"), in the event of death prior to complete distribution to the participant of the amounts due under the Plans. Any beneficiary designation may be changed by a participant by the filing of such change in writing on a form prescribed by the Corporation. The filing of a new beneficiary designation form will cancel all beneficiary designations previously filed and apply to all deferrals in the account. A beneficiary designation form is attached and when completed should be forwarded to Vincent R. Belluccia, at the address set forth in Section 2.b. above. If a participant does not have a beneficiary designation in effect, or if all designated beneficiaries predecease the participant, then any amounts payable to the beneficiary shall be paid to the participant's estate. The payment to the named beneficiary shall completely discharge the Corporation's obligations under the 1996 Plans.

1. Changes in Capitalization

If there is any change in the number or class of shares of common stock of the Corporation through the declaration of stock dividend or other extraordinary dividends, or recapitalization resulting in stock splits, or combinations or exchanges of such shares or in the event of similar corporate transactions, each participant's 1996 Corporation Stock Account shall be equitably adjusted by the Committee to reflect any such change in the number or class of issued shares of common stock of the Corporation or to reflect such similar corporate transaction.

3. AMENDMENT AND TERMINATION OF THE 1996 PLAN

The Committee may, at its discretion and at any time, amend the 1996 Plan in whole or in part. The Committee may also terminate the 1996 Plan in its entirety at any time and, upon any such termination, each participant shall be paid in a single distribution, or over such period of time as determined by the Committee (not to extend beyond the earlier of 10 years or the elected deferral period), the then remaining balance in such participant's 1996 Deferred Bonus Accounts.

4. MISCELLANEOUS

A participant under the 1996 Plan is merely a general (not secured) creditor and nothing contained in the 1996 Plan shall create a trust of any kind or a fiduciary relationship between the Corporation and the participant or the participant's estate. Nothing contained herein shall be construed as conferring upon the participant the right to continued employment with the Corporation or its subsidiaries, or to a cash bonus award. Except as otherwise provided by applicable law, benefits payable under the 1996 Plan may not be assigned or

hypothecated and no such benefits shall be subject to legal process or attachment for the payment of any claim of any person entitled to receive the same. The adoption of the 1996 Plan and any elections made pursuant to the 1996 Plan are subject to approval of the 1996 Plan by the Committee.

CANADIAN EMPLOYEE
1996 CASH BONUS AWARD VOLUNTARY DEFERRAL PLAN

1. ELIGIBILITY

All active Canadian employees of Marsh & McLennan Companies, Inc. (the "Corporation") and its subsidiaries who are designated as eligible for participation in the MMC Partners Bonus Plan or a Local Bonus Plan, and who are presently in salary grade 15 (or its equivalent) or above, may, at management's discretion, be considered for participation in the Marsh & McLennan Companies, Inc. Canadian Employee 1996 Cash Bonus Award Voluntary Deferral Plan (the "1996 Plan"). Participants in the 1996 Plan may make deferral elections pursuant to the rules outlined in Section 2 below.

2. PROGRAM RULES

Except as otherwise provided herein, the 1996 Plan shall be administered by the Compensation Committee of the Board of Directors of the Corporation (the "Committee"). The Committee shall have authority in its sole discretion to interpret the 1996 Plan and make all determinations, including the determination of bonus awards eligible to be deferred, with respect to the 1996 Plan. All determinations made by the Committee shall be final and binding. The Committee may delegate to any other individual or entity the authority to perform any or all of the functions of the Committee under the 1996 Plan and references to the Committee shall be deemed to include any such delegate. Exercise of deferral elections under the 1996 Plan must be made in accordance with the following rules.

a. Rights to an Award and to a Deferral Election

The right to a deferral election applies only to the annual cash bonus scheduled to be awarded in early 1997 in respect of 1996 services, the payment of which bonus would normally be made by the end of the first quarter of the 1997 calendar year. The granting of such an annual cash bonus award is discretionary and neither delivery of deferral election materials nor an election to defer shall affect entitlement to such an award. The right to a deferral election does not apply to bonuses (including, but not limited to, bonuses pursuant to an employment agreement, sign-on or guaranteed bonuses, commissions or non-annual incentive payments) that are not awarded as part of an annual cash bonus plan.

b. Election Forms

In order to ensure that elections to defer bonus amounts are effective under applicable tax laws, please complete and sign the attached election form(s) and return them (postmarked or delivered) no later than November 27, 1996. Form(s) should be returned, and any questions should be directed, to:

Vincent R. Belluccia
Manager, Executive Compensation
Marsh & McLennan Companies, Inc.
1166 Avenue of the Americas
New York, New York 10036-2774
U.S.A.
(212) 345-5657

c. Deferral Options

(i) Deferral Amount. An eligible employee may elect to defer a portion of such employee's bonus award in an amount represented by one of the following two choices:

1. 25%, 50%, 75% or 100% of the employee's cash bonus award, subject to a maximum limit established by the Committee, or
2. the lowest of 25%, 50%, 75% or 100% of the employee's cash bonus award which results in a deferral of at least Canadian \$10,000.

If the percentage selected times the amount of the cash bonus award is less than Canadian \$10,000, no deferral will be made or deducted from the award.

(ii) Period of Deferral. The payment of a bonus award may be deferred to January of 1998 or January of 1999, as elected by the participant.

(iii) 1996 Deferred Bonus Accounts. If a deferral election is made, deferrals may be made into one or both of the two accounts which the Corporation shall make available to the participating employee. The relevant portion of the award deferral will be credited to the relevant account on the first day of the month following the date in which the bonus payment would have been made had it not been deferred. The available accounts for deferrals of bonuses (the "1996 Deferred Bonus Accounts") shall consist of (a) the 1996 Putnam Fund Account and (b) the 1996 Interest Equivalent Account. Amounts may not be transferred between the 1996 Interest Equivalent Account and the 1996 Putnam Fund Account.

d. 1996 Putnam Fund Account

(i) Account Valuation. The 1996 Putnam Fund Account is a bookkeeping account the value of which shall be based upon the performance of selected funds of the Putnam mutual fund group. The Corporation will determine in its sole discretion the funds of the Putnam mutual fund group into which deferrals may be made. Deferrals among selected funds comprising the 1996 Putnam Fund Account must be made in multiples of 5% of the total amounts deferred into the 1996 Putnam Fund Account. Deferred amounts will be credited to the 1996 Putnam Fund Account with units each reflecting one Class A share of the elected fund. Fractional units will also be credited to such account, if applicable. The number of such credited units will be determined by dividing the value of the bonus award deferred into such fund by the net asset value of the elected fund of the 1996 Putnam Fund Account as of the close of business on the last trading day on the New York Stock Exchange of the month in which such bonus payment would have been made had it not been deferred. All dividends paid with respect to an elected fund of a 1996 Putnam Fund Account will be deemed to be immediately reinvested in such fund. All amounts credited to the 1996 Putnam Fund Account will be converted into U.S. dollars at the exchange rate in effect as of the applicable date.

(ii) Fund Transfers. Amounts deferred into a 1996 Putnam Fund Account may be transferred between eligible funds pursuant to an election which may be made once per calendar month (or at such other intervals as the Committee may prescribe). Such election shall be effective, and the associated transfer shall be based upon the net asset values of the applicable funds of the 1996 Putnam Fund Account, as of the close of business on the last trading day on the New York Stock Exchange of the month (or other applicable period) in which such election is received by the Corporation, provided the election is received by the 25th day of such month (or at least a sufficient number of days, determined by the Committee, prior to the end of such other applicable period) and not revoked prior to such date. In the event the election is not received on a timely basis, such election shall be effective as of the close of business on the last trading day on the New York Stock Exchange of the immediately following calendar month (or other applicable period), provided such election is not revoked prior to the 25th day of such following calendar month (or prior to the date determined by the Committee for any other applicable period).

e. 1996 Interest Equivalent Account

An "Interest Equivalent" shall be calculated and added to each 1996 Interest Equivalent Account as of the last day of each calendar quarter based on the average principal balance in said account during said calendar quarter and on the average of the 30-day Banker's Acceptance rate of interest as published in the Toronto Globe & Mail during such calendar quarter.

f. Statement of Account

The Corporation shall provide periodically to each participant (but not less frequently than once per calendar quarter) a statement setting forth the balance to the credit of such participant in such participant's 1996 Deferred Bonus Accounts.

g. Irrevocability and Acceleration

All deferral elections made under the 1996 Plan are irrevocable. However, the Committee may, in its sole discretion, and upon finding that a participant has demonstrated severe financial hardship, direct the acceleration of the payment of any or all deferred amounts then credited to the participant's 1996 Deferred Bonus Accounts.

h. Payment of Deferred Amounts

(i) Deferral Year Distributions. If the participant remains employed until the deferral year elected, all amounts in the participant's 1996 Deferred Bonus Accounts will be paid in a single distribution, less applicable withholding taxes, in January of the deferral year elected.

(ii) Termination of Employment Prior to End of Deferral Period. In the event of termination of employment for any reason prior to the completion of the elected deferral period, all amounts then in the participant's 1996 Deferred Bonus Accounts will be paid to the participant (or the participant's designated beneficiary in the event of death) in a single distribution, less applicable withholding taxes, as soon as practicable after the end of the quarter in which the termination occurred; provided, however, that upon a participant's retirement or termination for disability prior to completion of the elected deferral period all such amounts shall be paid in a single distribution during January of the year following such retirement or termination for disability, as the case may be.

(iii) Change in Control. Notwithstanding any other provision in the 1996 Plan to the contrary, in the event of a "change in control" of the Corporation, as defined in the Corporation's 1992 Incentive and Stock Award Plan (the "1992 Incentive Plan"), all amounts credited to a participant's 1996 Deferred

Bonus Accounts as of the effective date of such change in control, including any interest accrued thereon, will be distributed within five days of such change in control as a single distribution, less applicable withholding taxes.

(iv) Form of Payment. All payments under the 1996 Plan shall be made in cash in Canadian dollars converted, if necessary, at the exchange rate in effect as of the applicable date.

i. Tax Treatment

Under present Canadian tax law, all amounts of an employee's bonus deferred for a period not exceeding three years from the year in which the related service was rendered, as well as any Interest Equivalent thereon, will be exempt from Canadian taxation during the period of deferral. When any part of the 1996 Deferred Bonus Accounts are actually paid to a participant, taxable employment income will be incurred.

j. Beneficiary Designation

Each participant shall have the right, at any time, to designate any person or persons as beneficiary or beneficiaries (both principal as well as contingent) to whom payment shall be made under the 1996 Plan and any other Cash Bonus Award Voluntary Deferral Plan for which the participant has an account balance (the "Plans"), in the event of death prior to complete distribution to the participant of the amounts due under the Plans. Any beneficiary designation may be changed by a participant by the filing of such change in writing on a form prescribed by the Corporation. The filing of a new beneficiary designation form will cancel all beneficiary designations previously filed and apply to all deferrals in the account. A beneficiary designation form is attached and when used should be forwarded to Vincent R. Belluccia, at the address set forth in Section 2.b. above. If a participant does not have a beneficiary designation in effect, or if all designated beneficiaries predecease the participant, then any amounts payable shall be paid to the participant's estate. The payment to the named beneficiary shall completely discharge the Corporation's obligations under the Plans.

3. AMENDMENT AND TERMINATION OF THE 1996 PLAN

The Committee may, at its discretion and at any time, amend the 1996 Plan in whole or in part. The Committee may also terminate the 1996 Plan in its entirety at any time and, upon any such termination, each participant shall be paid in a single distribution, or over such period of time as determined by the Committee (provided such period of time falls within the restriction set forth in Section 2.c.(ii) above), the then remaining balance in such participant's 1996 Deferred Bonus Accounts.

4. MISCELLANEOUS

A participant under the 1996 Plan is merely a general (not secured) creditor and nothing contained in the 1996 Plan shall create a trust of any kind or a fiduciary relationship between the Corporation and the participant or the participant's estate. Nothing contained herein shall be construed as conferring upon the participant the right to continued employment with the Corporation or its subsidiaries, or to a cash bonus award. Except as otherwise provided by applicable law, benefits payable under the 1996 Plan may not be assigned or hypothecated and no such benefits shall be subject to legal process or attachment for the payment of any claim of any person entitled to receive the same. The adoption of the 1996 Plan and any elections made pursuant to the 1996 Plan are subject to approval of the 1996 Plan by the Committee.

DIRECTORS STOCK COMPENSATION PLAN
(Restated as Amended 11/21/96)

1. Purpose.

The Marsh & McLennan Companies, Inc. Directors Stock Compensation Plan (the "Plan") is intended to provide an incentive to members of the board of directors of Marsh & McLennan Companies, Inc., a Delaware corporation (the "Company"), who receive fees for their services, to remain in the service of the Company and to encourage such Directors to acquire additional stock ownership interests in the Company.

2. Definitions.

(a) "Accounting Date" means June 1st of each Plan Year.

(b) "Basic Fee" means the annual retainer payable to a Director during each Plan Year (at the annual rate in effect on the Accounting Date of such Plan Year) for such Director's services on the Board (exclusive of any amounts payable with respect to service on a committee of the Board or other committee of Directors or for attendance at Board or committee meetings).

(c) "Board" means the Board of Directors of the Company.

(d) "Committee" means the Compensation Committee of the Board.

(e) "Common Stock" means the common stock, par value \$1.00 per share, of the Company.

(f) "Compensation" means the aggregate amount payable to a Director for such Director's services on the Board (including any amounts payable with respect to service on a committee of the Board or other committee of Directors or for attendance at Board or committee meetings, but excluding the portion of the Basic Fee with respect to which shares of Common Stock are issuable pursuant to Section 5(a) hereof).

(g) "Director" means a member of the Board who receives fees for his or her services.

(h) "Effective Date" means June 1, 1995.

(i) "Exchange Act" means the Securities Exchange Act of 1934, as amended.

(j) "Fair Market Value" on any given date means, except as otherwise provided in Section 5(f) hereof, the average of the high and low prices of the Common Stock on the New York Stock Exchange on the last trading day preceding such date.

(k) "Plan Year" means the twelve-month period commencing June 1st and ending on the following May 31st.

3. Administration of the Plan.

The Plan shall be administered by the Committee. The Committee shall adopt such rules as it may deem appropriate in order to carry out the purpose of the Plan. All questions of interpretation, administration, and application of the Plan shall be determined by a majority of the members of the Committee, except that the Committee may authorize any one or more of its members, or any officer of the Company, to execute and deliver documents on behalf of the Committee. The determination of such majority shall be final and binding in all matters relating to the Plan. No member of the Committee shall be liable for any act done or omitted to be done by such member or by any other member of the Committee in connection with the Plan, except for such member's own willful misconduct or as expressly provided by statute.

4. Common Stock Reserved for the Plan.

The number of shares of Common Stock authorized for issuance under the Plan is 250,000, including Deferred Shares (as defined in Section 5(c) hereof), whether distributed as such or paid in cash, subject to adjustment pursuant to Section 6 hereof. Shares of Common Stock delivered hereunder may be either authorized but unissued shares or previously issued shares reacquired and held by the Company.

5. Terms and Conditions of Grants.

(a) Mandatory Portion. On each Accounting Date commencing with the Effective Date, each Director shall automatically receive a number of shares of Common Stock with a Fair Market Value on such Accounting Date equal to one-quarter (1/4) of his or her Basic Fee payable during the Plan Year which commences on such Accounting Date. Such shares of Common Stock (including fractional shares) shall be received in lieu of the payment of cash in respect of one-quarter (1/4) of such Basic Fee and shall be transferred on such Accounting Date in accordance with Section 5(e) hereof, except to the extent that a Deferral Election (as defined in Section 5(c) hereof) shall be in effect with respect to such shares or to the extent that Section 5(f) hereof applies.

(b) Elective Portion. Each Director may elect that a specified percentage (in increments of 10%) of his or her future Compensation be paid in shares of Common Stock. Such shares of Common Stock (including fractional shares) shall be received in lieu of the payment of cash in respect of the specified percentage of future Compensation payable for services rendered in the quarters ended August 15th, November 15th, February 15th and May 15th, as the case may be. Such shares of Common Stock shall be transferred in accordance with Section 5(e) hereof, except to the extent that a Deferral Election (as defined in Section 5(c) hereof) shall be in effect with respect to such shares or to the extent that Section 5(f) hereof applies. An election hereunder shall be in the form of a document executed and filed with the Secretary of the Company and shall remain in effect until the effectiveness of any modification or revocation.

(c) Deferral Election. With respect to (1) the portion of the Basic Fee payable in Common Stock under Section 5(a) and (2) the specified percentage of Compensation payable in Common Stock under Section 5(b) hereof, each Director may elect to defer the receipt (a "Deferral Election") of all or any portion of the shares of Common Stock otherwise transferable pursuant to Section 5(e). In such event, there shall be credited to an account maintained on behalf of such Director, as of the date on which shares would otherwise be transferred hereunder, a number of Shares ("Deferred Shares") equal to the number of shares otherwise transferable. A Deferral Election or revocation hereunder shall be in the form of a document executed by the Director and filed with the Secretary of the Company prior to the

time that the Basic Fee or other Compensation to which such election relates has been earned. Any such election may be modified or revoked at any time with respect to the Basic Fee or other Compensation not yet earned, but will remain in effect until modified or revoked.

Effective as of the Effective Date, all units representing phantom stock which have been credited to an account maintained by the Company for the benefit of a Director, pursuant to a deferral agreement or arrangement with such Director, shall be converted into an equal number of Deferred Shares pursuant to this Plan and shall thereafter be treated in accordance with the terms hereof.

The Director shall elect (a) that Deferred Shares be distributed (in whole shares of Common Stock and cash in lieu of any fractional shares) in a lump sum or in substantially equal annual installments (not exceeding 10), and (b) that the lump sum or first installment be distributed on the tenth day of the calendar year immediately following either (i) the year in which the Director ceases to be a Director of the Company or (ii) the earlier of the year in which the Director ceases to be a Director of the Company or a date designated by the Director; provided, however, that any such election shall be subject to Section 5(f) hereof. Installments subsequent to the first installment shall be distributed on the tenth day of each succeeding calendar year until all of the Director's Deferred Shares shall have been distributed. Notwithstanding anything else this Plan, the Committee may, in its sole discretion, accelerate the distribution of Deferred Shares in cases of extreme emergency or hardship.

In the event the Director should die before all of the Director's Deferred Shares have been distributed, the balance of the Deferred Shares shall be distributed in a lump sum to the beneficiary or beneficiaries designated in writing by the Director, or if no designation has been made, to the estate of the Director.

(d) Dividend Equivalents. Deferred Shares shall be credited with an amount equal to the dividends which would have been paid on an equal number of outstanding shares of Common Stock ("Dividend Equivalents"). Dividend Equivalents shall be credited (i) as of the payment date of such dividends, and (ii) only with respect to Deferred Shares credited to such Director

prior to the record date of the dividend. Deferred Shares held pending distribution shall continue to be credited with Dividend Equivalents.

Dividend Equivalents so credited shall be converted into an additional number of Deferred Shares as of the payment date of the dividend (based on the Fair Market Value on such payment date). Such Deferred Shares shall thereafter be treated in the same manner as any other Deferred Shares under the Plan.

(e) Transfer of Shares. Shares of Common Stock issuable to a Director under Section 5(a) hereof shall be transferred to such Director as of each Accounting Date. The total number of shares of Common Stock to be so transferred shall be determined by dividing (a) one-quarter (1/4) of such Director's Basic Fee payable during the Plan Year commencing on such Accounting Date by (b) the Fair Market Value of a share of Common Stock on such Accounting Date. Shares of Common Stock issuable to a Director under Section 5(b) hereof shall be transferred to such Director on August 31st, November 30th, February 28th and May 31st of each Plan Year. The total number of shares of Common Stock to be so transferred on each such date shall be determined by dividing (x) the product of (1) the percentage specified by the Director pursuant to Section 5(b) hereof and (2) the Director's Compensation payable for services rendered in the quarter ending on August 15th, November 15th, February 15th or May 15th of such Plan Year, as the case may be, by (y) the Fair Market Value of a share of Common Stock on such date. The registrar for the Company will make an entry on its books and records evidencing that such shares (including any fractional shares) have been duly issued as of such dates; provided, however, that a Director may in the alternative elect in writing prior thereto to receive a stock certificate representing the number of whole such shares acquired plus cash in lieu of any fractional shares.

(f) Change in Control. Upon a Change in Control, all Deferred Shares, to the extent credited prior to the Change in Control, shall be paid immediately in cash. For purposes of this Section 5(f), with respect to determining the cash equivalent value of a Deferred Share, the Fair Market Value of such a Deferred Share shall be deemed to equal the greater of (i) the highest Fair Market Value per share at any time during the 60-day period preceding a Change in Control and (ii) the price of a

share of Common Stock which is paid or offered to be paid, by any person or entity, in connection with any transaction which constitutes a Change in Control pursuant to this Section 5(f).

For purposes of the Plan, a "Change in Control" shall have occurred if:

(i) any "person," as such term is used in Sections 13(d) and 14(d) of the Exchange Act (other than the Company, any trustee or other fiduciary holding securities under an employee benefit plan of the Company or any corporation owned, directly or indirectly, by the stockholders of the Company in substantially the same proportions as their ownership of Common Stock of the Company), is or becomes the "beneficial owner" (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Company representing 50% or more of the combined voting power of the Company's then outstanding voting securities;

(ii) during any period of two consecutive years, individuals who at the beginning of such period institute the Board, and any new director (other than a director designated by a person who has entered into an agreement with the Company to effect a transaction described in clause (i), (iii), or (iv) of this Section 5(f)) whose election by the Board or nomination for election by the Company's stockholders was approved by a vote of at least two-thirds (2/3) of the directors then still in office who either were directors at the beginning of the period or whose election or nomination for election was previously so approved, cease for any reason to constitute at least a majority thereof;

(iii) the stockholders of the Company approve a merger or consolidation of the Company with any other corporation, other than (A) a merger or consolidation which would result in the voting securities of the

Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity) more than 50% of the combined voting power of the voting securities of the Company or such surviving entity (or any parent of the Company or such surviving entity) outstanding immediately after such merger or consolidation or (B) a merger or consolidation effected to implement a recapitalization of the Company (or similar transaction) in which no "person" (as herein above defined) acquired more than 50% of the combined voting power of the Company's then outstanding securities; or

(iv) the stockholders of the Company approve a plan of complete liquidation of the Company or an agreement for the sale or disposition by the Company of all or substantially all of the Company's assets (or any transaction having a similar effect).

6. Effect of Certain Changes in Capitalization.

In the event of any recapitalization, stock split, reverse stock split, stock dividend, reorganization, merger, consolidation, spin-off, combination, repurchase, or share exchange, or other similar corporate transaction or event affecting the Common Stock, the maximum number or class of shares available under the Plan, and the number or class of shares of Common Stock to be delivered hereunder shall be adjusted by the Committee to reflect any such change in the number or class of issued shares of Common Stock.

7. Term of Plan.

This Plan shall become effective as of the Effective Date, provided that the Plan shall have been approved by the stockholders of the Company at the 1995 annual meeting of stockholders. This Plan shall remain in effect until all authorized shares have been issued, unless sooner terminated by

the Board. No transfer of shares of Common Stock may be made to any Director under the Plan unless stockholder approval of the Plan has previously been obtained pursuant to this Section 7.

8. Amendment; Termination.

The Board may at any time and from time to time alter, amend, suspend, or terminate the Plan in whole or in part.

9. Rights of Directors.

Nothing contained in the Plan or with respect to any grant shall interfere with or limit in any way the right of the stockholders of the Company to remove any Director from the Board, nor confer upon any Director any right to continue in the service of the Company as a Director.

10. General Restrictions.

(a) Investment Representations. The Company may require any Director to whom Common Stock is issued, as a condition of receiving such Common Stock, to give written assurances in substance and form satisfactory to the Company and its counsel to the effect that such person is acquiring the Common Stock for his own account for investment and not with any present intention of selling or otherwise distributing the same, and to such other effects as the Company deems necessary or appropriate in order to comply with Federal and applicable state securities laws.

(b) Compliance with Securities Laws. Each issuance shall be subject to the requirement that, if at any time counsel to the Company shall determine that the listing, registration or qualification of the shares upon any securities exchange or under any state or Federal law, or the consent or approval of any governmental or regulatory body, is necessary as a condition of, or in connection with, the issuance of shares hereunder, such issuance may not be accepted or exercised in whole or in part unless such listing, registration, qualification, consent or approval shall have been effected or obtained on conditions acceptable to the Committee. Nothing herein shall be deemed to require the Company to apply for or to obtain such listing, registration or qualification.

(c) Nontransferability. Awards under this Plan shall not be transferable by a Director other than by the laws of descent and distribution or pursuant to a qualified domestic relations order as defined in the Internal Revenue Code of 1986, as amended, or Title I of the Employee Retirement Income Security Act of 1974, as amended, or the rules thereunder.

11. Withholding.

The Company may defer making payments under the Plan until satisfactory arrangements have been made for the payment of any Federal, state or local income taxes required to be withheld with respect to such payment or delivery.

12. Governing Law.

This Plan and all rights hereunder shall be construed in accordance with and governed by the laws of the State of Delaware.

13. Headings.

The headings of sections and subsections herein are included solely for convenience of reference and shall not affect the meaning of any of the provisions of the Plan.

AGREEMENT made as of March 29, 1996 between MARSH & McLENNAN RISK CAPITAL CORP., a Delaware corporation (the "Company"), MARSH & McLENNAN RISK CAPITAL HOLDINGS, LTD., a Delaware corporation ("MMRCH"), and ROBERT CLEMENTS (the "Executive").

WHEREAS, the Executive is employed by the Company as its Chairman of the Board and Chief Executive Officer pursuant to the Amended and Restated Employment Agreement effective as of December 31, 1993 (the "Employment Agreement");

WHEREAS, pursuant to an Investment Advisory Agreement dated September 19, 1995, between Risk Capital Holdings, Inc. ("Risk Capital Holdings") and the Company, and an Investment Advisory Agreement dated September 19, 1995, between Risk Capital Reinsurance Company ("Risk Capital RE") and the Company (collectively, "Advisory Agreements"), Risk Capital Holdings and Risk Capital RE will pay the Company certain fees as compensation for services rendered pursuant to the Advisory Agreements;

WHEREAS, MMRCH has acquired certain Class A and Class B warrants to acquired shares of common stock, \$.01 par value per share, of Risk Capital Holdings; and

WHEREAS, the parties desire to enter into an Agreement on the terms set forth below.

NOW, THEREFORE, in consideration of the foregoing, the parties hereby agree as follows:

1. Certain Warrants. As additional compensation for the Executive's services to the Company and subject to the provisions of Paragraph 2 hereof, MMRCH shall transfer to the Executive Class A Warrants to acquire an aggregate of 200,000 shares of common stock, \$.01 par value per share (the "Risk Capital Holdings Shares"), of Risk Capital Holdings, as soon as practicable following the date the consent described in Paragraph 2 hereof is obtained. In addition, as soon as practicable following the date the consent described in paragraph 2 hereof is obtained, MMRCH shall deliver to an escrow agent (the "Escrow Agent") (which Escrow Agent shall be selected by mutual agreement of the Executive and MMRCH), Class B Warrants to acquire an additional 150,000 Risk Capital Holdings Shares, to be held by the Escrow Agent in accordance with the provisions of an escrow agreement, substantially in the form attached as Exhibit A (including, however, such changes thereto as may be proposed by

the Escrow Agent and are agreed to by the parties, which agreement shall not be unreasonably withheld). Such Class B Warrants shall be transferred to the Executive or exercised as provided in such escrow agreement, a condition to such transfer being that the "Market Price" of Risk Capital Holdings Shares has equaled or exceeded \$35, subject to the provisions of such escrow agreement dealing with a "Change of Control," all as more fully described in such escrow agreement.

2. Certain Conditions. The transfer of Class A and B Warrants described herein shall at all times comply with, and be subject to the conditions set forth in, Section 5(a) of the Amended and Restated Subscription Agreement, dated June 28, 1995, between Risk Capital Holdings and MMRCH ("Subscription Agreement"). The Company and the Executive shall each use best efforts to obtain the consent to the transfer described in Paragraph 1 hereof, in accordance with Section 5(a)(y) of the Subscription Agreement. If such consent is not obtained, the Company and the Executive shall in good faith negotiate an amendment hereto which, insofar as is reasonably practicable, confers upon the Executive substantially equivalent benefits (by means of transfer of phantom equity units, stock appreciation rights or similar mechanisms).

3. Notice. Upon each exercise by the Executive of any Class A or B Warrants described herein, the Executive shall give notice of such exercise and the number of Class A or B Warrants being exercised to the Company at

Marsh & McLennan Risk Capital Corp.
80 Field Point Road
Greenwich, Connecticut 06830
Attention: Chief Executive Officer

with a copy to:

Marsh & McLennan Companies, Inc.
1166 Avenue of the Americas
New York, New York 10036
Attention: General Counsel

4. Risk Capital Holdings Performance Payment. As additional compensation for the Executive's services to the Company, the Company shall pay to the Executive a contingent deferred bonus (the "Risk Capital Holdings Performance Payment"),

determined by reference to Revenue (as hereinafter defined) with respect to each of the calendar years 1998 and 2000. The Risk Capital Holdings Performance Payment shall be paid in a lump sum (less any applicable withholding of taxes) as soon as practicable after the date that the Revenue actually received with respect to the applicable calendar year has been determined. For purposes of this paragraph, Revenue shall mean the aggregate fees actually received by the Company pursuant to Section 4(b) of the Advisory Agreements. The amount of such Risk Capital Holdings Performance Payment shall be determined as follows:

with respect to 1998:

Revenue - - - - -	Risk Capital Holdings Performance Payment - - - - -
\$4MM	\$250,000
more than \$ 4MM but less than \$6.5MM	\$250,000 plus 20% of the excess of the Revenue over \$ 4MM
\$6.5 MM or more	\$750,000

with respect to 2000:

Revenue - - - - -	Risk Capital Holdings Performance Payment - - - - -
\$7MM	\$500,000
more than \$7MM but less than \$12MM	\$500,000 plus 20% of the excess of the Revenue over \$7MM
\$12MM or more	\$1,500,00

5. Survival of Certain Rights. Anything in this Agreement to the contrary notwithstanding, the Executive's rights hereunder shall survive the termination of the Employment Agreement and the termination of the Executive's employment with the Company for any reason.

6. Assignment. The Executive may sell, assign or otherwise transfer his rights to (a) the Class B Warrants, including his rights under the escrow agreement referred to in Paragraph 1 hereof (subject to receipt of consent to such

transfer in accordance with Section 5(a)(y) of the Subscription Agreement) and (b) the Risk Capital Holdings Performance Payment. In the event of the Executive's death or incompetence, the Executive's executor, heirs, guardian or other personal representative shall be entitled to exercise the Executive's rights under this Agreement. This Agreement shall be binding upon and inure to the benefit of the parties and their respective successors, heirs (in the case of the Executive) and assigns.

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals as of the day and year first above written.

MARSH & McLENNAN RISK CAPITAL CORP.

By: /s/Jeffrey W. Greenberg

Chairman

MARSH & McLENNAN RISK CAPITAL HOLDINGS, LTD.

By: /s/Frank J. Borelli

Chairman

/s/Robert Clements

Robert Clements

Guaranty

Marsh & McLennan Companies, Inc., a Delaware corporation, hereby guarantees to the Executive the performance of any and all of the obligations and duties of the Company and MMRCH under this Agreement (including any obligations and duties under the escrow agreement that may be entered into pursuant to Paragraph 1 hereof.).

MARSH & McLENNAN COMPANIES, INC.

By: /s/A. J. C. Smith

Chairman

SUBSIDIARIES OF
MARSH & MCLENNAN COMPANIES, INC.
(as of 2/28/97)

Name -----	Where Incorporated -----
Marsh & McLennan Real Estate Advisors, Inc.	Delaware
Omega Indemnity (Bermuda) Limited	Bermuda
Epsilon Insurance Company, Ltd.	Cayman Islands
Marsh & McLennan, Incorporated	Delaware
Marsh & McLennan of Arkansas, Inc.	Arkansas
M & M Insurance Management Services, Inc.	Delaware
Marsh & McLennan Financial Markets, Inc.	Delaware
Marsh & McLennan GbR Holdings, Inc.	Delaware
Marsh & McLennan Pallas Holdings, Inc.	Delaware
Triad Services, Inc.	Delaware
Marsh & McLennan Agency, Incorporated	District of Columbia
Marsh & McLennan, Incorporated	Illinois
Marsh & McLennan, Incorporated	Indiana
Marsh & McLennan, Incorporated	Kentucky
Marsh & McLennan of Louisiana, Inc.	Louisiana
Marmac Agency, Inc.	Louisiana
Marsh & McLennan, Incorporated	Maine
Marsh & McLennan, Inc.	Massachusetts
Marsh & McLennan	Michigan
Marsh & McLennan, Inc. of Nevada	Nevada
Marsh & McLennan, Incorporated	Ohio
Marsh & McLennan, Inc.	Oklahoma
Marsh & McLennan of Puerto Rico, Inc.	Puerto Rico
Marsh & McLennan, Incorporated	Rhode Island
Marsh & McLennan, Inc.	Texas
Marsh & McLennan of Texas, Inc.	Texas
Marsh & McLennan, Incorporated	Virginia
Marsh & McLennan Global Broking, Inc.	New York
Marsh & McLennan Global Broking (Bermuda) Ltd.	Bermuda
Bowring (Bermuda) Investments Ltd.	Bermuda
Marsh & McLennan Global Broking, Inc.	Connecticut
Marsh & McLennan Global Broking, Inc.	Illinois
Marsh & McLennan Global Broking, Inc.	Missouri
Marsh & McLennan Global Broking, Inc.	New Jersey
Marsh & McLennan Intermediaries, Inc.	New York
Marsh & McLennan Global Broking, Inc.	Texas
Marsh & McLennan Global Broking (Dublin) Ltd.	Ireland
Marsh & McLennan Holdings, Inc.	Delaware
Marsh & McLennan (Korea) Ltd.	Korea
Marsh & McLennan (Malaysia) SDN BHD	Malaysia
Marsh & McLennan Argentina SA Asesores de Seguros	Argentina
Marsh & McLennan Argentina SA Corredores de Reaseguros	Argentina
Marsh & McLennan Argentina SA Risk Management Consultants	Argentina
Marsh & McLennan Pty. Ltd.	Australia
Marsh & McLennan (PNG) Pty. Ltd.	Papua New Guinea
Kila Bowring Insurances Pty. Ltd.	Papua New Guinea
Fenchurch Insurance Brokers Pty. Limited	Australia
Marsh & McLennan (WA) Pty. Ltd.	Australia
Marsh & McLennan (WA Division) Pty. Ltd.	Australia
Marsh & McLennan (South Australia) Pty. Ltd.	Australia
Marsh & McLennan (SA Division)	Australia
Marsh & McLennan Captive Management Services Pty. Ltd.	Australia
Asia Pacific Insurance Wholesalers Pty. Ltd.	Australia
Marsh & McLennan Versicherungs-Service GmbH	Austria
Marsh & McLennan Management Services (Barbados), Ltd.	Barbados
Henrijean, S.A	Belgium
Marsh & McLennan Europe S.A	Belgium
Marsh & McLennan Management Services (Bermuda) Limited	Bermuda
Transglobe Management (Bermuda) Ltd.	Bermuda
Marsh & McLennan (Cayman Islands) Ltd.	Cayman Islands
Marsh & McLennan Management Services (L) Ltd.	Labuan
Tudor, Marsh & McLennan Corretores de Seguros S.A	Brazil
Les Assureurs Conseils Camerounais Faugere & Jutheau & Cie	Cameroon
Marsh & McLennan, Limited/Limitee'	Canada
D.G. Watt & Associates Ltd.	Canada
Charbonneau, Dulude & Associes (1985) Limitee/Charbonneau,	
Dulude & Associates (1985) Limited	Canada
M&M Insurance Management Canada Ltd.	British Columbia
Marshcan Insurance Brokers Limited	Canada
Irish & Maulson Limited	Ontario
Pratte-Morrisette, Inc.	Quebec
Schatz Insurance Agencies, Inc.	Saskatchewan
Marsh & McLennan (SASK) Ltd.	Saskatchewan
Claro Marsh & McLennan S.A. Corredores De Seguros	Chile

Claro Marsh & McLennan Consultores en Recursos Humanos, Ltda	Chile
Marsh & McLennan Denmark A/S	Denmark
Marsh & McLennan Norway A.S	Norway
Marsh & McLennan Sweden AB	Sweden
Les Assureurs Conseils Gabonais Faugere & Jutheau & Cie	Gabon
Marsh & McLennan Companies GmbH	Germany
Marsh & McLennan Companies Beteiligungsgesellschaft II GmbH	Germany
Gradmann & Holler, K.G	Germany
Erwin Warnecke GmbH	Germany
Gradmann & Holler GmbH	Germany
RMB-Risk Management Beratungs-GmbH	Germany
Wolf & Hasselmann GmbH	Germany
Gradmann & Holler-William M. Mercer GmbH	Germany
VW-Versicherungsvermittlungs-GmbH	Germany
VVG Gradmann & Holler Versicherungs-Vermittlungs -GmbH	Germany
Airport Asserkuranz Vermittlungs GmbH	Germany
GMFS Versicherungs-Vermittlungs GmbH	Germany
Sudzucker Versicherungsvermittlung GmbH	Germany
Senator Assercuranz Contor GmbH	Germany
Bau Asserkuranz Vermittlungs GmbH	Germany
Westfalia Asserkuranz Versicherungsvermittlung GmbH	Germany
Gradmann & Holler International GmbH	Germany
Gradmann & Holler Kiefhaber GmbH	Germany
Gradmann & Holler AG	Switzerland

Marsh & McLennan-Hellas-L.L.C	Greece
Marsh & McLennan Management Services (Guernsey) Limited	Guernsey
Marsh & McLennan Limited	Hong Kong
Marsh & McLennan Budapest Insurance Brokers & Consultants Ltd.	Hungary
Marsh & McLennan Management Services (Dublin) Limited	Ireland
Bowring Marsh & McLennan (IOM) Ltd.	Isle of Man
Marsh & McLennan Management Services (Isle of Man) Ltd.	Isle of Man
Marsh & McLennan Italia & Co., S.P.A	Italy
Africaine De Courtage d'Assurances Faugere & Jutheau, S.A	Ivory Coast
Les Assureurs Conseils de Cote d'Ivoire Faugere & Jutheau & Cie	Ivory Coast
Marsh & McLennan Japan Ltd.	Japan
Marsh & McLennan Co. Inc.	Liberia
Marsh & McLennan Europe S.A	Luxembourg
Marsh & McLennan Luxembourg, S.A	Luxembourg
Marsh & McLennan Insurance Management Services, S.A	Luxembourg
S.P.K. Bowring Marsh & McLennan Sdn. Bhd	Malaysia
Corredores Internacionales de Reaseguros S.A	Mexico
Marsh & McLennan Polska Sp.zo.o	Poland
Marsh & McLennan Romania SRL	Romania
Marsh & McLennan Management Services (S) Pte. Ltd.	Singapore
Marsh & McLennan Bowring Pte. Ltd.	Singapore
Marsh & McLennan Slovakia s.r.o	Slovakia
Marsh & McLennan Correduria de Reaseguros S.A	Spain
Marsh & McLennan Espana, S.A., Correduria de Seguros	Spain
Marsh Privat AIE	Spain
Marsh & McLennan EWI S.A	Switzerland
Marsh & McLennan (Thai) Company Ltd.	Thailand
Marsh & McLennan Sigorta ve Reasurans Brokerligi AS	Turkey
C.T. Bowring International Broking Holdings, Ltd.	United Kingdom
Insurance Brokers of Nigeria	Nigeria
Marsh & McLennan Bowring Marine & Energy Group Ltd.	United Kingdom
Marsh & McLennan Limited	United Kingdom
Marsh & McLennan, Incorporated	Virgin Islands
Muir Beddall (Zimbabwe) Limited	Zimbabwe
C.T. Bowring and Associates (Private) Limited	Zimbabwe
Guy Carpenter & Company, Inc.	Delaware
The Carpenter Management Corporation	Delaware
Paul Napolitan, Inc.	Delaware
Sellon Associates, Inc.	New York
Balis & Co., Inc.	Pennsylvania
Philadelphia Insurance Management Company	Delaware
EQECAT, Inc.	Delaware
Guy Carpenter Advisors, Inc.	Delaware
Normandy Reinsurance Company Limited	Bermuda
Guy Carpenter & Company, S.A	Belgium
American Overseas Management Corporation (Canada)	Canada
Guy Carpenter & Company (Canada) Limited	Canada
Guy Carpenter & Company, A/S	Denmark
Gradmann & Holler/Guy Carpenter GmbH	Germany
Guy Carpenter & Company (Asia) Limited	Hong Kong
Guy Carpenter Italia, S.R.L	Italy
Guy Carpenter y Cia (Mexico) S.A. de C.V	Mexico
Guy Carpenter & Company (Stockholm) AB	Sweden
Bennich Reinsurance Management AB	Sweden
Guy Carpenter & Co. Limited	United Kingdom

Marsh & McLennan Risk Capital Holdings, Ltd.	Delaware
Marsh & McLennan Risk Capital Corp.	Delaware
Terra Nova (Bermuda) Holdings, Ltd.	Bermuda
Marsh et McLennan France SA	France
Mercer-Faugere & Jutheau SA	France
Compagnie Europeenne de Courtage d'Assurances et de Reassurances	France
Faugere & Jutheau, S.A	France
Faugere & Jutheau Bermuda	Bermuda
Assureurs Conseils Tchadiens (S.A.R.L.)	Chad
Assureur Conseil de Djibouti- Faugere & Jutheau et Cie SARL	Djibouti
Ancien Cabinet Pierre de Kerpezdron (S.A.)	France
SNC P. Deleplanque	France
Boistel S.A	France
Bureau Gogioso Eyssautier S.A	France
Eyssautier Flepp Malatier & Pages S.A	France
Boistel Eyssautier S.A	France
Omnium d'Assurances Maritimes	France
Astramar S.A	France
Cires SARL	France
Sogescor SARL	France
Gatier S.A	Switzerland
Assurances Maritimes Eyssautier Malatier Inter SARL	France
Ivoiriennes Assurances Conseil	Ivory Coast
Societe Internationale de Courtage d'Assurances et de Reassurances-F&J (SARL)	Burkina Faso
Socodel-Paris S.A	France
Union Francaise de Reassurances (S.A.)	France
Guy Carpenter & Cia, S.A	Spain
William M. Mercer-Faugere & Jutheau (S.A.R.L.)	France
Societe d'Etude et de Gestion et de Conseil en Assurance SA	Senegal
Mercer Consulting Group, Inc.	Delaware
National Economic Research Associates, Inc.	California
National Economic Research Associates, Inc.	Delaware
Hudson Strategy Group, Inc.	Delaware
Mercer Management Consulting, Inc.	Delaware
Decision Research Corporation	Massachusetts
LAR/Decision Research Corporation	New York
Lippincott & Margulies, Inc.	New York
Mercer Management Consulting, Ltd.	Bermuda
Mercer Management Consulting GmbH	Germany
UBM Unternehmensberatung Munchen GmbH	Germany
UBM Marktforschung GmbH International Industrial Research	Germany
UBM Industrial Market Research Iberica S.L	Germany
UBM Consultoria Internacional S/C Ltda	Brazil
UBM Consulting France International Management Consultants	France
Mercer Management Consulting Limited	Switzerland
Mercer Management Consulting S.L	Spain
Mercer Management Consulting SNC	France
MID, Inc.	Delaware
INPLAN Pte. Ltd.	Singapore
Mercer Consulting Services S.A	Switzerland

Mercer Service Company, Inc.	Delaware
William M. Mercer Companies, Inc.	Delaware
William M. Mercer Holdings, Inc.	Delaware
William M. Mercer Pty. Ltd.	Australia
Superfund Nominees Pty. Ltd.	Australia
William M. Mercer International S.A	Belgium
William M. Mercer Limited	Canada
Hickling -Johnston Ltd.	Canada
Mercer Management Consulting Limited	Canada
Metcalfe Agencies Limited	Quebec
Societe Conseil Mercer Limitee	Quebec
Mercer Limited	Ireland
P.I.C. Advisory Services Limited	Ireland
P.I.C. Management Services Limited	Ireland
Mercer Fraser P.I.C. Trustees Limited	Ireland
William M. Mercer Limited of Japan	Japan
William M. Mercer Limited	Hong Kong
William M. Mercer (Malaysia) Sdn. Bhd	Malaysia
William M. Mercer Zainal Fraser Sdn. Bhd	Malaysia
William M. Mercer Ten Pas B.V	Netherlands
Germas B.V	Netherlands
Reitmulders & Partners B.V	Netherlands
William M. Mercer Services B.V	Netherlands
William M. Mercer Limited	New Zealand
William M. Mercer, Incorporated	Puerto Rico
William M. Mercer, S.A	Switzerland
William M. Mercer Limited	United Kingdom
William M. Mercer Fraser (Irish Pensioner Trustees) Limited	Ireland
William M. Mercer Srl	Italy
DCF Consultants PTE Limited	Singapore
William M. Mercer Fraser Pension Fund Trustees Limited	United Kingdom
Duncan C. Fraser & Co.	United Kingdom
William M. Mercer Fraser Computer Services Limited	United Kingdom
Mercer Management Consulting, Limited	United Kingdom
MF Trustees Limited	United Kingdom
William M. Mercer Fraser Pension Fund Trustees Limited	United Kingdom
William M. Mercer (Isle of Man) Limited	Isle of Man
Pensioner Trustees (Leeds) Limited	England
William M. Mercer Lda	Portugal
William M. Mercer Fraser Limited	United Kingdom
MPA (International) Limited	United Kingdom
Pension Trustees Limited	United Kingdom
Pensioner Trustees Limited	United Kingdom
Pensioner Trustees (London) Limited	United Kingdom
Southampton Place Trustee Co. Ltd.	United Kingdom
William M. Mercer, Incorporated	Delaware
National Medical Audit	California
Hansen International Limited	Delaware
William M. Mercer Plan Participant Services, Inc.	Delaware
William M. Mercer of Indiana, Incorporated	Indiana
Mercer Investment Consulting, Inc.	Kentucky
William M. Mercer of Kentucky, Inc.	Kentucky
William M. Mercer, Incorporated	Louisiana
William M. Mercer, Incorporated	Massachusetts
William M. Mercer of Michigan, Incorporated	Michigan
William M. Mercer, Incorporated	Nevada
William M. Mercer, Incorporated	Ohio

William M. Mercer, Incorporated	Oklahoma
William M. Mercer of Texas, Inc.	Texas
William M. Mercer of Virginia, Incorporated	Virginia
MPA Superannuation Services Limited	Australia
MPA Superfund Nominees Pty. Limited	Australia
Mercer R.H. SARL	France
William M. Mercer-MPA Limited	Hong Kong
William M. Mercer Philippines, Incorporated	Philippines
William M. Mercer Pte. Ltd.	Singapore
William M. Mercer S.A	Argentina
William M. Mercer S.A. Asesores de Seguros	Argentina
William M. Mercer Comercio Consultoria e Servicos Ltda	Brazil
William M. Mercer Consultoria Ltda	Brazil
Grupo Assistencial De Economia E Financas Tudor S/C Ltda	Brazil
Mercer MW Ltda	Brazil
Mercer MW Pesquisas Ltda	Brazil
Mercer MW Servicos Ltda	Brazil
Mercer MW Saude Ltda	Brazil
Vida Network Ltda	Brazil
William M. Mercer, S.A	Belgium
William M. Mercer Limitada	Chile
William M. Mercer Claro Corredores de Seguros	Chile
William M. Mercer A/S	Denmark
William M. Mercer A.B	Sweden
William M. Mercer (Korea) Co., Ltd.	Korea
Mercer C & B Servicios, S.A. de C.V	Mexico
Mercer C & B S.A. de C.V	Mexico
William M. Mercer Broking (Taiwan) Ltd.	Taiwan
William M. Mercer Consulting (Taiwan) Ltd.	Taiwan
Seabury & Smith, Inc.	Delaware
Seabury & Smith of Arkansas, Inc.	Arkansas
Trust Consultants, Inc.	California
Appleby & Sterling Agency, Inc.	Delaware
Marsh & McLennan National Marketing Corporation	Delaware
Marsh & McLennan Securities Corporation	Delaware
Smith-Sternau Organization, Inc.	Delaware
The Schinnerer Group, Inc.	Delaware
Victor O. Schinnerer & Company, Inc.	Delaware
Victor O. Schinnerer & Co. (Bermuda), Ltd.	Bermuda
Potomac Insurance Managers, Inc.	Delaware
Victor O. Schinnerer of Illinois, Inc.	Illinois
Victor O. Schinnerer & Company, Inc.	Ohio
Encon Holdings, Inc.	Texas
Panhandle Insurance Agency, Inc.	Texas
Encon Underwriting Agency, Inc.	Texas
Encon Holdings, Inc.	Ontario
Encon Insurance Managers Inc.	Canada
National Program Administrator Investments, Inc.	Canada
Encon Management Services, Inc.	Canada
Encon Reinsurance Managers Inc.	Canada
Encon Title Insurance Managers Inc.	Canada
Rockcliffe Investors, Ltd.	Canada

Victor O. Schinnerer & Company Ltd.	United Kingdom
Encon Underwriting Limited	United Kingdom
Admiral Holdings Limited	United Kingdom
Admiral Underwriting Agencies Limited	United Kingdom
Admiral Ireland Limited	Ireland
Admiral Underwriting Agencies (Ireland) Ltd.	Ireland
Seabury & Smith of Georgia, Inc.	Georgia
M. A. Gesner of Illinois, Inc.	Illinois
Seabury & Smith of Illinois, Inc.	Illinois
Seabury & Smith, Inc.	Indiana
Seabury & Smith, Inc.	Kentucky
Seabury & Smith, Inc.	Louisiana
Seabury & Smith, Inc.	Massachusetts
Seabury & Smith, Inc.	Michigan
Seabury & Smith, Inc.	Nevada
Seabury & Smith Agency, Inc.	Ohio
Seabury & Smith, Inc.	Oklahoma
Seabury & Smith, Inc.	Texas
Seabury & Smith, Inc.	Virginia
Seabury & Smith Limited	Ontario
G. E. Freeman Insurance Agency Limited	Ontario
Seabury & Smith Limited	United Kingdom
Putnam Investments, Inc.	Massachusetts
Putnam Investment Management, Inc.	Massachusetts
Putnam Future Advisors, Inc.	Massachusetts
Putnam Fiduciary Trust Company	Massachusetts
Putnam Investor Services, Inc.	Massachusetts
Putnam Mutual Funds Corp.	Massachusetts
Putnam Insurance Agency, Inc.	Massachusetts
The Putnam Advisory Company, Inc.	Massachusetts
Putnam Europe Ltd.	United Kingdom
The Putnam Corporation	Massachusetts
Putnam Rhumblin Corporation	Massachusetts
Primary Funds Service Corp.	Delaware
Putnam Overseas Institutional Management Company, Ltd.	Bahamas
Putnam International Distributors, Ltd.	Cayman Islands
Putnam Deutschland GmbH	Germany
Putnam International Advisory Company, S.A	Luxembourg
NKK-Putnam Management, S.A	Luxembourg
Putnam International Growth Management, S.A	Luxembourg
Putnam Luxembourg, S.A	Luxembourg
The Bowring Group Limited	England
C.T.B. Services Ltd.	England
C.T. Bowring & Co. Ltd.	England
Importbest Ltd.	England
Bowring Financial Services Ltd.	England
Marsh & McLennan Management Services (Guernsey) Ltd.	Guernsey
Bowring Marsh & McLennan (IOM) Ltd.	I.O.M.
Marsh & McLennan Management Services (Isle of Man) Ltd.	I.O.M.
Carpenter Bowring (UK) Ltd.	England
Carpenter Bowring Ltd.	England
Marsh Re Correduria de Reasegueros S.A	Spain
Bowring Reinsurance Brokers Ltd.	England
Tower Insurance Brokers Ltd.	England
Winchester Bowring Ltd.	England
White Kennett Ltd.	England
Marsh Re Correduria de Reasegueros S.A.	Spain

C.T. Bowring & Co. (Insurance) Ltd.	England
Bowring Worldwide Services Ltd.	England
Marsh & McLennan Global Broking Ltd.	England
Bowring Aviation Ltd.	England
Bowring Financial & Professional Insurance Brokers Ltd.	England
Aviation Risk Management Services Ltd.	England
C.T. Bowring Space Projects Ltd.	England
Aviation Insurance Advisory Services Ltd.	England
Bowring Aviation Advisory Services Ltd.	England
Marsh & McLennan Marine & Energy Ltd.	England
Bowring Marsh & McLennan Ltd.	England
Marsh & McLennan Services Ltd.	England
Marsh & McLennan Holdings Ltd.	England
Marsh & McLennan Nederland B.V	Netherlands
Marsh & McLennan Lda	Portugal
Marsh & McLennan Bowring Ltd.	England
Bowring Gauntlet Ltd.	England
Bowring Risk Management Ltd.	England
Bowring Professional Indemnity Scotland Ltd.	Scotland
Microsafe Ltd.	England
Ulster Insurance Services Ltd.	N. Ireland
RIAS Insurance Services Ltd.	Scotland
Bowring Camper & Nicholsons Ltd.	England
RIC Management Services Ltd.	Eire
Insurance Management Services Ltd.	Eire
Marsh & McLennan Ireland Ltd.	Eire
C.T. Bowring Ireland Ltd.	Eire
Mathews Mulcahy & Sutherland Ltd.	Eire
Surveyors Insurance Brokers Ltd.	England
Surveyors Claim Services Ltd.	England
Bowring Information & Communications Systems Ltd.	England
Marsh & McLennan Holdings Ltd.	New Zealand
Marsh & McLennan Ltd.	New Zealand
Reinsurances New Zealand Ltd.	New Zealand
Risk Management Ltd.	New Zealand
Marsh & McLennan Ltd.	Fiji
Reinsurances (Pacific) Ltd.	Fiji
Bowring Services Ltd.	England
C. T. Bowring (Underwriting Agencies) Ltd.	England
C. T. Bowring Trading (Holdings) Ltd.	England
Baffin Trading Company Ltd.	Canada
C.T.B. Ltd.	England
Tower Hill Property Company Ltd.	England
Bowring In The Community Ltd.	England
C. T. Bowring (Insurance) Holdings Ltd.	England
C. T. Bowring Japan Ltd.	Japan
Carpenter Bowring Australia Pty. Ltd.	Australia
Carpenter Bowring New Zealand Ltd.	New Zealand
Australian World Underwriters Pty. Ltd.	Australia

CONSENT OF INDEPENDENT AUDITORS

We consent to the incorporation by reference in the previously filed Registration Statements of Marsh & McLennan Companies, Inc. on Form S-8 (Registration File Nos. 2-58660, 2-65096, 2-82938, 33-32880, 33-48803, 33-48804, 33-48807, 33-54349, 33-59603, and 33-63389) and in the previously filed Registration Statement on Form S-4 (Registration File No. 33-24124) of our reports dated February 26, 1997 (March 12, 1997 as to the last paragraph of Note 3) appearing in, and incorporated by reference in, this Annual Report on Form 10-K of Marsh & McLennan Companies, Inc. for the year ended December 31, 1996.

DELOITTE & TOUCHE LLP

New York, New York
March 24, 1997

POWER OF ATTORNEY

The undersigned, a Director of Marsh & McLennan Companies, Inc., a Delaware corporation (the "Company"), does hereby constitute and appoint any one of A. J. C. Smith, Frank J. Borelli and Gregory F. Van Gundy to be the undersigned's agent and attorney-in-fact, each with the power to act fully hereunder without the other and with full power of substitution to act in the name and on behalf of the undersigned:

To sign or to transmit electronically in the name and on behalf of the undersigned, as a Director of the Company, and file with the Securities and Exchange Commission on behalf of the Company an Annual Report on Form 10-K for the year ended December 31, 1996, any registration statements for the registration of the Company's common stock and related interests to be issued pursuant to the Company's duly adopted employee benefit, compensation and stock plans, any registration statements for the registration of the Company's common stock for issuance in connection with future acquisitions or for resale by the holders thereof who acquired or will acquire such stock in connection with past or future acquisitions, and any amendments or supplements to such Annual Report on Form 10-K and such registration statements; and

To execute and deliver, either through a paper filing or electronically, any agreements, instruments, certificates or other documents which they shall deem necessary or proper in connection with the filing of such Annual Report on Form 10-K, registration statements and prospectuses and amendments or supplements thereto and generally to act for and in the name of the undersigned with respect to such filings as fully as could the undersigned if then personally present and acting.

IN WITNESS WHEREOF, the undersigned has executed this Power of Attorney effective the 20th day of March, 1997.

/s/ Lewis W. Bernard

Lewis W. Bernard

POWER OF ATTORNEY

The undersigned, a Director of Marsh & McLennan Companies, Inc., a Delaware corporation (the "Company"), does hereby constitute and appoint any one of A. J. C. Smith, Frank J. Borelli and Gregory F. Van Gundy to be the undersigned's agent and attorney-in-fact, each with the power to act fully hereunder without the other and with full power of substitution to act in the name and on behalf of the undersigned:

To sign or to transmit electronically in the name and on behalf of the undersigned, as a Director of the Company, and file with the Securities and Exchange Commission on behalf of the Company an Annual Report on Form 10-K for the year ended December 31, 1996, any registration statements for the registration of the Company's common stock and related interests to be issued pursuant to the Company's duly adopted employee benefit, compensation and stock plans, any registration statements for the registration of the Company's common stock for issuance in connection with future acquisitions or for resale by the holders thereof who acquired or will acquire such stock in connection with past or future acquisitions, and any amendments or supplements to such Annual Report on Form 10-K and such registration statements; and

To execute and deliver, either through a paper filing or electronically, any agreements, instruments, certificates or other documents which they shall deem necessary or proper in connection with the filing of such Annual Report on Form 10-K, registration statements and prospectuses and amendments or supplements thereto and generally to act for and in the name of the undersigned with respect to such filings as fully as could the undersigned if then personally present and acting.

IN WITNESS WHEREOF, the undersigned has executed this Power of Attorney effective the 20th day of March, 1997.

/s/ Richard H. Blum

Richard H. Blum

POWER OF ATTORNEY

The undersigned, a Director of Marsh & McLennan Companies, Inc., a Delaware corporation (the "Company"), does hereby constitute and appoint any one of A. J. C. Smith, Frank J. Borelli and Gregory F. Van Gundy to be the undersigned's agent and attorney-in-fact, each with the power to act fully hereunder without the other and with full power of substitution to act in the name and on behalf of the undersigned:

To sign or to transmit electronically in the name and on behalf of the undersigned, as a Director of the Company, and file with the Securities and Exchange Commission on behalf of the Company an Annual Report on Form 10-K for the year ended December 31, 1996, any registration statements for the registration of the Company's common stock and related interests to be issued pursuant to the Company's duly adopted employee benefit, compensation and stock plans, any registration statements for the registration of the Company's common stock for issuance in connection with future acquisitions or for resale by the holders thereof who acquired or will acquire such stock in connection with past or future acquisitions, and any amendments or supplements to such Annual Report on Form 10-K and such registration statements; and

To execute and deliver, either through a paper filing or electronically, any agreements, instruments, certificates or other documents which they shall deem necessary or proper in connection with the filing of such Annual Report on Form 10-K, registration statements and prospectuses and amendments or supplements thereto and generally to act for and in the name of the undersigned with respect to such filings as fully as could the undersigned if then personally present and acting.

IN WITNESS WHEREOF, the undersigned has executed this Power of Attorney effective the 20th day of March, 1997.

/s/ Frank J. Borelli

Frank J. Borelli

POWER OF ATTORNEY

The undersigned, a Director of Marsh & McLennan Companies, Inc., a Delaware corporation (the "Company"), does hereby constitute and appoint any one of A. J. C. Smith, Frank J. Borelli and Gregory F. Van Gundy to be the undersigned's agent and attorney-in-fact, each with the power to act fully hereunder without the other and with full power of substitution to act in the name and on behalf of the undersigned:

To sign or to transmit electronically in the name and on behalf of the undersigned, as a Director of the Company, and file with the Securities and Exchange Commission on behalf of the Company an Annual Report on Form 10-K for the year ended December 31, 1996, any registration statements for the registration of the Company's common stock and related interests to be issued pursuant to the Company's duly adopted employee benefit, compensation and stock plans, any registration statements for the registration of the Company's common stock for issuance in connection with future acquisitions or for resale by the holders thereof who acquired or will acquire such stock in connection with past or future acquisitions, and any amendments or supplements to such Annual Report on Form 10-K and such registration statements; and

To execute and deliver, either through a paper filing or electronically, any agreements, instruments, certificates or other documents which they shall deem necessary or proper in connection with the filing of such Annual Report on Form 10-K, registration statements and prospectuses and amendments or supplements thereto and generally to act for and in the name of the undersigned with respect to such filings as fully as could the undersigned if then personally present and acting.

IN WITNESS WHEREOF, the undersigned has executed this Power of Attorney effective the 20th day of March, 1997.

/s/ Robert Clements

Robert Clements

POWER OF ATTORNEY

The undersigned, a Director of Marsh & McLennan Companies, Inc., a Delaware corporation (the "Company"), does hereby constitute and appoint any one of A. J. C. Smith, Frank J. Borelli and Gregory F. Van Gundy to be the undersigned's agent and attorney-in-fact, each with the power to act fully hereunder without the other and with full power of substitution to act in the name and on behalf of the undersigned:

To sign or to transmit electronically in the name and on behalf of the undersigned, as a Director of the Company, and file with the Securities and Exchange Commission on behalf of the Company an Annual Report on Form 10-K for the year ended December 31, 1996, any registration statements for the registration of the Company's common stock and related interests to be issued pursuant to the Company's duly adopted employee benefit, compensation and stock plans, any registration statements for the registration of the Company's common stock for issuance in connection with future acquisitions or for resale by the holders thereof who acquired or will acquire such stock in connection with past or future acquisitions, and any amendments or supplements to such Annual Report on Form 10-K and such registration statements; and

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IN WITNESS WHEREOF, the undersigned has executed this Power of Attorney effective the 20th day of March, 1997.

/s/ Peter Coster

Peter Coster

POWER OF ATTORNEY

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/s/ Robert F. Erburu

Robert F. Erburu

POWER OF ATTORNEY

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/s/ Jeffrey W. Greenberg

Jeffrey W. Greenberg

POWER OF ATTORNEY

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/s/ R.J. Groves

R. J. Groves

POWER OF ATTORNEY

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/s/ Richard S. Hickok

Richard S. Hickok

POWER OF ATTORNEY

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/s/ David D. Holbrook

David D. Holbrook

POWER OF ATTORNEY

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/s/ Lawrence J. Lasser

Lawrence J. Lasser

POWER OF ATTORNEY

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/s/ Richard M. Morrow

Richard M. Morrow

POWER OF ATTORNEY

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/s/ George Putnam

George Putnam

POWER OF ATTORNEY

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/s/ Adele Smith Simmons

Adele Smith Simmons

POWER OF ATTORNEY

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/s/ John T. Sinnott

John T. Sinnott

POWER OF ATTORNEY

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/s/ A. J. C. Smith

A. J. C. Smith

POWER OF ATTORNEY

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/s/ Frank J. Tasco

Frank J. Tasco

POWER OF ATTORNEY

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/s/ Romeo J. Ventres

Romeo J. Ventres

This schedule contains summary financial information extracted from the consolidated Marsh & McLennan Companies, Inc., and subsidiaries December 31, 1996 financial statements and is qualified in its entirety by reference to such financial statements.

YEAR			
	DEC-31-1996		
	DEC-31-1996		
		299,600,000	
		0	
	1,129,100,000		
		43,300,000	
		0	
	1,748,600,000		
		1,465,800,000	
		695,700,000	
		4,545,200,000	
	1,556,300,000		
		458,200,000	
		0	
		0	
		76,800,000	
		1,811,800,000	
	4,545,200,000		
			0
	4,149,000,000		
			0
	3,433,700,000		
		0	
		9,900,000	
	61,600,000		
		668,000,000	
		208,700,000	
	459,300,000		
		0	
		0	
			0
		459,300,000	
		6.34	
		6.34	