



I am honored and privileged to be the leader of Marsh & McLennan Companies.

Strong financial and operating performance in 2013 enabled us to deliver exceptional value to clients, colleagues, and shareholders. We successfully built upon our leadership and innovation in risk, strategy, and human capital, offering services that helped clients grow their businesses and address and resolve critical issues.

We pride ourselves on the deep bench strength within our senior management team — and within leadership teams throughout the enterprise — as we innovate and perform in a fast-changing business environment.

We also have a highly effective Board of Directors, all the members of which are esteemed leaders in their own right. Their knowledge, guidance, and insights are highly valued by our management team. In a change effective January 2014, Zachary W. Carter, who had been a member of our Board of Directors since 2004, resigned to serve in the administration

Top, from left: Morton O. Schapiro, H. Edward Hanway, Steven A. Mills, Bruce P. Nolop, Zachary W. Carter*, Daniel S. Glaser, Marc D. Oken, Lloyd M. Yates, Oscar Fanjul.
Bottom, from left: R. David Yost, Elaine La Roche, Lord Lang of Monkton, Adele Simmons.

OSCAR FANJUL
Vice Chairman, Omega Capital
Former Chairman and
Chief Executive Officer, Repsol

DANIEL S. GLASER
President and Chief Executive Officer,
Marsh & McLennan Companies

H. EDWARD HANWAY
Former Chairman and Chief Executive Officer,
CIGNA Corporation

LORD LANG OF MONKTON
Independent Chairman,
Marsh & McLennan Companies
Former Member of British Parliament
Former British Secretary of State for
Trade and Industry

ELAINE LA ROCHE
Senior Advisor,
China International Capital Corporation US
Former Chief Executive Officer,
China International Capital
Corporation, Beijing

* Zachary W. Carter, a member of the Board of Directors since 2004, resigned from the Board on January 17, 2014. Mr. Carter's resignation resulted from the announcement by New York City Mayor Bill de Blasio that Mr. Carter was named Corporation Counsel for New York City, overseeing the New York City Law Department.

UNITED STATES
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, 2013
Commission File No. 1-5998

Marsh & McLennan Companies, Inc.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

36-2668272
(I.R.S. Employer Identification No.)

1166 Avenue of the Americas
New York, New York 10036-2774
(Address of principal executive offices; Zip Code)
(212) 345-5000

Registrant's telephone number, including area code
Securities registered pursuant to Section 12(b) of the Act:

<u>Title of each class</u>	<u>Name of each exchange on which registered</u>
Common Stock, par value \$1.00 per share	New York Stock Exchange Chicago Stock Exchange London Stock Exchange

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.

Yes No

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.

INFORMATION CONCERNING FORWARD-LOOKING STATEMENTS

This Annual Report on Form 10-K contains “forward-looking statements,” as defined in the Private Securities Litigation Reform Act of 1995. These statements, which express management's current views concerning future events or results, use words like “anticipate,” “assume,” “believe,” “continue,” “estimate,” “expect,” “future,” “intend,” “plan,” “project” and similar terms, and future or conditional tense verbs like “could,” “may,” “might,” “should,” “will” and “would.” For example, we may use forward-looking statements when addressing topics such as: the outcome of contingencies; the expected impact of acquisitions and dispositions; the impact of competition; pension obligations; the impact of foreign currency exchange rates; our effective tax rates; changes in our business strategies and methods of generating revenue; the development and performance of our services and products; changes in the composition or level of our revenues; our cost structure, dividend policy, cash flow and liquidity; future actions by regulators; and the impact of changes in accounting rules.

Forward-looking statements are subject to inherent risks and uncertainties. Factors that could cause actual results to differ materially from those expressed or implied in our forward-looking statements include, among other things:

- our exposure to potential liabilities arising from errors and omissions claims against us;
- the impact of competition, including with respect to our geographic reach, the sophistication and quality of our services, our pricing relative to competitors, our customers' option to self-insure or utilize internal resources instead of consultants, and our corporate tax rates relative to a number of our competitors;
- the extent to which we retain existing clients and attract new business, and our ability to incentivize and retain key employees;
- our ability to maintain adequate physical, technical and administrative safeguards to protect the security of confidential information or data, and the potential of a system or network disruption that results in regulatory penalties, remedial costs and/or the improper disclosure of confidential information or data;
- our exposure to potential criminal sanctions or civil remedies if we fail to comply with foreign and U.S. laws and regulations that are applicable in the domestic and international jurisdictions in which we operate, including trade sanctions laws relating to countries such as Cuba, Iran, Sudan and Syria, anti-corruption laws such as the U.S. Foreign Corrupt Practices Act and the U.K. Bribery Act 2010, local laws prohibiting corrupt payments to government officials, as well as import and export restrictions;
- our ability to make acquisitions and dispositions and to integrate, and realize expected synergies, savings or benefits from, the businesses we acquire;
- changes in the funded status of our global defined benefit pension plans and the impact of any increased pension funding resulting from those changes;
- the impact on our net income caused by fluctuations in foreign currency exchange rates;
- our ability to successfully recover should we experience a disaster or other business continuity problem, such as an earthquake, hurricane, flood, terrorist attack, pandemic, security breach, cyber attack, power loss, telecommunications failure or other natural or man-made disaster;
- the impact of changes in interest rates and deterioration of counterparty credit quality on our results related to our cash balances and investment portfolios, including corporate and fiduciary funds;
- the potential impact of rating agency actions on our cost of financing and ability to borrow, as well as on our operating costs and competitive position;
- changes in applicable tax or accounting requirements; and
- potential income statement effects from the application of FASB's ASC Topic No. 740 (“Income Taxes”) regarding accounting treatment of uncertain tax benefits and valuation allowances, including the effect of any subsequent adjustments to the estimates we use in applying this accounting standard.

The factors identified above are not exhaustive. Marsh & McLennan Companies and its subsidiaries operate in a dynamic business environment in which new risks may emerge frequently. Accordingly, we caution readers not to place undue reliance on the above forward-looking statements, which speak only as of the dates on which they are made. The Company undertakes no obligation to update or revise any forward-looking statement to reflect events or circumstances arising after the date on which it is made. Further information concerning Marsh & McLennan Companies and its businesses, including information about factors that could materially affect our results of operations and financial condition, is contained in the Company's filings with the Securities and Exchange Commission, including the "Risk Factors" section in Part I, Item 1A of this report.

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ITEM 1. BUSINESS.

businesses in addition to its main brokerage operations that serve as an important part of the overall capabilities it offers clients. These include Global Risk and Specialties; Multinational Client Service; Bowring Marsh; Marsh & McLennan Agency; Schinnerer Group; and Sponsored Program & Franchise; Private Client Services.

Risk, Specialty and Industry Practices. In further support of its clients' strategic, operational and risk management objectives, Marsh provides consultative advice, brokerage and claims advocacy services through dedicated global practices in the areas listed below. For both large and mid-size organizations, colleagues in these practices apply their experience and working knowledge of clients' industry sectors, and of the unique environments in which they operate, to facilitate the requisite breadth of coverage and to reduce the cost of risk.

Risk & Specialty Practices	Industry Practices
<ul style="list-style-type: none"> • Aviation & Aerospace • Casualty • Claims • Employee Benefits • Energy • Environmental • Financial and Professional (FINPRO) • Marine • Political Risk • Premium Finance • Private Equity and Mergers & Acquisitions (PEMA) • Product Recall • Project Risk • Property • Surety • Trade Credit • Workers' Compensation 	<ul style="list-style-type: none"> • Agriculture • Chemicals • Communications, Media and Technology • Construction • Education • Financial Institutions • Healthcare • Hospitality & Gaming • Life Sciences • Manufacturing and Automotive • Mining, Metals & Minerals • Power & Utilities • Public Entities • Real Estate • Retail / Wholesale • Sports, Entertainment & Events • Transportation

Global Risk and Specialties

Effective January 1, 2014, the management of Marsh Global Analytics, Marsh Risk Consulting, Captive Solutions, CS STARS, Insurer Consulting Group and Marsh's Specialty Practices were combined into one business unit called Global Risk and Specialties.

Marsh Global Analytics (MGA) helps organizations use data and analytical tools to better understand risks, make more informed decisions, support the implementation of innovative solutions and strategies, and ultimately reduce costs.

- Financial Advisory, Claims, Litigation Support: Provides a range of services, including forensic accounting, complex claim consulting and management, claim accounting preparation, mass tort consulting, and construction delay and dispute consulting.
- Strategic Risk Consulting: Provides a range of services, including supply and value chain management, crisis management, reputational risk, and enterprise risk and resiliency services.

Captive Solutions . Operating in 29 captive domiciles, along with consulting expertise residing in Marsh brokerage offices worldwide, the Captive Solutions practice serves more than 1,200 captive facilities, including single-parent captives, reinsurance pools, risk retention groups and others. The practice includes the Captive Advisory group, a consulting arm that performs captive feasibility studies and helps to structure and implement captive solutions, and Captive Management, an industry leader in managing captive facilities and in providing administrative, consultative and insurance-related services.

CS STARS. CS STARS serves the technology needs of risk management professionals, as well as insurance carriers and third-party administrators, through integrated software and services that support risk management, claims administration, compliance management, and data management.

Insurer Consulting Group. Marsh provides consulting, data analytics and other services to insurers. Through Marsh's patented electronic platform, MarketConnect, and through other data analyses, Marsh provides to insurers individualized preference setting and risk identification capabilities, as well as detailed performance data and metrics. Insurer consulting teams review performance metrics and preferences with insurers. Marsh's Insurer Consulting services are designed to improve the product offerings available to Marsh's clients, assist insurers in identifying new opportunities, and enhance insurers' operational efficiency. The scope and nature of the services vary by insurer and by geography.

Multinational Client Service

Multinational Client Service (MCS) is focused on delivering service excellence and insurance solutions to multinational clients, irrespective of their size. MCS provides risk management programs with a service platform that comprises a combination of proprietary tools and technology and specialized resources. MCS provides global expertise and an intimate knowledge of local markets, helping clients navigate local regulatory environments and address the worldwide risk issues that confront them.

Bowring Marsh

Bowring Marsh is an international placement broker for property (including terrorism) and casualty risks. Bowring Marsh utilizes placement expertise in major international insurance market hubs, including Bermuda, Brazil, China, Dubai, Dublin, Hong Kong, London, Madrid, Miami, Singapore, South Korea, Tokyo and Zurich, and an integrated global network to secure advantageous terms and conditions for its clients throughout the world.

Marsh & McLennan Agency

Established in 2008, the Marsh & McLennan

retiree benefits programs for individuals, professionals, organizations and businesses, through a national network of licensed insurance brokers and plan advisors.

Sponsored Programs; Private Client Services

Marsh also operates business units that focus on affinity/program marketing and administration opportunities and high net worth individual insurance sales. Sponsored Programs is an affinity/program business that customizes commercial insurance programs and other business management solutions to meet the needs of franchisors/franchisees, independent contractors, and other networks of businesses and their affiliates. Private Client Services provides sales and service to high net worth individuals, families and their advisors and focuses on delivery of property and casualty risk management solutions.

GUY CARPENTER

Guy Carpenter generated approximately 9% of the Company's total revenue in 2013. Over 2,300 Guy Carpenter professionals help clients achieve profitable growth with a combination of specialized reinsurance broking expertise, strategic advisory services, and industry-leading analytics. Guy Carpenter teams create and execute reinsurance and risk management solutions for clients worldwide, by providing risk assessment analytics, actuarial services, highly specialized product knowledge and trading relationships with reinsurance markets. Client services also include contract and claims management and fiduciary accounting.

Acting as a broker or intermediary on all classes of reinsurance, Guy Carpenter places two main types of property and casualty reinsurance: treaty reinsurance, which involves the transfer of a portfolio of risks; and facultative reinsurance, which entails the transfer of part or all of the coverage provided by a single insurance policy.

Guy Carpenter also provides reinsurance services in a broad range of specialty practice areas, including: agriculture; alternative risk transfer (such as group-based captives and insurance pools); aviation & aerospace; casualty clash (losses involving multiple policies or insureds); construction and engineering; credit, bond & political risk; excess & umbrella; general casualty; life, accident & health; marine and energy; medical professional liability; professional liability; program manager solutions; property; retrocessional reinsurance (reinsurance between reinsurers); surety (reinsurance of surety bonds and other financial guarantees); terror risk and workers compensation.

Guy Carpenter also offers clients alternatives to traditional reinsurance, including industry loss warranties and, through its appropriately licensed affiliates, capital markets alternatives such as transferring catastrophe risk through the issuance of risk-linked securities. GC Securities, the Guy Carpenter division of MMC Securities Corp., offers corporate finance solutions, including mergers & acquisitions and private debt and equity capital raising, and capital markets-based risk transfer solutions that complement Guy Carpenter's strong industry relationships, analytical capabilities and reinsurance expertise.

In addition, Guy Carpenter provides its clients with numerous reinsurance-related services, such as actuarial, enterprise risk management, financial and regulatory consulting, portfolio analysis and advice on the efficient use of capital. Guy Carpenter's GC Analytics® unit serves as a local resource that helps clients better understand and quantify the uncertainties inherent in their businesses. Working in close partnership with Guy Carpenter account executives, GC Analytics specialists can help support clients' critical decisions in numerous areas, including reinsurance utilization, catastrophe exposure portfolio management, new product/market development, rating agency, regulatory and account impacts, loss reserve risk, capital adequacy and return on capital.

Compensation for Services in Risk and Insurance Services

Marsh and Guy Carpenter are compensated for brokerage and consulting services through commissions and fees. Commission rates vary in amount depending upon the type of insurance or reinsurance coverage provided, the particular insurer or reinsurer selected, the capacity in which the broker acts, and negotiations with clients. Marsh also receives compensation from insurance companies. This compensation includes, among other things, payment for consulting and analytics services provided to insurers; administrative and other services provided to or on behalf of insurers (including services relating to the administration and management of quota shares, panels and other facilities in which insurers participate); and contingent commissions in parts of its operations.

Marsh and Guy Carpenter receive interest income on certain funds (such as premiums and claims proceeds) held in a fiduciary capacity for others. For a more detailed discussion of revenue sources and factors affecting revenue in our Risk and Insurance Services segment, see Part II, Item 7 ("Management's Discussion and Analysis of Financial Condition and Results of Operations") of this report.

CONSULTING

The Company's consulting segment generated approximately 46% of the Company's total revenue in 2013 and employs approximately 23,800 colleagues worldwide. The Company conducts business in this segment through Mercer and Oliver Wyman Group.

MERCER

Mercer is a global consulting leader in Health, Retirement, Talent and Investments. Mercer helps clients around the world advance the health, wealth and performance of their most vital asset - their people. Mercer's approximately 20,300 employees are based in more than 40 countries. Clients include a majority of the companies in the Fortune 1000 and FTSE 100, as well as medium- and small-market organizations. Mercer generated approximately 34% of the Company's total revenue in 2013.

Mercer operates in the following areas:

Health. In its Health & Benefits business, Mercer assists public and private sector employers in the design, management and administration of employee health care programs; compliance with local benefits-related regulations; and the establishment of health and welfare benefits coverage for employees. Mercer provides advice and solutions to employers on: total health management strategies; global health brokerage solutions; vendor performance and audit; life and disability management; and measurement of healthcare provider performance. These services are provided through traditional consulting as well as commission-based brokerage services in connection with the selection of insurance companies and healthcare providers. Mercer also provides products and solutions for private active and retiree exchanges, including its Mercer MarketplaceSM private active exchange.

Retirement. Mercer provides a wide range of strategic and compliance-related retirement services and solutions to corporate, governmental and institutional clients. Mercer assists clients worldwide in the design, governance and risk management of defined benefit, defined contribution and hybrid retirement plans. Mercer's approach to retirement services enables clients to consider the benefits, accounting, funding and investment aspects of plan design and management in the context of business objectives and governance requirements.

Talent. Mercer's talent businesses advise organizations on the engagement, management and rewarding of employees; the design of executive remuneration programs; and improvement of human resource (HR) effectiveness. Through proprietary survey data and decision support tools, Mercer's Information Products Solutions business provides clients with human capital information and analytical capabilities to improve strategic human capital decision making. Mercer's Communications business helps clients to plan and implement HR programs and other organizational changes designed to maximize employee engagement, drive desired employee behaviors and achieve improvements in business performance.

Investments. Mercer provides investment consulting and other services to the sponsors of pension funds, foundations, endowments, other investors and wealth management companies in more than 35 countries. Mercer's services cover all stages of the institutional investment process, from strategy, structure and implementation to ongoing portfolio management.

Mercer provides delegated investment (fiduciary management) solutions to institutional investors (such as retirement plan sponsors and trustees) and to individual investors (primarily through the inclusion of funds managed by Mercer on defined contribution and wealth management platforms). Solutions include bundled services for defined benefit plans utilizing our expertise in liability-driven investment and actuarial techniques, and personal wealth solutions. Mercer offers a diverse range of solutions to meet a full spectrum of risk/return preferences and manages investment vehicles across a range of investment strategies for clients globally. As of December 31, 2013, Mercer had assets under management of \$87 billion worldwide.

Mercer also provides benefits administration services to clients globally as part of its Retirement, Health and Investments businesses. Mercer's administration offerings include total benefits outsourcing; total retirement outsourcing, including administration and delivery for retirement benefits; and stand-alone services for defined benefit administration, defined contribution administration, health benefits administration and flexible benefits programs.

OLIVER WYMAN GROUP

With approximately 3,500 professionals and offices in 26 countries, Oliver Wyman Group delivers advisory services to clients through three operating units, each of which is a leader in its field: Oliver Wyman; Lippincott; and NERA Economic Consulting. Oliver Wyman Group generated approximately 12% of the Company's total revenue in 2013.

Oliver Wyman is a leading global management consulting firm. Oliver Wyman's consultants specialize by industry and functional area, allowing clients to benefit from both deep sector knowledge and specialized expertise in strategy, operations, risk management and organizational transformation. Industry groups include:

- Automotive;
- Aviation, Aerospace and Defense;
- Communications, Media and Technology;
- Energy;
- Financial services, including corporate and institutional banking, insurance, wealth and asset management, public policy, and retail and business banking;
- Industrial products and services;
- Health and life sciences;
- Retail and consumer products; and
- Surface transportation.

Oliver Wyman overlays its industry knowledge with expertise in the following functional specializations:

- Actuarial. Oliver Wyman offers actuarial consulting services to public and private enterprises, self-insured group organizations, insurance companies, government entities, insurance regulatory agencies and other organizations.
- Business and Organization Transformation. Oliver Wyman advises organizations undergoing or anticipating profound change or facing strategic discontinuities or risks by providing guidance on leading the institution, structuring its operations, improving its performance, and building its organizational capabilities.
- Corporate Finance & Restructuring. Oliver Wyman provides an array of capabilities to support investment decision making by private equity funds, hedge funds, sovereign wealth funds, investment banks, commercial banks, arrangers, strategic investors, and insurers.
- Risk Management. Oliver Wyman works with chief financial officers, chief risk officers, and other senior finance and risk management executives of corporations and financial institutions. Oliver Wyman provides a range of services that provide effective, customized solutions to the challenges presented by the evolving roles, needs and priorities of these individuals and organizations.
- Marketing and Sales. Oliver Wyman advises leading firms in the areas of offer/pricing optimization; product/service portfolio management; product innovation; marketing spend optimization; value-based customer management; and sales and distribution model transformation.
- Operations and Technology. Oliver Wyman offers market-leading IT organization design, IT economics management, Lean Six Sigma principles and methodologies, and sourcing expertise to clients across a broad range of industries.
- Strategy. Oliver Wyman is a leading provider of corporate strategy advice and solutions in the areas of growth strategy and corporate portfolio; non-organic growth and M&A; performance

improvement; business design and innovation; corporate center and shared services; and strategic planning.

Lippincott is a brand strategy and design consulting firm which advises corporations around the world in a variety of industries on corporate branding, identity and image. Lippincott has helped create some of the world's most recognized brands.

NERA Economic Consulting provides economic analysis and advice to public and private entities to achieve practical solutions to highly complex business and legal issues arising from competition, regulation, public policy, strategy, finance and litigation. NERA professionals operate worldwide assisting clients including corporations, governments, law firms, regulatory agencies, trade associations, and international agencies. NERA's specialized practice areas include: antitrust; securities; complex commercial litigation; energy; environmental economics; network industries; intellectual property; product liability and mass torts; and transfer pricing.

Compensation for Services in Consulting

Mercer and the Oliver Wyman Group businesses are compensated for advice and services primarily through fees paid by clients. Mercer's Health & Benefits business is compensated through commissions for the placement of insurance contracts (comprising more than half of the revenue in the Health & Benefits business) and consulting fees. Mercer's delegated Investment Management business and certain of Mercer's defined contribution administration services are compensated typically through fees based on assets under administration and/or management. Mercer Investments pays investment fees to sub-advisors and reports revenue on a gross basis. For a more detailed discussion of revenue sources and factors affecting revenue in the Consulting segment, see Part II, Item 7 ("Management's Discussion and Analysis of Financial Condition and Results of Operations") of this report.

REGULATION

The Company's activities are subject to licensing requirements and extensive regulation under United States federal and state laws, as well as laws of other countries in which the Company's subsidiaries operate. See Part I, Item 1A ("Risk Factors") below for a discussion of how actions by regulatory authorities or changes in legislation and regulation in the jurisdictions in which we operate may have an adverse effect on our businesses.

Risk and Insurance Services . While laws and regulations vary from location to location, every state of the United States and most foreign jurisdictions require insurance market intermediaries and related service providers (such as insurance brokers, agents and consultants, reinsurance brokers, managing general agents and third party administrators) to hold an individual and/or company license from a governmental agency or self-regulatory organization. Some jurisdictions issue licenses only to individual residents or locally-owned business entities; in those instances, if the Company has no licensed subsidiary, it may maintain arrangements with residents or business entities licensed to act in such jurisdiction. Such arrangements are subject to an internal review and approval process. Licensing of reinsurance intermediary brokers is generally less rigorous as compared to insurance regulation, and most jurisdictions require only corporate reinsurance intermediary licenses.

Beginning in January 2005, all European Union member states were required to implement the Insurance Mediation Directive. This Directive aims to apply consistent minimum professional standards to insurance and reinsurance intermediaries, including a licensing system based on an assessment of factors such as professional competence, financial capacity and professional indemnity insurance. The adoption by

Insurance authorities in the United States and certain other jurisdictions in which the Company's subsidiaries do business, including the FCA in the United Kingdom, also have enacted laws and regulations governing the investment of funds, such as premiums and claims proceeds, held in a fiduciary capacity for others. These laws and regulations typically provide for segregation of these fiduciary funds and limit the types of investments that may be made with them, and generally apply to both the insurance and reinsurance business. The rules in the United Kingdom are currently being reviewed by the FCA with changes intended to provide enhanced protection to customer funds expected in the first quarter of 2014.

Certain of the Company's Risk and Insurance Services activities are governed by other regulatory bodies, such as investment, securities and futures licensing authorities. In the United States, Marsh and Guy Carpenter use the services of MMC Securities Corp., a broker-dealer, investment adviser and introducing broker, registered in the U.S. with the SEC and the Commodity Futures Trading Commission ("CFTC") and a member of the Financial Industry Regulatory Authority ("FINRA"), the National Futures Association and the Securities Investor Protection Corporation ("SIPC"), primarily in connection with investment banking-related services relating to insurance-linked and alternative risk financing transactions. Also in the United States, Marsh uses the services of NIA Securities, LLC, a U.S. registered broker-dealer and member of FINRA and SIPC. In the United Kingdom, Marsh and Guy Carpenter utilize the expertise of GC Securities, part of MMC Securities (Europe) Limited, which is authorized and regulated by the FCA to provide advice on securities and investments, including mergers & acquisitions in the European Union. MMC Securities Corp., MMC Securities (Europe) Limited, NIA Securities, LLC, and Marsh Investment Services Limited are indirect, wholly-owned subsidiaries of Marsh & McLennan Companies, Inc.

In some jurisdictions, insurance-related taxes may be due either directly from clients or from the insurance broker. In the latter case, the broker customarily looks to the client for payment.

Consulting . Certain of Mercer's retirement-related consulting and investment services are subject to pension law and financial regulation in many countries, including by the SEC in the United States and the FCA in the United Kingdom. In addition, the trustee services, investment services (including advice to persons, institutions and other entities on the investment of pension assets and assumption of discretionary investment management responsibilities) and retirement and employee benefit program administrative services provided by Mercer and its subsidiaries and affiliates are also subject to investment and securities regulations in various jurisdictions, including the Department of Labor and the CFTC in the United States, and the Australian Prudential Regulation Authority and the Australian Securities and Investments Commission. In the United States, Mercer provides investment services through Mercer Investment Management, Inc. and Mercer Investment Consulting, Inc., each a registered investment adviser. Mercer Trust Company, a New Hampshire chartered trust bank, provides services for Mercer's benefits administration and investment management business in the United States. The benefits insurance consulting and brokerage services provided by Mercer and its subsidiaries and affiliates are subject to the same licensing requirements and regulatory oversight as the insurance market intermediaries described above regarding our Risk and Insurance Services businesses. Mercer uses the services of MMC Securities Corp. with the provision of certain retirement and employee benefit services. Oliver Wyman Group uses the services of MMC Securities Corp. (in the United States) and MMC Securities (Europe) Limited (in the European Union), primarily in connection with corporate finance advisory services.

COMPETITIVE CONDITIONS

The Company faces strong competition in all of its businesses from providers of similar products and services, including competition with regard to identifying and pursuing acquisition candidates. The Company also encounters strong competition throughout its businesses from both public corporations and private firms in attracting and retaining qualified employees. In addition to the discussion below, see "Risks Relating to the Company Generally-Competitive Risks," in Part I, Item 1A of this report.

Risk and Insurance Services . The Company's combined insurance and reinsurance services businesses are global in scope. The principal bases upon which our insurance and reinsurance businesses compete include the range, quality and cost of the services and products provided to clients. The Company encounters strong competition from other insurance and reinsurance brokerage firms that operate on a nationwide or worldwide basis, from a large number of regional and local firms in the United States, the European Union and elsewhere, from insurance and reinsurance companies that market,

distribute and service their insurance and reinsurance products without the assistance of brokers or agents and from other businesses, including commercial and investment banks, accounting firms and consultants, that provide risk-related services and products.

Certain insureds and groups of insureds have established programs of self insurance (including captive insurance companies) as a supplement or alternative to third-party insurance, thereby reducing in some cases their need for insurance placements. Certain insureds also obtain coverage directly from insurance providers. There are also many other providers of affinity group and private client services, including specialized firms, insurance companies and other institutions.

Consulting . The Company's consulting and HR outsourcing businesses face strong competition from other privately and publicly held worldwide and national companies, as well as regional and local firms. These businesses compete generally on the basis of the range, quality and cost of the services and products provided to clients. Competitors include independent consulting and outsourcing firms, as well as consulting and outsourcing operations affiliated with accounting, information systems, technology and financial services firms.

Mercer's investments business faces competition from many sources, including multi-manager services offered by other investment consulting firms and financial institutions. In many cases, clients have the option of handling the services provided by Mercer and Oliver Wyman Group internally, without assistance from outside advisors.

Segmentation of Activity by Type of Service and Geographic Area of Operation

Financial information relating to the types of services provided by the Company and the geographic areas of its operations is incorporated herein by reference to Note 16 to the consolidated financial statements included under Part II, Item 8 of this report.

Employees

As of December 31, 2013, the Company and its consolidated subsidiaries employed approximately 55,000 people worldwide, including approximately 29,000 in risk and insurance services, 23,800 in consulting, and 1,700 individuals at the parent-company level.

EXECUTIVE OFFICERS OF THE COMPANY

The executive officers of the Company are appointed annually by the Company's Board of Directors. The following individuals are the executive officers of the Company:

Peter J. Beshar , age 52, is Executive Vice President and General Counsel of Marsh & McLennan Companies. In addition to managing the Company's Legal function, Mr. Beshar also oversees the Company's Government Relations, Risk Management and Public Relations groups. Before joining Marsh & McLennan Companies in November 2004, Mr. Beshar was a Litigation Partner in the law firm of Gibson, Dunn & Crutcher LLP. Mr. Beshar joined Gibson, Dunn & Crutcher in 1995 after serving as an Assistant Attorney General in the New York Attorney General's office and as the Special Assistant to Cyrus Vance in connection with the peace negotiations in the former Yugoslavia.

J. Michael Bischoff , age 66, is the Company's Chief Financial Officer. Mr. Bischoff has held a number of senior financial management positions with Marsh & McLennan Companies since joining the Company in 1982. In his most recent role as Vice President, Corporate Finance, Mr. Bischoff was responsible for leading and directing the Company's Corporate Development, Mergers & Acquisitions, Treasury and Investor Relations functions. His prior experience was with the Board of Governors of the Federal Reserve System.

E. Scott Gilbert , age 58, is Senior Vice President and Chief Risk and Compliance Officer of Marsh & McLennan Companies. In addition to managing the Company's Risk and Compliance function, Mr. Gilbert also oversees the Company's Business Resiliency Management, Global Security and Global Technology Infrastructure groups. Prior to joining Marsh & McLennan Companies in January 2005, he had been the Chief Compliance Counsel of the General Electric Company since September 2004. Prior thereto, he was Counsel, Litigation and Legal Policy at GE. Between 1986 and 1992, when he joined GE, he served as an Assistant United States Attorney in the Southern District of New York.

Daniel S. Glaser , age 53, is President and Chief Executive Officer of Marsh & McLennan Companies. Prior to assuming this role in January 2013, Mr. Glaser served as Group President and Chief Operating Officer of Marsh & McLennan Companies from April 2011 through December 2012, with strategic and operational oversight of both the Risk and Insurance Services and the Consulting segments of the Company. Mr. Glaser rejoined Marsh in December 2007 as Chairman and Chief Executive Officer of Marsh Inc. after serving in senior positions in commercial insurance and insurance brokerage in the United States, Europe, and the Middle East. He began his career at Marsh 30 years ago. Mr

Peter Zaffino, age 47, is President and Chief Executive Officer of Marsh. Prior to being named Marsh CEO in April 2011, Mr. Zaffino was President and Chief Executive Officer of Guy Carpenter, a position he assumed in early 2008. Previously, he was an Executive Vice President of Guy Carpenter and had held a number of senior positions, including Head of Guy Carpenter's U.S. Treaty Operations and Head of the firm's Global Specialty Practices business. Mr. Zaffino has over 20 years of experience in the Insurance and Reinsurance industry. Prior to joining Guy Carpenter in 2001, he held several senior positions, most recently serving in an executive role with a GE Capital portfolio company.

AVAILABLE INFORMATION

The Company is subject to the informational reporting requirements of the Securities Exchange Act of 1934. In accordance with the Exchange Act, the Company files with the SEC annual reports on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K. The Company makes these reports and any amendments to these reports available free of charge through its website, www.mmc.com, as soon as reasonably practicable after they are filed with, or furnished to, the SEC. The public may read and copy these materials at the SEC's Public Reference Room at 100 F Street, NE, Washington, DC, 20549. The public may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. The SEC also maintains an Internet site at www.sec.gov that contains reports, proxy and information statements and other information regarding issuers, like the Company, that file electronically with the SEC.

The Company also posts on its website the following documents with respect to corporate governance:

- Guidelines for Corporate Governance;
- Code of Conduct, The Greater Good;
- Procedures for Reporting Complaints and Concerns Regarding Accounting Matters; and
- the charters of the Audit Committee, Compensation Committee, Compliance and Risk Committee, Corporate Responsibility Committee and Directors and Governance Committee of the Company's Board of Directors.

All of the above documents are available in printed form to any Company stockholder upon request.

Item 1A. Risk Factors

You should consider the risks described below in conjunction with the other information presented in this report. These risks have the potential to materially adversely affect the Company's business, results of operations or financial condition.

RISKS RELATING TO THE COMPANY

With respect to our commercial arrangements with third-party vendors, we have processes designed to require third-party IT outsourcing, offsite storage and other vendors to agree to maintain certain standards with respect to the storage, protection and transfer of confidential, personal and proprietary information. However, we remain at risk of a data breach due to the intentional or unintentional non-compliance by a vendor's employee or agent, the breakdown of a vendor's data protection processes, or a cyberattack on a vendor's information systems.

We have experienced data incidents, including breaches, resulting from human error as well as attempts at unauthorized access to our systems, which to date have not had a material impact on our business or operations. In the future, the cost associated with human error, the misuse of information by employees or vendors, or a major cyberattack related to our systems (including costs relating to notification of data security breaches and costs of credit monitoring services) could be substantial. Furthermore, the use of mobile technologies and social media by employees and third parties, and the speed at which information can be widely distributed, increases the risks associated with the intentional or unintentional distribution of confidential, personal or proprietary information. Improper access to or disclosure of confidential, personal or proprietary information could harm our reputation and subject us to liability under our contracts, as well as laws and regulations, resulting in increased legal and other costs, disruption of our operations and loss of revenue.

Financial Risks

Our pension obligations may cause the Company's earnings and cash flows to fluctuate.

Financial institution failures may cause us to incur increased expenses or make it more difficult either to utilize our existing debt capacity or otherwise obtain financing for our operations and investing activities (including the financing of any future acquisitions).

Our cash investments, including those held in a fiduciary capacity, are subject to general credit, liquidity, counterparty, market and interest rate risks that may be exacerbated by the difficulties faced by financial institution counterparties. If the banking system or the fixed income, credit or equity markets deteriorate, the values and liquidity of our investments could be adversely affected.

Our significant non-U.S. operations expose us to exchange rate fluctuations and various risks that could impact our business.

We are subject to exchange rate risk because some of our subsidiaries receive revenue other than in their functional currencies, and because we must translate the financial results of our foreign subsidiaries into U.S. dollars. Our U.S. operations earn revenue and incur expenses primarily in U.S. dollars. In certain jurisdictions, however, our Risk and Insurance Services operations generate revenue in a number of different currencies, but expenses are almost entirely incurred in local currency. Due to fluctuations in foreign exchange rates, we are subject to economic exposure as well as currency translation exposure on the profits of our operations. Exchange rate risk could have a significant impact on our business, financial condition, results of operations or cash flow.

Increased counterparty risk and changes in interest rates could reduce the value of our investment portfolio and adversely affect our financial results.

During times of stress in the banking industry, counterparty risk can quickly escalate, potentially resulting in substantial trading and investment losses for corporate and other investors. In addition, we may incur investment losses as a result of unusual and unpredictable market developments, and we may continue to experience reduced investment earnings if the yields on investments deemed to be low risk remain at or near their current low levels.

We are a holding company and, therefore, may not be able to receive dividends or other distributions in needed amounts from our subsidiaries.

The Company is organized as a holding company, a legal entity separate and distinct from our operating subsidiaries. As a holding company without significant operations of our own, we are dependent upon dividends and other payments from our operating subsidiaries to meet our obligations for paying principal and interest on outstanding debt obligations, for paying dividends to stockholders and for corporate expenses. In the event our operating subsidiaries are unable to pay sufficient dividends and other payments to the Company, we may not be able to service our debt, pay our obligations or pay dividends on our common stock.

Further, the Company derives a significant portion of its revenue and operating profit from operating subsidiaries located outside the U.S. Since the majority of financing obligations as well as dividends to stockholders are paid from the U.S., it is important to be able to access the cash generated by our operating subsidiaries outside the U.S.

Funds from the Company's operating subsidiaries outside the U.S. are regularly repatriated to the U.S. via stockholder distributions and intercompany financings. A number of factors may arise that could limit our ability to repatriate funds or make repatriation cost prohibitive, including, but not limited to, foreign exchange rates and tax-related costs.

In the event we are unable to generate cash from our operating subsidiaries for any of the reasons discussed above, our overall liquidity could deteriorate.

Credit rating downgrades would increase our financing costs and could subject us to operational risk.

Currently, the Company's senior debt is rated Baa2 by Moody's and A- by S&P. The rating from S&P carries a Stable outlook, while the rating from Moody's carries a Positive outlook.

If we need to raise capital in the future (for example, in order to fund maturing debt obligations or finance acquisitions or other initiatives), credit rating downgrades would increase our financing costs, and could limit our access to financing sources. Further, we believe that a downgrade to a rating below investment-

grade could result in greater operational risks through increased operating costs and increased competitive pressures.

Our quarterly revenues and profitability may fluctuate significantly .

Quarterly variations in revenues and operating results may occur due to several factors. These include:

- the significance of client engagements commenced and completed during a quarter;
- the possibility that clients may decide to delay or terminate a current or anticipated project as a result of factors unrelated to our work product or progress;
- fluctuations in hiring and utilization rates and clients' ability to terminate engagements without penalty;
- seasonality due to the impact of regulatory deadlines, policy renewals and other timing factors to which our clients are subject;
- the success of our acquisitions or investments;
- macroeconomic factors such as change-17 Tstj 0 2Tj 25tindustoiiao5 crotsrketiity thd (yrserved (.)-72.44

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We regularly assess and take steps to improve upon our existing business continuity plans and key management succession. However, a disaster on a significant scale or affecting certain of our key operating areas within or across regions, or our inability to successfully recover should we experience a

Our businesses face rapid technological changes and our failure to adequately anticipate or respond to these changes or to successfully implement strategic initiatives could adversely affect our business and results of operations.

To remain competitive in many of our business areas, we must identify the most current technologies and methodologies and integrate them into our service offerings. We also have a number of strategic initiatives involving investments in technology systems and infrastructure to support our growth strategy. In addition to new platforms and systems, we are deploying new processes and many of our colleagues across the business are changing the way they perform certain roles to capture efficiencies. If we do not keep up with technological changes or execute well on our strategic initiatives, our business and results of operations could be adversely impacted.

Consolidation in the industries we serve could adversely affect our business.

Companies in the industries that we serve may seek to achieve economies of scale and other synergies by combining with or acquiring other companies. If two or more of our current clients merge or consolidate and combine their operations, it may decrease the amount of work that we perform for these clients. If one of our current clients merges or consolidates with a company that relies on another provider for its services, we may lose work from that client or lose the opportunity to gain additional work. Any of these or similar possible results of industry consolidation could adversely affect our business. Guy Carpenter is especially susceptible to this risk given the limited number of insurance company clients and reinsurers in the marketplace.

Acquisitions and Dispositions

We face risks when we acquire and dispose of businesses.

We have a history of making acquisitions, including a total of 49 acquisitions in the period 2009-2013 for aggregate purchase consideration of \$1.9 billion. We have also exited various businesses, including the sale of Kroll in 2010. We expect that acquisitions will continue to be a key part of our business strategy. Our success in this regard will depend on our ability to identify and compete for appropriate acquisition

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Results in our Risk and Insurance Services segment may be adversely affected by a general decline in economic activity.

Demand for many types of insurance and reinsurance generally rises or falls as economic growth expands or slows. This dynamic affects the level of commissions and fees generated by Marsh and Guy Carpenter. To the extent our clients become adversely affected by declining business conditions, they may choose to limit their purchases of insurance and reinsurance coverage, as applicable, which would inhibit our ability to generate commission revenue, the insurance they seek to obtain through us may be impacted by changes in their assets, property values, sales or number of employees, which may reduce our commission revenue, and they may decide not to purchase our risk advisory services, which would inhibit our ability to generate fee revenue. Moreover, insolvencies and combinations associated with an economic downturn, especially insolvencies and combinations in the insurance industry, could adversely affect our brokerage business through the loss of clients or by hampering our ability to place insurance and reinsurance business. Guy Carpenter is especially susceptible to this risk given the limited number of insurance company clients and reinsurers in the market place.

Volatility or declines in premiums and other market trends may significantly impede our ability to improve revenues and profitability.

A significant portion of our Risk and Insurance Services revenue consists of commissions paid to us out of the premiums that insurers and reinsurers charge our clients for coverage. Our revenues and profitability are subject to change to the extent that premium rates fluctuate or trend in a particular direction. The potential for changes in premium rates is significant, due to the general phenomenon of pricing cyclicalities in the commercial insurance and reinsurance markets.

In addition to movements in premium rates, our ability to generate premium-based commission revenue may be challenged by the growing availability of alternative methods for clients to meet their risk-protection needs. This trend includes a greater willingness on the part of corporations to “self-insure,” the use of so-called “captive” insurers, and the advent of capital markets-based solutions to traditional insurance and reinsurance needs. Further, the profitability of our Risk and Insurance Services segment depends in part on our ability to be compensated, not only for insurance and reinsurance transactions, but also for the increasing analytical services and advice that we provide. If we are unable to achieve and maintain adequate billing rates for all of our services, our margins and profitability could suffer.

RISKS RELATING TO OUR CONSULTING SEGMENT

Our Consulting segment, conducted through Mercer and Oliver Wyman Group, represented 46% of our total revenue in 2013. Our businesses in this segment are subject to particular risks.

Demand for our services might decrease for various reasons, including a general economic downturn, a decline in a client'

Factors impacting defined benefit pension plans and the services we provide relating to those plans could adversely affect Mercer.

Mercer currently provides corporate, multi-employer and public clients with actuarial, consulting and administration services relating to defined benefit pension plans. The nature of our work is complex. Our actuarial services involve numerous assumptions and estimates regarding future events, including interest rates used to discount future liabilities, estimated rates of return for a plan's assets, healthcare cost trends, salary projections and participants' life expectancies. Our consulting services involve the drafting and interpretation of trust deeds and other complex documentation governing pension plans. Our administration services include calculating benefits within complicated pension plan structures. Clients dissatisfied with our services have brought, and may bring, significant claims against us, particularly in the U.S. and the U.K. In addition, a number of Mercer's clients have frozen or curtailed their defined benefit plans and have moved to defined contribution plans resulting in reduced revenue for Mercer's retirement business. These developments could adversely affect Mercer's business and operating results.

Our profitability may suffer if we are unable to achieve or maintain adequate utilization and pricing rates for our consultants.

The profitability of our Consulting businesses depends in part on ensuring that our consultants maintain adequate utilization rates (i.e., the percentage of our consultants' working hours devoted to billable activities). Our utilization rates are affected by a number of factors, including:

- our ability to transition consultants promptly from completed projects to new assignments, and to engage newly-hired consultants quickly in revenue-generating activities;
- our ability to continually secure new business engagements, particularly because a portion of our work is project-based rather than recurring in nature;
- our ability to forecast demand for our services and thereby maintain appropriate headcount in each of our geographies and workforces;
- our ability to manage attrition;
- unanticipated changes in the scope of client engagements;
- the potential for conflicts of interest that might require us to decline client engagements that we otherwise would have accepted;
- our need to devote time and resources to sales, training, professional development and other non-billable activities;
- the potential disruptive impact of acquisitions and dispositions; and
- general economic conditions.

If the utilization rate for our consulting professionals declines, our profit margin and profitability could suffer.

In addition, the profitability of our Consulting businesses depends in part on the prices we are able to charge for our services. The prices we charge are affected by a number of factors, including:

- clients' perception of our ability to add value through our services;
- market demand for the services we provide;
- our ability to develop new services and the introduction of new services by competitors;
- the pricing policies of our competitors;
- the extent to which our clients develop in-house or other capabilities to perform the services that they might otherwise purchase from us; and
- general economic conditions.

If we are unable to achieve and maintain adequate billing rates for our services, our profit margin and profitability could suffer.

Item 1B. Unresolved Staff Comments.

There are no unresolved comments to be reported pursuant to Item 1B.

Item 2. Properties.

Marsh & McLennan Companies and its subsidiaries maintain their corporate headquarters in and around New York City. We also maintain other offices around the world, primarily in leased space. In certain circumstances we may have space that we sublet to third parties, depending upon our needs in particular locations.

Marsh & McLennan Companies and certain of its subsidiaries own, directly and indirectly through special purpose subsidiaries, a 58% condominium interest covering approximately 900,000 square feet in a 44-story building in New York City. This real estate serves as the Company's headquarters and is occupied primarily by the Company and its affiliates for general corporate use. The remaining 42% condominium interest in this property is owned by an unaffiliated third party. The Company's owned interest is financed by a 30-year loan that is non-recourse to the Company (except in the event of certain prohibited actions) and secured by a first mortgage lien on the condominium interest and a first priority assignment of leases and rents. In the event (1) the Company is downgraded below B/B2 (Stable) by any of S&P, Fitch and Moody's or (2) an event of default under the loan has occurred and is continuing, the Company would be obligated to pre-fund certain reserve accounts relating to the mortgaged property, including a rent reserve account in an amount equal to three months' rent for the entire occupancy of the mortgaged property.

Item 3. Legal Proceedings.

Information regarding legal proceedings is set forth in Note 15 to the consolidated financial statements appearing under Part II, Item 8 ("Financial Statements and Supplementary Data") of this report.

PART II

Item 5. Market for the Company's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities.

For information regarding dividends paid and the number of holders of the Company's common stock, see the table entitled "Selected Quarterly Financial Data and Supplemental Information (Unaudited)" below on the last page of Part II, Item 8 ("Financial Statements and Other Supplementary Data") of this report.

The Company's common stock is listed on the New York, Chicago and London Stock Exchanges. The following table indicates the high and low prices (NYSE composite quotations) of the Company's common stock during 2013 and 2012 and each quarterly period thereof:

	2013 Stock Price Range		2012 Stock Price Range	
	High	Low	High	Low
First Quarter	\$38.00	\$34.43	\$33.40	\$30.69
Second Quarter	\$41.68	\$37.00	\$34.68	\$30.74
Third Quarter	\$44.63	\$39.96	\$34.99	\$31.42
Fourth Quarter	\$48.56	\$41.98	\$35.78	\$33.09
Full Year	\$48.56	\$34.43	\$35.78	\$30.69

On February 21, 2014, the closing price of the Company's common stock on the NYSE was \$47.96.

In May 2013, the Board of Directors of the Company increased the amount of authorized share repurchases to up to a dollar value of \$1 billion of the Company's common stock. The Company repurchased 3.2 million shares of its common stock for \$150 million during the fourth quarter of 2013, resulting in full year 2013 repurchases of 13.2 million shares for \$550 million. The Company remains authorized to repurchase shares of its common stock up to a dollar value of approximately \$563 million. There is no time limit on the authorization.

Period	(a) Total Number of Shares (or Units) Purchased	(b) Average Price Paid per Share (or Unit)	(c) Total Number of Shares (or Units) Purchased as Part of Publicly Announced Plans or Programs	(d) Maximum Number (or Approximate Dollar Value) of Shares (or Units) that May o Q421, 3240
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Item 6. Selected Financial Data.

**Marsh & McLennan Companies, Inc. and Subsidiaries
FIVE-YEAR STATISTICAL**

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

General

Marsh & McLennan Companies, Inc. and Subsidiaries (the "Company") is a global professional services firm providing advice and solutions principally in the areas of risk, strategy and human capital. It is the parent company of a number of the world's leading risk experts and specialty consultants, including: Marsh, the insurance broker, intermediary and risk advisor; Guy Carpenter, the risk and reinsurance specialist; Mercer, the provider of HR and related financial advice and services; and Oliver Wyman Group, the management, economic and brand consultancy. With approximately 55,000 employees worldwide and annual revenue of over \$12 billion, the Company provides analysis, advice and transactional capabilities to clients in more than 130 countries.

The Company conducts business through two segments:

- **Risk and Insurance Services**

Consolidated Results of Operations

For the Years Ended December 31,

acquisitions and dispositions may impact period-to-period comparisons of revenue. Underlying revenue measures the change in revenue from one period to another by isolating these impacts. The impact of foreign currency exchange fluctuations, acquisitions and dispositions, including transfers among businesses, on the Company's operating revenues is as follows:

<i>(In millions, except percentage figures)</i>	Year Ended December 31,		Components of Revenue Change*			
	2013	2012	% Change GAAP Revenue	Currency Impact	Acquisitions/ Dispositions Impact	Underlying Revenue
Risk and Insurance Services						
Marsh	\$ 5,438	\$ 5,232	4%	(1)%	2%	3 %
Guy Carpenter	1,131	1,079	5%	(1)%	1%	5 %
Subtotal	6,569	6,311	4%	(1)%	2%	4 %
Fiduciary Interest Income	27	39				
Total Risk and Insurance Services	6,596	6,350	4%	(1)%	2%	3 %
Consulting						
Mercer	4,241	4,147	2%	(1)%	—	4 %
Oliver Wyman Group	1,460	1,466	—	1 %	—	(1)%
Total Consulting	5,701					



Revenue

Consolidated revenue for 2013 increased 3% on both a reported and underlying basis to \$12.3 billion compared with \$11.9 billion in 2012. Revenue in the Risk and Insurance Services segment increased 4%

the risks that have been insured since commission based compensation is frequently related to the premiums paid by insureds/reinsureds. In many cases, fee compensation may be negotiated in advance, based on the type of risk, coverage required, and service provided by the Company and ultimately placed into the insurance market or retained by the client. The trends and comparisons of revenue from one period to the next can be affected by changes in premium rate levels, fluctuations in client risk retention, and increases or decreases in the value of risks that have been insured, as well as new and lost business, and the volume of business from new and existing clients.

Marsh also receives compensation from insurance companies. This compensation includes, among other things, payment for consulting and analytics services provided to insurers; administrative and other services provided to or on behalf of insurers (including services relating to the administration and management of quota shares, panels and other facilities in which insurers participate); and contingent commissions in parts of its operations. Marsh and Guy Carpenter receive interest income on certain funds (such as premiums and claims proceeds) held in a fiduciary capacity for others. The investment of fiduciary funds is regulated by state and other insurance authorities. These regulations typically provide for segregation of fiduciary funds and limit the types of investments that may be made with them. Interest income from these investments varies depending on the amount of funds invested and applicable interest rates, both of which vary from time to time. For presentation purposes, fiduciary interest is segregated from the other revenues of Marsh and Guy Carpenter and separately presented within the segment, as shown in the revenue by segments charts earlier in this MD&A.

The results of operations for the Risk and Insurance Services segment are presented below:

<i>(In millions of dollars)</i>	2013	2012	2011
Revenue	\$ 6,596	\$ 6,350	\$ 6,079
Compensation and Benefits	3,618	3,502	3,400
Other Operating Expenses	1,557	1,514	1,479
Operating Expenses	5,175	5,016	4,879
Operating Income	\$ 1,421	\$ 1,334	\$ 1,200
Operating Income Margin	21.5%	21.0%	19.7%

Revenue

Revenue in the Risk and Insurance Services segment increased 4%, or 3% on an underlying basis, in 2013 compared with 2012.

In Marsh, revenue grew to \$5.4 billion in 2013, an increase of 4% from the prior year, reflecting 3% growth in underlying revenue and a 2% increase from acquisitions, partly offset by a 1% decrease resulting from the impact of foreign currency translation. The underlying revenue increase of 3% reflects growth in all major geographies which was driven by increased new business. International operations had underlying revenue growth of 4% reflecting increases of 13% in Latin America, 5% in Asia Pacific and 3% in EMEA, while U.S. / Canada increased 2%.

The Risk and Insurance segment completed six acquisitions during 2013.

- June - Marsh acquired Rehder y Asociados Group, an insurance adviser in Peru. The business includes the insurance broker Rehder y Asociados and employee health and benefits specialist, Humanasalud. Marsh also completed the acquisition of Franco & Acra Tecniseguros, an insurance advisor in the Dominican Republic.
- July - Guy Carpenter acquired Smith Group, a specialist disability reinsurance risk manager and consultant based in Maine.
- September - Marsh purchased an additional stake in Insia a.s., an insurance broker operating in the Czech Republic and Slovakia which, when combined with its prior holdings, gave Marsh a controlling interest. Insia a.s. was previously accounted for under the equity method.
- November - Marsh & McLennan Agency ("MMA") acquired Elsey & Associates, a Texas-based provider of surety bonds and insurance coverage to the construction industry.

- December - MMA acquired Cambridge Property and Casualty, a Michigan-based company providing insurance and risk management services to high net worth individuals and mid-sized businesses.

During 2012, Marsh completed the following twelve acquisitions:

- January - Marsh acquired Alexander Forbes' South African brokerage operations, including Alexander Forbes Risk Services and related ancillary operations and insurance broking operations in Botswana and Namibia to expand Marsh's presence in Africa. Marsh subsequently closed the acquisitions of the Alexander Forbes operations in Uganda, Malawi and Zambia.
- March - MMA acquired KSPH, LLC, a middle-market employee benefits agency based in Virginia, and Marsh acquired Cosmos Services (America) Inc., the U.S. insurance brokerage subsidiary of ITOCHU Corp., which specializes in commercial property/casualty, personal lines, and employee benefits brokerage services to U.S. subsidiaries of Japanese companies.
- June - MMA acquired Progressive Benefits Solutions, an employee benefits agency based in North Carolina, and Security Insurance Services, Inc., a Wisconsin-based insurance agency which offers property/casualty and employee benefits products and services to individuals and businesses.
- August - MMA acquired Rosenfeld-Einstein, a South Carolina-based employee benefits service provider, and Eidson Insurance, a property/casualty and employee benefits services firm located in Florida.
- October - MMA acquired Howalt+McDowell, a South Dakota-based agency which offers property/casualty, surety, personal protection and employee benefits insurance to individuals and businesses, and The Protector Group Insurance Agency, a Massachusetts-based agency which provides property/casualty, employee benefits services, personal insurance and individual financial services.
- November - MMA acquired Brower Insurance, an Ohio-based company providing employee benefits, property/casualty and consulting services.
- December - MMA acquired McGraw Wentworth, a Michigan-based company providing consulting services to mid-sized organizations, and Liscomb Hood Mason, a Minnesota-based company providing property/casualty and employee benefits products and services.

The MMA acquisitions were made to expand Marsh's presence in the U.S. middle-market business.

Guy Carpenter's revenue increased 5% to \$1.1 billion in 2013 compared with 2012, or 5% on an underlying basis, reflecting growth across North America, International, Global Specialites and U.K. Facultative.

In July 2013, Guy Carpenter acquired Smith Group, a specialist disability reinsurance risk manager and consultant based in Maine.

Fiduciary interest income was \$27 million in 2013 compared to \$39 million in 2012 due to lower average invested funds combined with lower interest rates.

Revenue in Risk and Insurance Services increased 4% in 2012 compared with 2011, reflecting a 5% increase on an underlying basis and a 2% increase from acquisitions, partly offset by a 2% decrease from the impact of foreign currency exchange translation.

In Marsh, revenue in 2012 was \$5.2 billion, an increase of 5% from the prior year, reflecting 5% growth in underlying revenue and a 2% increase from acquisitions, partly offset by a 2% decrease resulting from the impact of foreign currency translation. The underlying revenue increase of 5% reflects growth in all major geographies, driven by new business. Underlying revenue increased 13% in Latin America, 7% in Asia Pacific, 3% in U.S. / Canada and 5% in EMEA.

Guy Carpenter's revenue increased 4% to \$1.1 billion in 2012 compared with 2011, or 6% on an underlying basis, driven by Guy Carpenter's International operations, particularly Global Specialties, Asia Pacific, EMEA, Latin America, and Global Facultative.

Fiduciary interest income was \$39 million in 2012 compared to \$47 million in 2011 due to slightly lower average invested funds combined with lower interest rates.

Expense

Expenses in the Risk and Insurance Services segment increased 3% on both a reported and underlying basis in 2013 compared with 2012. The increase in expenses on an underlying basis is primarily due to higher base salaries, pension costs and adjustments to acquisition-related contingent consideration liabilities, partly offset by lower costs related to professional indemnity claims.

Expenses in the Risk and Insurance Services segment increased 3% in 2012 compared with 2011, reflecting a 2% increase from acquisitions and a 2% decrease due to the impact of foreign currency translation. Expenses on an underlying basis increased 3% primarily due to higher base salaries, incentive compensation and benefits costs partly offset by credits related to adjustments to acquisition-related contingent consideration liabilities.

Consulting

The Company conducts business in its Consulting segment through two main business groups. Mercer provides consulting expertise, advice, services and solutions in the areas of health, retirement, talent and investments. Oliver Wyman Group provides specialized management, economic and brand consulting services.

The major component of revenue in the Consulting segment business is fees paid by clients for advice and services. Mercer, principally through its health line of business, also earns revenue in the form of commissions received from insurance companies for the placement of group (and occasionally individual) insurance contracts, primarily life, health and accident coverages. Revenue for Mercer's delegated investment management business and certain of Mercer's defined contribution administration services consists principally of fees based on assets under management and/or administration.

Revenue in the Consulting segment is affected by, among other things, global economic conditions, including changes in clients' particular industries and markets. Revenue is also affected by competition due to the introduction of new products and services, broad trends in employee demographics, including levels of employment, the effect of government policies and regulations, and fluctuations in interest and foreign exchange rates. Revenues from the provision of investment management services and retirement trust and administrative services are significantly affected by securities market performance.

Reimbursable expenses incurred by professional staff in the generation of revenue and sub-advisory fees related to investment management are included in revenue and the related expenses are included in other operating expenses.

The results of operations for the Consulting segment are presented below:

<i>(In millions of dollars)</i>	2013	2012	2011
Revenue	\$ 5,701	\$ 5,613	\$ 5,487
Compensation and Benefits	3,269	3,298	3,315
Other Operating Expenses	1,587	1,623	1,555
Operating Expenses	4,856	4,921	4,870
Operating Income	\$ 845	\$ 692	\$ 617
Operating Income Margin	14.8%	12.3%	11.2%

Revenue

Consulting revenue in 2013 increased 2% compared with 2012 on both a reported and underlying basis. Mercer's revenue was \$4.2 billion in 2013, an increase of 2% reflecting a 4% increase in underlying revenue, partly offset by a 1% decrease due to the impact of foreign currency. The underlying revenue growth was primarily driven by Health and Investments, which increased 6% and 9%, respectively. Oliver Wyman's revenue was flat in 2013 compared to 2012, as a 1% decrease in underlying revenue was offset by a 1% increase due to the impact of foreign currency.

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(In millions of dollars)

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2011

and insurance recoveries, as well as the settlement of tax audits and the expiration of the statutes of limitations related to certain of the indemnified matters, primarily with respect to Putnam.

In the fourth quarter of 2011, management initiated a plan to sell the Marsh BPO business which was completed in August 2012. Marsh's BPO business, previously part of Marsh U.S. Consumer business, provided policy, claims, call center and accounting operations on an outsourced basis to life insurance carriers. Marsh invested in a technology platform that was designed to make the BPO business scalable and more efficient. During 2011, Marsh decided that it would cease investing in the technology platform and instead exit the business via a sale. The Company wrote off capitalized software of the BPO business of \$17 million, net of tax, which is included in discontinued operations in 2011.

Summarized Statements of Income data for discontinued operations is as follows:

For the Years Ended December 31, (In millions of dollars, except per share figures)	2013	2012	2011
Income (loss) from discontinued operations, net of tax	\$ —	\$ —	\$ (17)
Disposals of discontinued operations	(4)	(17)	(67)

Disposals of discontinued operations, net of tax: 2013: (4), 2012: (17), 2011: (67)

the Company considered all available evidence, placing particular weight on evidence that could be objectively verified. The evidence considered included (i) the profitability of the Company's U.S. operations throughout the period 2011 to 2013, (ii) the nature, frequency, and severity of losses incurred before 2011, (iii) profit trends evidenced by continued improvements in the Company's and Marsh's operating performance, (iv) the non-recurring nature of some of the items that contributed to losses before 2011, (v) the carry-forward periods for the net operating losses ("NOLs") and foreign tax credit carry-forwards, (vi) the sources and timing of future taxable income, giving weight to sources according to the extent to which they can be objectively verified, and (vii) tax planning strategies that would be implemented, if necessary, to accelerate utilization of NOLs. Based on its assessment, the Company

charges and changes in working capital which relate, primarily, to the timing of payments for accrued liabilities or receipts of assets.

Pension Related Items

During 2013, the Company contributed \$26 million to its U.S. pension plans and \$620 million to non-U.S. pension plans, which included contributions of \$250 million to pre-fund all of the 2014 and a substantial portion of the 2015 deficit funding contributions for the U.K. plans and a discretionary contribution of \$70 million to the Canadian plans. In 2012, the Company contributed \$124 million to U.S. plans and \$389 million to non-U.S. plans, which included \$100 million of discretionary contributions to each of the U.S. and the U.K. plans.

In the U.S., contributions to the tax-qualified defined benefit plans are based on ERISA guidelines and the Company generally expects to maintain a funded status of 80% or more of the liability determined under the ERISA guidelines. The pension stabilization provisions included in the "Moving Ahead for Progress in the 21st Century Act", enacted on July 6, 2012, changed the methodology for determining the discount rate used for calculating plan liabilities under ERISA, which determines, in part, the funding requirements. After considering the impact of the pension funding stabilization provisions discussed above, the Company expects less than \$1 million of contributions will be required for its U.S. tax-qualified plan through the end of 2014. The Company also expects to fund approximately \$24 million to its non-qualified U.S. pension plans in 2014.

The Company has a large number of non-U.S. defined benefit pension plans, the largest of which are in the U.K., which comprise approximately 82% of non-U.S. plan assets. Contribution rates for non-US plans are generally based on local funding practices and statutory requirements, which may differ significantly from measurements under U.S. GAAP. In the U.K., contributions to defined benefit pension plans are determined through a negotiation process between the Company and the plans' Trustee that typically occurs every three years in conjunction with the actuarial valuation of the plans. This process is governed by U.K. pension regulations. The assumptions that result from the funding negotiations are different from those used for U.S. GAAP and currently result in a lower funded status than under U.S. GAAP. The current funding plan was based on assumptions (including interest rates, inflation, salary increases and mortality) that reflected market conditions as of year-end 2009, was agreed to in early 2011 and formed the basis for the Company's aggregate contributions to the U.K. plans for 2011 through 2013. In 2013, the Company made required contributions of \$300 million to its non-U.S. defined benefit pension plans, including amounts called for under the U.K. funding plan. Additionally, the Company made a \$250 million contribution to pre-fund certain deficit funding contributions for the U.K. plans, described above, and a \$70 million discretionary contribution to its Canadian plans. The valuation of the U.K. pension plan at December 31, 2012 that results from the negotiation process described above will determine funding that is expected to become applicable in 2014. Contributions to the U.K. plans typically comprised of a portion related to the current service cost, that is, the benefits earned by employees in the current year, plus an amount intended to reduce, over time, any deficit determined through the Company's negotiations with the Trustee. In the aggregate, the Company expects to fund approximately \$160 million to its non-U.S. defined benefit plans in 2014, comprising approximately \$90 million to plans outside of the U.K. and \$70 million to the U.K. plans.

Funding amounts may be influenced by future asset performance, the level of discount rates and other variables impacting the assets and/or liabilities of the plan.

After completion of a consultation period with affected colleagues, in January 2014, the Company amended its U.K. defined benefit pension plans, to close those plans to future benefit accruals effective August 1, 2014 and will replace those plans, along with its existing defined contribution plans, with a new, comprehensive defined contribution arrangement.

from the recognition of the remaining prior service credit related to a plan amendment made in December 2012. This gain will be mostly offset by a transition benefit to certain employees most impacted by the amendment. As a result of the amendments to the U.K. plans, the Company expects an increase in contributions to its defined contribution plans of approximately \$30 million related to the transfer of colleagues from defined benefit to defined contribution plans, and funding of a portion of the transition benefit.

The year-over-year change in the funded status of the Company's pension plans is impacted by the variance between actual and assumed results, particularly with regard to return on assets and changes in the discount rate, as well as the amount of Company contributions, if any. Unrecognized actuarial losses were approximately \$1.0 billion and \$3.0 billion at December 31, 2013 for the U.S. plans and non-U.S. plans, respectively, compared with \$1.9 billion and \$3.3 billion at December 31, 2012. The decrease is primarily due to the impact of increases in the discount rates, actual returns on plan assets in 2013 that were higher than the estimated long-term rate of return on plan assets and discretionary contributions to the plans, discussed above. In the past several years, the amount of actuarial losses has been significantly impacted, both positively and negatively, by actual asset performance and changes in discount rates. The discount rate used to measure plan liabilities increased in both the U.S. and the U.K. (the Company's two largest plans) in 2013 after decreasing in each of the four years from 2009 to 2012. At the end of 2009, the weighted average discount rate for all plans was 6.0%, declining to 5.6%, 4.9% and 4.4% at the end of 2010, 2011 and 2012, respectively. In 2013 the weighted average discount rate increased to 4.8%. An increase in the discount rate decreases the measured plan liability, resulting in actuarial gains, while a decrease in the discount rate increases the measured plan liability, resulting in actuarial losses. During 2013, the Company's defined benefit pension plan assets had actual returns of 12.6% and 8.6% in the U.S. and U.K., respectively. During 2012, the Company's defined benefit pension plan assets had actual returns of 14.1%, and 9.8% in the U.S. and U.K., respectively; and in 2011, the actual returns were 5.8% in the U.S. and 4.8% in the U.K. In 2012 and 2010, actuarial losses resulting from declines in the discount rate were partly offset by actual asset returns which exceeded the assumed rates of return in each year. In 2011, both the decline in the discount rate and actual asset returns that were lower than the assumed rates of return contributed to the actuarial losses.

Overall, based on the measurement at December 31, 2013, the Company's pension expense was expected to decrease in 2014 by approximately \$128 million, partly offset by compensation considerations. Approximately 85% of this decrease relates to the U.S. plans. The decrease in the expected U.S. pension expense results primarily from an increase in the discount rates used to measure U.S. plan liabilities along with the impact of an increase in plan assets at the end of 2013 resulting from investment returns. The remainder of the decrease relates to plans outside of the U.S. resulting from a modest increase in the discount rate and an increase in plan assets resulting from both asset performance and contributions.

As a result of the plan remeasurement to reflect the amendments to the U.K. plans, described above, an incremental decrease of approximately \$31 million for defined benefit pension expense is expected for 2014, primarily resulting from the elimination of the service cost component, effective August 1, 2014. However, the decrease in the defined benefit pension cost resulting from the amendment will be largely offset by increased cost for the new defined contribution plan which will replace the existing defined benefit plans in the U.K.

The Company's accounting policies for its defined benefit pension plans, including the selection of and

for net operating losses and excess foreign tax credits arising in 2008. The impact on the tax provision of these events was reflected in prior periods and did not impact income tax expense reported in 2011.

Financing Cash Flows

Net cash used for financing activities was \$834 million in 2013 compared with \$633 million of net cash used for financing activities in 2012. The Company increased outstanding debt by approximately \$37 million in 2013 while outstanding debt decreased by \$10 million and \$100 million in 2012 and 2011, respectively.

Debt

In September 2013, the Company issued \$250 million of 2.55% five-year senior notes and \$250 million of 4.05% ten-year senior notes. The net proceeds of this offering were used for general corporate purposes, which included a partial redemption of \$250 million of the outstanding principal amount of the existing 5.75% senior notes due 2015. The redemption settled in October 2013 with a total cash outflow of approximately \$275 million, including a \$24 million cost for early redemption based on the terms of the original indenture.

Credit Facilities

The Company and certain of its subsidiaries maintain a \$1.0 billion multi-currency five-year unsecured revolving credit facility. The interest rate on this facility is based on LIBOR plus an agreed fixed margin which varies with the Company's credit ratings. This facility requires the Company to maintain certain

Commitments and Obligations

The following sets forth the Company's future contractual obligations by the types identified in the table below as of December 31, 2013:

Contractual Obligations <i>(In millions of dollars)</i>	Payment due by Period				
	Total	Within 1 Year	1-3 Years	4-5 Years	After 5 Years
Current portion of long-term debt	\$ 331	\$ 331	\$ —	\$ —	\$ —

Retirement Benefits

The Company maintains qualified and non-qualified defined benefit pension and defined contribution plans for its eligible U.S. employees and a variety of defined benefit and defined contribution plans for its eligible non-U.S. employees. The Company's policy for funding its tax qualified defined benefit retirement plans is to contribute amounts at least sufficient to meet the funding requirements set forth in U.S. and applicable foreign laws.

The Company recognizes the funded status of its over-funded defined benefit pension and retiree medical plans as a net benefit plan asset and its unfunded and underfunded plans as a net benefit plan liability. The gains or losses and prior service costs or credits that have not been recognized as components of net periodic costs are recorded as a component of Accumulated Other Comprehensive Income ("AOCI"), net of tax, in the Company's consolidated balance sheets. The gains and losses that exceed specified corridors are amortized prospectively out of AOCI over a period that approximates the average remaining service period of active employees, or for plans in which substantially all the participants are inactive, over the remaining life expectancy of the inactive employees.

The determination of net periodic pension cost is based on a number of assumptions, including an expected long-term rate of return on plan assets, the discount rate, mortality and assumed rate of salary increase. Significant assumptions used in the calculation of net periodic pension costs and pension liabilities are disclosed in Note 8 to the consolidated financial statements. The Company believes the assumptions for each plan are reasonable and appropriate and will continue to evaluate assumptions at least annually and adjust them as appropriate. Based on its current assumptions, the Company expects pension expense in 2014 to decrease approximately \$128 million compared with 2013, partly offset by compensation considerations.

Future pension expense or credits will depend on plan provisions, future investment performance, future assumptions and various other factors related to the populations participating in the pension plans. Holding all other assumptions constant, a half-percentage point change in the rate of return on plan assets and discount rate assumptions would affect net periodic pension cost for the U.S. and U.K. plans, which together comprise approximately 86% of total pension plan liabilities, as follows:

<i>(In millions of dollars)</i>	0.5 Percentage Point Increase		0.5 Percentage Point Decrease	
	U.S.	U.K.	U.S.	U.K.
Assumed Rate of Return on Plan Assets	\$ (19)	\$ (37)	\$ 19	\$ 37
Discount Rate	\$ (38)	\$ (28)	\$ 39	\$ 29

Changing the discount rate and leaving the other assumptions constant may not be representative of the impact on expense, because the long-term rates of inflation and salary increases are often correlated with the discount rate. Changes in these assumptions will not necessarily have a linear impact on the net periodic pension cost.

The Company contributes to certain health care and life insurance benefits provided to its retired employees. The cost of these post-retirement benefits for employees in the U.S. is accrued during the period up to the date employees are eligible to retire, but is funded by the Company as incurred. The key assumptions and sensitivity to changes in the assumed health care cost trend rate are discussed in Note 8 to the consolidated financial statements.

Income Taxes

The Company's tax rate reflects its income, statutory tax rates and tax planning in the various jurisdictions in which it operates. Significant judgment is required in determining the annual effective tax rate and in evaluating uncertain tax positions. The Company reports a liability for unrecognized tax benefits resulting from uncertain tax positions taken or expected to be taken in a tax return. The 2 TD (iompany reincreayuonsrminingset4

regulations, rulings, and case law) and their applicability to the facts and circumstances of the tax

and awards granted thereunder to determine if awards will be treated as equity awards or liability awards, as defined by the accounting guidance.

As of December 31, 2013, there was \$17 million of unrecognized compensation cost related to stock option awards. The weighted-average periods over which the costs are expected to be recognized are 1.2 years.

Item 7A. Quantitative and Qualitative Disclosures

Equity Price Risk

The Company holds investments in both public and private companies as well as private equity funds that invest primarily in financial services companies. Publicly traded investments of \$18 million are classified as available for sale. Non-publicly traded investments of \$14 million are accounted for using the cost method and \$89 million are accounted for using the equity method. The investments that are classified as available for sale or that are not publicly traded are subject to risk of changes in market value, which if determined to be other than temporary, could result in realized impairment losses. The Company periodically reviews the carrying value of such investments to determine if any valuation adjustments are appropriate under the applicable accounting pronouncements.

Other

A number of lawsuits and regulatory proceedings are pending. See Note 15 to the consolidated financial statements included elsewhere in this report.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA**MARSH & McLENNAN COMPANIES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME**

*For the Years Ended December 31,
(In millions, except per share figures)*

	2013	2012	2011
Revenue	\$ 12,261	\$ 11,924	\$ 11,526
Expense:			
Compensation and benefits	7,226	7,134	6,969
Other operating expenses	2,958	2,961	2,919
Operating expenses	10,184	10,095	9,888
Operating income	2,077	1,829	1,638
Interest income	18	24	28
Interest expense	(167)	(181)	(199)
Cost of extinguishment of debt	(24)	—	(72)
Investment income	69	24	9
Income before income taxes	1,973	1,696	1,404
Income tax expense	594	492	422
Income from continuing operations	1,379	1,204	982
Discontinued operations, net of tax	6	(3)	33
Net income before non-controlling interests	1,385	1,201	1,015

MARSH & McLENNAN COMPANIES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

<i>For the Years Ended December 31, (In millions)</i>	2013	2012	2011
Net income before non-controlling interests	\$ 1,385	\$ 1,201	\$ 1,015
Other comprehensive income (loss), before tax:			
Foreign currency translation adjustments	(86)	177	(100)
Unrealized investment loss	1	(1)	(9)
Gain (loss) related to pension/post-retirement plans	1,213	(447)	(1,114)
Other comprehensive income (loss), before tax	1,128	(271)	(1,223)
Income tax expense (credit) on other comprehensive loss	442	(152)	(335)
Other comprehensive income (loss), net of tax	686	(119)	(888)
Comprehensive income	2,071	1,082	127
Less: Comprehensive income attributable to non-controlling interests	28	25	22
Comprehensive income attributable to the Company	\$ 2,043	\$ 1,057	\$ 105

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

MARSH & McLENNAN COMPANIES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

For the Years Ended December 31,
(In millions)

	2013	2012	2011
Operating cash flows:			
Net income before non-controlling interests	\$ 1,385	\$ 1,201	\$ 1,015
Adjustments to reconcile net income to cash provided by operations:			
Depreciation and amortization of fixed assets and capitalized software	286	277	267
Amortization of intangible assets	72	72	65
Intangible asset impairment	5	8	—
Adjustments to acquisition related contingent consideration liability	24	(44)	—
Cost of early extinguishment of debt	24	—	72
Provision for deferred income taxes	184	96	178
Gain on investments	(69)	(24)	(8)
Loss on disposition of assets	1	23	35
Stock option expense	18	26	21
Changes in assets and liabilities:			
Net receivables	(245)	(144)	143
Other current assets	(70)	(37)	(225)
Other assets	(766)	(177)	(94)
Accounts payable and accrued liabilities	106	(210)	108
Accrued compensation and employee benefits	(8)	72	107
Accrued income taxes	43	44	1
Other liabilities	383	174	32
Effect of exchange rate changes	(32)	(35)	(12)
Net cash provided by operations	1,341	1,322	1,705

Financing cash flows:

Purchase of treasury shares	(550)	(230)	(361)
Proceeds from debt	547	248	496
Repayments of debt	(260)	(259)	(11)
Payments for early extinguishment of debt	(274)	—	(672)

Effect of exchange rate changes on cash flows from operations: 2013 - \$10.0 million, 2012 - \$11.6 million, 2011 - \$11.6 million

2013 - \$10.0 million, 2012 - \$11.6 million, 2011 - \$11.6 million

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

1. Summary of Significant Accounting Policies

Nature of Operations: Marsh& McLennan Companies, Inc. (the "Company"), a global professional

achievement of certain performance thresholds are recorded when such levels are attained and such fees are not subject to forfeiture.

Consulting revenue includes fees paid by clients for advice and services and commissions from insurance companies for the placement of individual and group contracts. Fee revenue for engagements where remuneration is based on time plus out-of-pocket expenses is recognized based on the amount of time consulting professionals expend on the engagement. For fixed fee engagements, revenue is recognized using a proportional performance model. Revenue from insurance commissions not subject to a fee arrangement is recorded over the effective period of the applicable policies. Revenue for asset based fees is recognized on an accrual basis by applying the daily/monthly rate as contractually agreed with the client to the applicable net asset value. On a limited number of engagements, performance fees may also be earned for achieving certain prescribed performance criteria. Such fees are recognized when the performance criteria have been achieved and agreed to by the client. Reimbursable expenses incurred by professional staff in the generation of revenue and sub-advisory fees related to investment management are included in revenue and the related expenses are included in other operating expenses.

Cash and Cash Equivalents: Cash and cash equivalents primarily consist of certificates of deposit and time deposits, with original maturities of three months or less, and money market funds. The estimated fair value of the Company's cash and cash equivalents approximates their carrying value. The Company is required to maintain operating funds of approximately \$190 million related to regulatory requirements outside the U.S. or as collateral under captive insurance arrangements.

Fixed Assets: Fixed assets are stated at cost less accumulated depreciation and amortization.

Income Taxes: The Company's effective tax rate reflects its income, statutory tax rates and tax planning in the various jurisdictions in which it operates. Significant judgment is required in determining the annual effective tax rate and in evaluating uncertain tax positions and the ability to realize deferred tax assets.

The Company reports a liability for unrecognized tax benefits resulting from uncertain tax positions taken or expected to be taken in a tax return. The evaluation of a tax position is a two-step process. The first step involves recognition. The Company determines whether it is more likely than not that a tax position will be sustained upon tax examination, including resolution of any related appeals or litigation, based on only the technical merits of the position. The technical merits of a tax position derive from both statutory and judicial authority (legislation and statutes, legislative intent, regulations, rulings, and case law) and their applicability to the facts and circumstances of the tax position. If a tax position does not meet the more likely than not recognition threshold, the benefit of that position is not recognized in the financial statements. The second step is measurement. A tax position that meets the more likely than not recognition threshold is measured to determine the amount of benefit to recognize in the financial statements. The tax position is measured as the largest amount of benefit that is greater than 50 percent likely of being realized upon ultimate resolution with a taxing authority.

Uncertain tax positions are evaluated based upon the facts and circumstances that exist at each reporting period. Subsequent changes in judgment based upon new information may lead to changes in recognition, de-recognition, and measurement. Adjustments may result, for example, upon resolution of an issue with the taxing authorities, or expiration of a statute of limitations barring an assessment for an issue. The Company recognizes interest and penalties, if any, related to unrecognized tax benefits in income tax expense.

Tax law requires items be included in the Company's tax returns at different times than the items are reflected in the financial statements. As a result, the annual tax expense reflected in the consolidated statements of income is different than that reported in the income tax returns. Some of these differences are permanent, such as expenses that are not deductible in the returns, and some differences are temporary and reverse over time, such as depreciation expense. Temporary differences create deferred tax assets and liabilities. Deferred tax assets generally represent items that can be used as a tax deduction or credit in tax returns in future years for which benefit has already been recorded in the financial statements. Valuation allowances are established for deferred tax assets when it is estimated that future taxable income will be insufficient to use a deduction or credit in that jurisdiction. Deferred tax liabilities generally represent tax expense recognized in the financial statements for which payment has been deferred, or expense for which a deduction has been taken already in the tax return but the expense has not yet been recognized in the financial statements.

Derivative Instruments: All derivatives, whether designated in hedging relationships or not, are recorded on the balance sheet at fair value. If the derivative is designated as a fair value hedge, the changes in the fair value of the derivative and of the hedged item attributable to the hedged risk are recognized in earnings. If the derivative is designated as a cash flow hedge, the effective portions of changes in the fair value of the derivative are recorded in other comprehensive income and are recognized in the income statement when the hedged item affects earnings. Changes in the fair value attributable to the ineffective portion of cash flow hedges are recognized in earnings.

Concentrations of Credit Risk: Financial instruments which potentially subject the Company to concentrations of credit risk consist primarily of cash and cash equivalents, commissions and fees receivable and insurance recoverables. The Company maintains a policy providing for the diversification of cash and cash equivalent investments and places its investments in a large number of high quality financial institutions to limit the amount of credit risk exposure. Concentrations of credit risk with respect to receivables are generally limited due to the large number of clients and markets in which the Company does business, as well as the dispersion across many geographic areas.

Per Share Data: From 2009 through 2012, the Company used the two-class method to compute basic and diluted earnings per share ("EPS"). Under the accounting guidance which applies to the calculation of EPS for share-based payment awards with rights to dividends or dividend equivalents, unvested share-based payment awards that contain non-forfeitable rights to dividends or dividend equivalents (whether paid or unpaid) are participating securities and should be included in the computation of basic and dilutive EPS using the two-class method.

In the first quarter of 2013, the share-based payment awards with non-forfeitable rights to dividends became fully vested. As a result, the Company is no longer required to use the two-class method and in the first quarter of 2013 used the treasury stock method to calculate EPS. There was no difference in the earnings per share calculations when comparing the two-class method to the treasury stock method for the years ended 2012 and 2011. Therefore, the prior period information in the chart below shows the earnings per share calculation using the treasury stock method, consistent with current year presentation.

Basic net income per share attributable to the Company and income from continuing operations per share are calculated by dividing the respective after-tax income attributable to common shares by the weighted average number of outstanding shares of the Company's common stock.

Diluted net income per share attributable to the Company and income from continuing operations per share are calculated by dividing the respective after-tax income attributable to common shares by the weighted average number of outstanding shares of the Company's common stock, which have been adjusted for the dilutive effect of potentially issuable common shares. Reconciliations of the applicable income components used for diluted EPS - Continuing operations and basic weighted average common shares outstanding to diluted weighted average common shares outstanding are presented below. The reconciling items related to the calculation of diluted weighted average common shares outstanding are the same for net income attributable to the Company.

Basic and Diluted EPS Calculation - Continuing Operations

(In millions, except per share figures)

	2013	2012	2011
Net income from continuing operations	\$ 1,379	\$ 1,204	\$ 982
Less: Net income attributable to non-controlling interests	28	25	22
	\$ 1,351	\$ 1,179	\$ 960
Basic weighted average common shares outstanding	549	544	542
Dilutive effect of potentially issuable common shares	9	8	9
Diluted weighted average common shares outstanding	558	552	551
Average stock price used to calculate common stock equivalents	\$ 40.97	\$ 33.10	\$ 29.40

There were 22.6 million, 32.0 million and 38.9 million stock options outstanding as of December 31, 2013, 2012 and 2011, respectively.

Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results may vary from those estimates.

New Accounting Pronouncements: In July 2013, the FASB issued new accounting guidance related to the presentation of unrecognized tax benefits as a reduction to a deferred tax asset for a net operating loss carry-forward, a similar tax loss, or a tax credit carry-forward. However, to the extent a net operating loss carry-forward, a similar tax loss, or a tax credit carry-forward is not available at the reporting date under the tax law of the applicable jurisdiction to settle taxes that would result from the disallowance of the tax position or the entity does not intend to use the deferred tax asset for this purpose (provided that the tax law permits a choice), the unrecognized tax benefit shall be presented in the financial statement as a liability and shall not be combined with deferred tax assets. The guidance is effective for fiscal years beginning after December 15, 2013. The adoption of this new guidance will affect balance sheet classification and footnote disclosure only and is not expected to have a material impact on the Company's financial statements.

In June 2013, the FASB issued new accounting guidance which amends the criteria for an entity to qualify as an investment company. The guidance clarifies the characteristics of an investment company, provides comprehensive guidance to determine whether an entity is an investment company and sets

measurement and disclosure requirements for investment companies. The guidance is effective for interim and annual reporting periods beginning after December 15, 2013. Earlier application is prohibited. Adoption of the guidance is not expected to materially affect the Company's financial position, results of operations or cash flows.

In February 2013, the FASB issued new accounting guidance that adds new disclosure requirements for items reclassified out of accumulated other comprehensive income. The Company implemented this new guidance for the reporting period ended March 31, 2013. Other than enhanced disclosure, the adoption of this new guidance did not have a material effect on the Company's financial statements.

In the first quarter of 2012, the Company adopted new accounting guidance related to the presentation of Comprehensive Income. The new guidance gives an entity the option to present the total of comprehensive income, the components of net income, and the components of other comprehensive income either in a single continuous statement of comprehensive income or in two separate but consecutive statements. In both choices, an entity is required to present each component of net income along with total net income, each component of other comprehensive income along with a total for other comprehensive income, and a total amount for comprehensive income. The guidance eliminates the option to present the components of other comprehensive income as part of the statement of changes in stockholders' equity. The guidance did not change the items that must be reported in other comprehensive income or when an item of other comprehensive income must be reclassified to net income. Other than enhanced disclosure, adoption of this new guidance did not have a material effect on the Company's financial statements.

In January 2012, the Company adopted guidance issued by the FASB on accounting and disclosure requirements related to fair value measurements. The guidance expands the disclosures on Level 3 inputs by requiring quantitative disclosure of the unobservable inputs and assumptions, as well as description of the valuation processes, the sensitivity of the fair value to changes in unobservable inputs and the hierarchy classification, valuation techniques, and inputs for assets and liabilities whose fair value is only disclosed in the footnotes.

Reclassifications: Certain reclassifications have been made to prior period amounts to conform with

2. Supplemental Disclosures

The following schedule provides additional information concerning acquisitions, interest and income taxes paid:

<i>(In millions of dollars)</i>		2013	2012	2011
Assets acquired, excluding cash	\$	\$ 217	\$ 380	\$ 214
Released from escrow in 2012		—	(62)	—
Liabilities assumed				
	\$	\$ 380	\$ 380	\$ 380

3. Other Comprehensive Income (Loss)

2014
2013

2014

2013

<i>(In millions of dollars)</i>	Unrealized Investment Gains	Pension/Post- Retirement Plans Gains (Losses)	Foreign Currency Translation Adjustments	Total
2014	\$ 4	\$ (3,451)	\$ 140	\$ (3,307)
2013	1	574	(84)	491
2012	—	195	—	195
2011	1	769	(84)	686
2010	\$ 5	\$ (2,682)	\$ 56	\$ (2,621)

2013

<i>(In millions of dollars)</i>	2013		
	Pre-Tax	Tax (Credit)	Net of Tax
2013	\$ (86)	\$ (2)	\$ (84)
2012	1	—	1
2011	(22)	(8)	(14)
2010	317	108	209
2009	295	100	195
2008	898	339	559
2007	27	8	19
2006	(7)	(3)	(4)
2005	1,213	444	769
2004	\$ 1,128	\$ 442	\$ 686

For the Year Ended December 31,	2012		
<i>(In millions of dollars)</i>	Pre-Tax	Tax (Credit)	Net of Tax
Foreign currency translation adjustments	\$ 177	\$ (5)	\$ 182
Unrealized investment losses	(1)	1	(2)
Pension/post-retirement plans:			
Amortization of losses (gains) included in net periodic pension cost:			
Prior service gains	(31)	(12)	(19)
Net actuarial losses	270	90	180
Subtotal	239	78	161
Net loss arising during period	(648)	(217)	(431)
Foreign currency translation adjustments	(113)	(26)	(87)
Other adjustments	75	17	58
Pension/post-retirement plans losses	(447)	(148)	(299)
Other comprehensive loss	\$ (271)	\$ (152)	\$ (119)

For the Year Ended December 31,	2011		
<i>(In millions of dollars)</i>	Pre-Tax	Tax (Credit)	Net of Tax
Foreign currency translation adjustments	\$ (100)	\$ 4	\$ (104)
Unrealized investment losses	(9)	(4)	(5)
Pension/post-retirement plans:			
Amortization of losses (gains) included in net periodic pension cost:			
Prior service gains	(32)	(13)	(19)
Net actuarial losses	213	68	145
Subtotal	181	55	126
Net loss arising during period	(1,289)	(388)	(901)
Foreign currency translation adjustments	(14)	(3)	(11)
Other adjustments			

The following table presents the preliminary allocation of the acquisition cost to the assets acquired and liabilities assumed, based on their fair values:

<i>(In millions)</i>	2013
Cash	\$ 139
Estimated fair value of deferred/contingent consideration	39
Total Consideration	\$ 178
Allocation of purchase price:	
Cash and cash equivalents	\$ 14
Accounts receivable, net	10
Other current assets	12
Property, plant, and equipment	3
Intangible assets (primarily customer lists amortized over 10 years)	77
Goodwill	113
Other assets	2
Total assets acquired	231
Current liabilities	21
Other liabilities	32
Total liabilities assumed	53
Net assets acquired	\$ 178

Prior Year Acquisitions

During 2012, Marsh completed the following twelve acquisitions:

- January - Marsh acquired Alexander Forbes' South African brokerage operations, including Alexander Forbes Risk Services and related ancillary operations and insurance broking operations in Botswana and Namibia to expand Marsh's presence in Africa. Marsh subsequently closed the acquisitions of the Alexander Forbes operations in Uganda, Malawi and Zambia.
- March - MMA acquired KSPH, LLC, a middle-market employee benefits agency based in Virginia, and Marsh acquired Cosmos Services (America) Inc., the U.S. insurance brokerage subsidiary of ITOCHU Corp., which specializes in commercial property/casualty, personal lines, and employee benefits brokerage services to U.S. subsidiaries of Japanese companies.
- June - MMA acquired Progressive Benefits Solutions, an employee benefits agency based in NauC 0C

The MMA acquisitions were made to expand Marsh's presence in the U.S. middle-market business.

During 2012, Mercer completed the following three acquisitions:

- February - Mercer acquired the remaining 49% of Yokogawa-ORC, a global mobility firm based in Japan, which was previously accounted for under the equity method, and Pensjon & Finans, a leading Norway-based financial investment and pension consulting firm.
- March - Mercer acquired REPCA, a France-based broking and advisory firm for employer health and benefits plans.

Total purchase consideration for acquisitions made during 2012 was \$360 million, which consisted of cash paid of \$252 million, deferred purchase and estimated contingent consideration of \$46 million, and cash held in escrow of \$62 million at December 31, 2011 that was released in the first quarter of 2012. Contingent consideration arrangements are primarily based on EBITDA and revenue targets over two to four years. The fair value of the contingent consideration was based on projected revenue and earnings of the acquired entities. Estimated fair values of assets acquired and liabilities assumed are subject to adjustment when purchase accounting is finalized. During 2012, the Company also paid \$59 million of deferred purchase consideration and \$30 million of contingent consideration related to acquisitions made in prior years. In addition, the Company paid \$3 million to purchase other intangible assets during 2012.

Subsequent Acquisitions

In January 2014, MMA announced that it had acquired Barney & Barney, a San Diego based insurance broking firm that provides insurance, risk management, and employee benefits solutions to businesses and individuals throughout the U.S. and abroad. Also in January, Marsh announced that it had reached a definitive agreement to acquire Central Insurance Services, an independent insurance broker in Scotland that provides insurance broking and risk advisory services to companies of all sizes across industry sectors, with particular expertise in Scotland's oil and gas sector as well as financial services, construction, and agriculture. It also has an extensive private client offering, specializing in providing tailored insurance solutions for individuals and families.

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<i>(In millions, except per share data)</i>	Years Ended December 31,		
	2013	2012	2011
Revenue	\$ 12,424	\$ 12,202	\$ 11,778
Income from continuing operations	\$ 1,387	\$ 1,222	\$ 990
Net income attributable to the Company	\$ 1,365	\$ 1,195	\$ 1,001
Basic net income per share:			
– Continuing operations	\$ 2.48	\$ 2.20	\$ 1.78
– Net income attributable to the Company	\$ 2.49	\$ 2.20	\$ 1.84
Diluted net income per share:			
– Continuing operations	\$ 2.44	\$ 2.16	\$ 1.75
– Net income attributable to the Company	\$ 2.45	\$ 2.16	\$ 1.81

The consolidated statements of income for 2013 include approximately \$50 million of revenue and \$9 million of net operating income, respectively, related to acquisitions made during 2013.

5. Discontinued Operations

As part of the disposal transactions for Putnam and Kroll, the Company provided certain indemnities, primarily related to pre-transaction tax uncertainties and legal contingencies. In accordance with applicable accounting guidance, liabilities were established related to these indemnities at the time of the sales and reflected as a reduction of the gain on disposal. Discontinued operations includes charges or credits resulting from the settlement or resolution of the indemnified matters, as well as adjustments to the liabilities related to such matters. Discontinued operations in 2011 includes credits of \$50 million from the resolution of certain legal matters and insurance recoveries, as well as the settlement of tax audits and the expiration of the statutes of limitations related to certain of the indemnified matters, primarily with respect to Putnam.

In the fourth quarter of 2011, management initiated a plan to sell the Marsh BPO business, which was completed in August 2012. Marsh's BPO business, previously part of the Marsh U.S. Consumer business, provided policy, claims, call center and accounting operations on an outsourced basis to life insurance carriers. Marsh invested in a technology platform that was designed to make the Marsh BPO business scalable and more efficient. During 2011, Marsh decided that it would cease investing in the technology platform and instead exit the business via a sale. The Company wrote off capitalized software of \$17 million, net of tax, which is included in discontinued operations in 2011.

Summarized Statements of Income data for discontinued operations is as follows:

For the Year Ended December 31,	2013	2012	2011
<i>(In millions of dollars)</i>			
Income (loss) from discontinued operations, net of tax	\$ —	\$ —	\$ (17)

6. Goodwill and Other Intangibles

The Company is required to assess goodwill and any indefinite-lived intangible assets for impairment annually, or more frequently if circumstances indicate impairment may have occurred. The Company performs the annual impairment test for each of its reporting units during the third quarter of each year. In 2013, the Company elected to not use the option to perform a qualitative assessment to determine if a step 1 impairment test was necessary and instead elected to perform a step 1 impairment test. Fair values of the reporting units were estimated using either a market approach or discounted cash flow model. This fair value determination was categorized as Level 3 in the fair value hierarchy. Carrying values for the reporting units are based on balances at the prior quarter end and include directly identified assets and liabilities as well as an allocation of those assets and liabilities not recorded at the reporting unit level. The Company completed its 2013 annual review in the third quarter and concluded goodwill was not impaired, as the fair value of each reporting unit exceeded its carrying value by a substantial margin.

Other intangible assets that are not deemed to have an indefinite life are amortized over their estimated lives and reviewed for impairment upon the occurrence of certain triggering events in accordance with applicable accounting literature.

Changes in the carrying amount of goodwill are as follows:

<i>(In millions of dollars)</i>	2013	2012
Balance as of January 1, as reported	\$ 6,792	\$ 6,562
Goodwill acquired	113	226
Other adjustments ^(a)	(12)	4
Balance at December 31,	\$ 6,893	\$ 6,792

(a) Reflects increases due to the impact of foreign exchange in both years. 2013 also reflects a reduction due to purchase accounting adjustments.

The goodwill acquired of \$113 million in 2013 (approximately \$7 million of which is deductible for tax purposes) comprised of \$96 million related to the Risk and Insurance Services segment and \$17 million related to the Consulting segment.

Goodwill allocable to the Company's reportable segments is as follows: Risk and Insurance Services, \$4.7 billion and Consulting, \$2.2 billion.

Amortized intangible assets consist primarily of the cost of client lists and trade names acquired. The gross cost and accumulated amortization at December 31, 2013 and 2012 is as follows:

<i>(In millions of dollars)</i>	2013			2012		
	Gross Cost	Accumulated Amortization	Net Carrying Amount	Gross Cost	Accumulated Amortization	Net Carrying Amount
Amortized intangibles	\$ 888	\$ 416	\$ 472	\$ 814	\$ 345	\$ 469

The Company recorded an intangible asset impairment charge of \$5 million and \$8 million in the third quarter of 2013 and 2012, respectively, in the Risk & Insurance Services segment.

Aggregate amortization expense for each of the years ended December 31, 2013, 2012 and 2011 was \$72 million, \$72 million and \$65 million, respectively. The estimated future aggregate amortization expense is as follows:

For the Years Ending December 31,
(In millions of dollars)

2014	\$	77
2015		75
2016		68
2017		61
2018		58
Subsequent years		133
	\$	472

7. Income Taxes

December 31,
(In millions of dollars)

	2013	2012
Balance sheet classifications:		
Current assets	\$ 482	\$ 410
Other assets	\$ 626	\$ 1,223
Current liabilities	\$ (18)	\$ (18)
Other liabilities	\$ (162)	\$ (34)

U.S. Federal income taxes are not provided on temporary differences in respect to investments in foreign subsidiaries that are essentially permanent in duration, which at December 31, 2013, the Company estimates amounted to approximately \$ 5.2 billion. The determination of the unrecognized deferred tax liability in respect to these investments is not practicable.

A reconciliation from the U.S. Federal ordinary income taxes to the Company's effective income tax rate is shown below.

implemented, if necessary, to accelerate utilization of NOLs. Based on its assessment, the Company concluded that it is more likely than not that most of these deferred tax assets are realizable and a valuation allowance was recorded to reduce the domestic deferred tax assets to the amount that the Company believes is more likely than not to be realized. In the event sufficient taxable income is not generated in future periods, additional valuation allowances of up to approximately \$195 million could be required relating to these domestic deferred tax assets. The realization of the remaining U.S. federal deferred tax assets is not as sensitive to U.S. profits because it is supported by anticipated repatriation of future annual earnings from the Company's profitable global operations, consistent with the Company's historical practice. In addition, when making its assessment about the realization of its domestic deferred tax assets at December 31, 2013, the Company continued to assess the realizability of deferred tax assets of certain other entities with a history of recent losses, including other U.S. entities that file separate state tax returns and foreign subsidiaries, and recorded valuation allowances as appropriate.

Following is a reconciliation of the Company's total gross unrecognized tax benefits for the years ended December 31, 2013, 2012 and 2011:

<i>(In millions of dollars)</i>	2013	2012	2011
Balance at January 1,	\$ 117	\$ 143	\$ 199
Additions, based on tax positions related to current year	16	26	7
Additions for tax positions of prior years	35	35	39
Reductions for tax positions of prior years	(7)	(41)	(91)
Settlements	(3)	(6)	(6)
Lapses in statutes of limitation	(30)	(40)	(5)
Balance at December 31,	\$ 128	\$ 117	\$ 143

Of the total unrecognized tax benefits at December 31, 2013, 2012 and 2011, \$71 million, \$96 million and \$102 million, respectively, represent the amount that, if recognized, would favorably affect the effective tax rate in any future periods. The total gross amount of accrued interest and penalties at December 31, 2013, 2012 and 2011, before any applicable federal benefit, was \$10 million, \$13 million and \$17 million, respectively.

As discussed in Note 5, the Company has provided certain indemnities related to contingent tax liabilities as part of the disposals of Putnam and Kroll. At December 31, 2013, 2012 and 2011, \$2 million, \$6 million and \$14 million, respectively, included in the table above, relates to Putnam and Kroll positions included in consolidated Company tax returns. Since the Company remains primarily liable to the taxing authorities for resolution of uncertain tax positions related to consolidated returns, these balances will remain as part of the Company's consolidated liability for uncertain tax positions. Any future charges or credits that are directly related to the disposal of Putnam and Kroll and the indemnified contingent tax issues, including interest accrued, will be recorded in discontinued operations as incurred.

The Company is routinely examined by the jurisdictions in which it has significant operations. During 2013, the Company settled federal tax audits with the Internal Revenue Service (IRS) for years 2007 and 2009 through 2011. The tax year 2008 was settled in a prior period. During 2011, the Company was accepted to participate in the IRS Compliance Assurance Process (CAP) which is structured to conduct real-time compliance reviews. The IRS is currently examining 2012 and performing a pre-filing review of the Company's 2013 U.S. operations. New York State and New York City have examinations underway for various entities covering the years 2007 through 2011. During 2013, the State of Illinois commenced an audit of the Company for years 2009 through 2012. During 2013, the Company filed appeals in the Massachusetts Appellate Tax Board for various entities for assessments received at the end of 2012, and the Company is currently appealing those assessments. During 2013, the United Kingdom commenced an examination of tax years 2011 and 2012 for various subsidiaries. There are no ongoing tax audits in the jurisdictions outside the U.S. in which the Company has significant operations. The Company regularly considers the likelihood of assessments in each of the taxing jurisdictions resulting from examinations. The Company has established appropriate liabilities for uncertain tax positions in relation to the potential assessments. The Company believes the resolution of tax matters will not have a material effect on the consolidated financial position of the Company, although a resolution of tax matters could

have a material impact on the Company's net income or cash flows and on its effective tax rate in a particular future period. It is reasonably possible that the total amount of unrecognized tax benefits will decrease between zero and approximately \$21 million within the next twelve months due to settlement of audits and expiration of statutes of limitation.

8. Retirement Benefits

The Company maintains qualified and non-qualified defined benefit pension plans for its U.S. and non-U.S. eligible employees. The Company's policy for funding its tax qualified defined benefit retirement plans is to contribute amounts at least sufficient to meet the funding requirements set forth by U.S. law and the laws of the non-U.S. jurisdictions in which the Company offers defined benefit plans.

Combined U.S. and non-U.S. Plans

The weighted average actuarial assumptions utilized for the U.S. and significant non-U.S. defined benefit plans and postretirement benefit plans are as follows:

	Pension Benefits		Postretirement Benefits	
	2013	2012	2013	2012
Weighted average assumptions:				
Discount rate (for expense)	4.38%	4.91%	4.32%	5.05%
Expected return on plan assets	7.68%	8.03%	—	—
Rate of compensation increase (for expense)	2.43%	3.09%	—	—
Discount rate (for benefit obligation)	4.82%	4.38%	5.03%	4.32%
Rate of compensation increase (for benefit obligation)	2.64%	2.43%	—	—

The Company uses actuaries from Mercer, a subsidiary of the Company, to perform valuations of its pension plans. The long-term rate of return on plan assets assumption is determined for each plan based on the facts and circumstances that exist as of the measurement date, and the specific portfolio mix of each plan's assets. The Company utilizes a model developed by the Mercer actuaries to assist in the determination of this assumption. The model takes into account several factors, including: actual and target portfolio allocation; investment, administrative and trading expenses incurred directly by the plan trust; historical portfolio performance; relevant forward-looking economic analysis; and expected returns, variances and correlations for different asset classes. These measures are used to determine probabilities using standard statistical techniques to calculate a range of expected returns on the portfolio. The Company generally does not adjust the rate of return assumption from year to year if, at the measurement date, it is within the best estimate range, defined as between the 25th and 75th percentile of

Assumptions for 2014 and 2013 are as follows:

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Plan
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Table

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Beneficial
participants

Combined U.S. and significant non-U.S. Plans	2013			2013		
	2013	2013	2013	2013	2013	2013
(In millions of dollars)	2013	2013	2013	2013	2013	2013
	\$ 252	\$ 0	\$ 0	\$ 5	\$ 5	\$ 5
	581	0	0	5	5	5

U.S. Plans

The following schedules provide information concerning the Company's U.S. defined benefit pension plans and postretirement benefit plans:

	U.S. Pension Benefits		U.S. Postretirement Benefits	
<i>(In millions of dollars)</i>	2013	2012	2013	2012
Reconciliation of prior service credit (charge) recognized in accumulated other comprehensive income (loss):				
Beginning balance	\$ 23	\$ 39	\$ —	\$ 13
Recognized as component of net periodic benefit credit	(16)	(16)	—	(13)
Prior service credit, December 31	\$ 7	\$ 23	\$ —	\$ —

	U.S. Pension Benefits		U.S. Postretirement Benefits	
<i>(In millions of dollars)</i>	2013	2012	2013	2012
Reconciliation of net actuarial gain (loss) recognized in accumulated other comprehensive income (loss):				
Beginning balance	\$ (1,887)	\$ (1,695)	\$ (2)	\$ 12
Recognized as component of net periodic benefit cost	208	152	—	(1)
Changes in plan assets and benefit obligations recognized in other comprehensive income (loss):				
Liability experience	541	(522)	15	(13)
Asset experience	164	178	—	—
Total gain (loss) recognized as change in plan assets and benefit obligations	705	(344)	15	(13)
Net actuarial gain (loss), December 31	\$ (974)	\$ (1,887)	\$ 13	\$ (2)

For the Years Ended December 31,	U.S. Pension Benefits			U.S. Postretirement Benefits		
<i>(In millions of dollars)</i>	2013	2012	2011	2013	2012	2011
Total recognized in net periodic benefit cost and other comprehensive loss (income)	\$ (696)					

Figure 1
Figure 2

<i>(In millions of dollars)</i>	Non-U.S. Pension Benefits		Non-U.S. Postretirement Benefits	
	2013	2012	2013	2012
Reconciliation of prior service credit (cost):				
Beginning balance	\$ 93	\$ 23	\$ —	\$ 1
Recognized as component of net periodic benefit credit	(6)	(3)	—	(1)
Effect of curtailment	—	(1)	—	—
Changes in plan assets and benefit obligations recognized in other comprehensive income:				
Plan amendments	—	71	—	—
Exchange rate adjustments	(2)	3	—	—
Prior service credit, December 31	\$ 85	\$ 93	\$ —	\$ —

<i>(In millions of dollars)</i>	Non-U.S. Pension Benefits		Non-U.S. Postretirement Benefits	
	2013	2012	2013	2012
Reconciliation of net actuarial gain (loss):				
Beginning balance	\$ (3,309)	\$ (3,038)	\$ (27)	\$ (19)
Recognized as component of net periodic benefit cost	108	118	2	1
Effect of settlement	—	1	—	—
Changes in plan assets and benefit obligations recognized in other comprehensive income (loss):				
Liability experience	53	(419)	8	(10)
Asset experience	111	138	—	—
Effect of curtailment	—	3	—	1
Total amount recognized as change in plan assets and benefit obligations	164	(278)	8	(9)
Exchange rate adjustments	27	(112)	1	—
Net actuarial gain (loss), December 31	\$ (3,010)	\$ (3,309)	\$ (16)	\$ (27)

<i>(In millions of dollars)</i>	Non-U.S. Pension Benefits			Non-U.S. Postretirement Benefits		
	2013	2012	2011	2013	2012	2011
For the Years Ended December 31,						
Total recognized in net periodic benefit cost and other comprehensive (income) loss	\$ (276)	\$ 246	\$ 792	\$ (2)	\$ 16	\$ 12

Estimated amounts that will be amortized from accumulated other comprehensive income in the next fiscal year:

<i>(In millions of dollars)</i>	Non-U.S. Pension Benefits		Non-U.S. Postretirement Benefits	
	2014		2014	
Prior service credit	\$	(6)	\$	—
Net actuarial loss		95		1
Projected cost	\$	89	\$	1

The weighted average actuarial assumptions utilized for the non-U.S. defined and postretirement benefit plans as of the end of the year are as follows:

	Non-U.S. Pension Benefits		Non-U.S. Postretirement Benefits	
	2013	2012	2013	2012
Weighted average assumptions:				
Discount rate (for expense)	4.33%	4.77%	4.45%	4.95%
Expected return on plan assets	7.17%	7.68%	—	—
Rate of compensation increase (for expense)	2.69%	3.73%	—	—
Discount rate (for benefit obligation)	4.55%	4.33%	4.80%	4.45%
Rate of compensation increase (for benefit obligation)	2.99%	2.69%	—	—

The non-U.S. defined benefit plans do not have any direct ownership of the Company's common stock.

The pension plan in the United Kingdom holds a limited partnership interest in the Trident III private equity fund valued at approximately \$111 million at December 31, 2013.

Components of Net Periodic Benefits Costs

The components of the net periodic benefit cost for the non-U.S. defined benefit and other postretirement benefit plans and the curtailment, settlement and termination expenses are as follows:

Defined Benefit Plans Fair Value Disclosures

In December 2008, the FASB issued guidance for Employers' Disclosures About Pension and Other Post Retirement Benefit Plan Assets. The guidance requires fair value plan asset disclosures for an employer's defined benefit pension and postretirement plans similar to the guidance on Fair Value Measurements as well as (a) how investment allocation decisions are made, (b) the major categories of plan assets, and (c) significant concentrations of risk within plan assets.

The U.S. and non-U.S. plan investments are classified into Level 1, which refers to investments valued using quoted prices from active markets for identical assets; Level 2, which refers to investments not traded on an active market but for which observable market inputs are readily available; and Level 3, which refers to investments valued based on significant unobservable inputs. Assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

The following table sets forth, by level within the fair value hierarchy, a summary of the U.S. and non-U.S. plans investments measured at fair value on a recurring basis at December 31, 2013 and 2012.

Fair Value Measurements at December 31, 2013				
Assets (<i>In millions of dollars</i>)	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Common/Collective trusts	\$ 138	\$ 5,649	\$ 151	\$ 5,938
Corporate obligations	—	2,330	4	2,334
Corporate stocks	2,434	5	1	2,440
Private equity/partnerships	—	2	799	801
Government securities	10	340	2	352
Real estate	—	7	312	319
Short-term investment funds	824	15	—	839
Company common stock	261	—	—	261
Other investments	35	3	238	276
Insurance group annuity contracts	—	—	—	—
Swaps	—	2	—	2
Total investments	\$ 3,702	\$ 8,353	\$ 1,507	\$ 13,562

Fair Value Measurements at December 31, 2012				
Assets (<i>In millions of dollars</i>)	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Common/Collective trusts	\$ 16	\$ 5,376	\$ —	\$ 5,392
Corporate obligations	—	2,236	1	2,237
Corporate stocks	2,005	4	9	2,018
Private equity/partnerships	2	2	824	828
Government securities	9	309	—	318
Real estate	11	8	357	376
Short-term investment funds	410	4	—	414
Company common stock	276	—	—	276
Other investments	11	112	216	339
Insurance group annuity contracts	—	—	23	23
Swaps	—	4	—	4
Total investments	\$ 2,740	\$ 8,055	\$ 1,430	\$ 12,225

There were no transfers between Level 1 and Level 2 assets during 2013 or 2012.

The tables below set forth a summary of changes in the fair value of the plans' Level 3 assets for the years ended December 31, 2013 and December 31, 2012:

lien), prepayment speeds and credit ratings. The discount rate is the combination of the appropriate rate

9. Stock Benefit Plans

The Company maintains multiple stock-based payment arrangements under which employees are awarded grants of restricted stock units, stock options and other forms of stock-based payment arrangements.

Marsh & McLennan Companies, Inc. Incentive and Stock Award Plans

On May 19, 2011, the Marsh & McLennan Companies, Inc. 2011 Incentive and Stock Award Plan (the "2011 Plan") was approved by the Company's stockholders. The 2011 Plan replaced the Company's two previous equity incentive plans (the 2000 Senior Executive Incentive and Stock Award Plan and the 2000 Employee Incentive and Stock Award Plan).

The types of awards permitted under the 2011 Plan include stock options, restricted stock and restricted stock units payable in Company common stock or cash, and other stock-based and performance-based awards. The Compensation Committee of the Board of Directors (the "Compensation Committee") determines, at its discretion, which affiliates may participate in the 2011 Plan, which eligible employees will receive awards, the types of awards to be received, and the terms and conditions thereof. The right of an employee to receive an award may be subject to performance conditions as specified by the Compensation Committee. The 2011 Plan contains provisions which, in the event of a change in control of the Company, may accelerate the vesting of the awards. The 2011 Plan retains the remaining share authority of the two previous plans as of the date the 2011 Plan was approved by stockholders. Awards relating to not more than approximately 23.2 million shares of common stock, plus shares remaining unused under certain pre-existing plans, may be made over the life of the 2011 Plan.

Our current practice is to grant non-qualified stock options, restricted stock units and/or performance stock units on an annual basis to senior executives and a limited number of other employees as part of their total compensation. We also grant restricted stock units during the year to new hires or as retention awards for certain employees. We have not granted restricted stock since 2005.

Stock Options: Options granted under the 2011 Plan may be designated as either incentive stock options or non-qualified stock options. The Compensation Committee determines the terms and conditions of the option, including the time or times unitvisions ie teo srci2 T,ar , srcnd vu l basis to seniorm o1Sen gra* (their srcnd vusto)

period one week before the valuation date and (iii) average volatility for the 10-year periods ended on 15 anniversaries prior to the valuation date, using daily closing price observations. The expected dividend yield is based on expected dividends for the expected term of the stock options.

The assumptions used in the Black-Scholes option pricing valuation model for options granted by the Company in 2013, 2012 and 2011 are as follows:

	2013	2012	2011
Risk-free interest rate	1.03%-1.30%	1.26%-1.27%	2.28%-2.90%
Expected life (in years)	6.0	6.50	6.75
Expected volatility	23.6%-24.1%	26.2%-26.4%	25.4%-25.8%
Expected dividend yield	2.48%-2.54%	2.76%-2.80%	2.75%-2.86%

The estimated fair value of options granted with a market-based triggering event is calculated using a binomial valuation model. The factors and assumptions used in this model are similar to those utilized in the Black-Scholes option pricing valuation model except that the risk-free interest rate is based on the U.S. Treasury zero-coupon yield curve over the contractual term of the option, and the expected life is calculated by the model. Since 2009, there have been no options granted with a market-based triggering event. All such market-condition options have met their market price targets.

A summary of the status of the Company's stock option awards as of December 31, 2013 and changes during the year then ended is presented below:

	Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term	Aggregate Intrinsic Value (\$000)
Balance at January 1, 2013	32,045,793	\$ 29.10		
Granted	2,563,951	\$ 36.55		
Exercised	(9,928,320)	\$ 28.31		
Forfeited	(124,911)	\$ 30.18		
Expired	(1,988,647)	\$ 40.46		
Balance at December 31, 2013	22,567,866	\$ 29.29	4.9 years	\$

Restricted Stock Units and Performance Stock Units: Restricted stock units may be awarded under the Company's 2011 Incentive and Stock Award Plan. The Compensation Committee determines the restrictions on such units, when the restrictions lapse, when the units vest and are paid, and under what terms the units are forfeited. The cost of these awards is amortized over the vesting period, which is generally three years. Awards to senior executives and other employees may include three-year performance-based restricted stock units and three-year service-based restricted stock units. The payout of performance-based restricted stock units (payable in shares of the Company's common stock) may range, generally, from 0-200% of the number of units granted, based on the achievement of objective, pre-determined Company or operating company performance measures, generally, over a three-year performance period. The Company accounts for these awards as performance condition restricted stock units. The performance condition is not considered in the determination of grant date fair value of such awards. Compensation cost is recognized over the performance period based on management's estimate of the number of units expected to vest and is adjusted to reflect the actual number of shares paid out at the end of the three-year performance period. Dividend equivalents are not paid out unless and until such time that the award vests.

A summary of the status of the Company's restricted stock units and performance stock units as of December 31, 2013 and changes during the period then ended is presented below:

	Restricted Stock Units		Performance Stock Units	
	Shares	Weighted Average Grant Date Fair Value	Shares	Weighted Average Grant Date Fair Value
Non-vested balance at January 1, 2013	8,964,238	\$ 28.58	730,838	\$ 31.32
Granted	842,433	\$ 36.70	289,200	\$ 36.54
Vested	(5,310,027)	\$ 26.96	(76,844)	\$ 31.22
Forfeited	(245,835)	\$ 31.29	(19,412)	\$ 32.71
Adjustment due to performance	—	\$ —	37,381	\$ 31.24
Non-vested balance at December 31, 2013	4,250,809	\$ 32.04	961,163	\$ 32.87

The weighted-average grant-date fair value of the Company's restricted stock units granted during the years ended December 31, 2012 and 2011 was \$31.96 and \$30.46, respectively. The weighted average grant date fair value of the Company's performance stock units granted during the years ended December 31, 2012 and 2011 was \$31.89 and \$30.60, respectively. The total fair value of the shares

employment. Shares granted, generally become unrestricted at the earlier of: (1) January 1 of the year following the vesting grant date anniversary or (2) the later of the recipient's normal or actual retirement date. For shares granted prior to 2004, the vesting grant date anniversary is ten years. For shares granted during 2004 and 2005, the vesting grant date anniversary is 7 years and 5 years, respectively. However, certain restricted shares granted in 2005 vested on the third anniversary of the grant date. There have been no restricted shares granted since 2005.

A summary of the status of the Company's restricted stock awards as of December 31, 2013 and changes during the period then ended is presented below:

	Shares	Weighted Average Grant Date Fair Value
Non-vested balance at January 1, 2013	31,700	\$ 47.31
Granted	—	\$ —
Vested	(24,500)	\$ 47.66
Forfeited	—	\$ —
Non-vested balance at December 31, 2013	7,200	\$ 46.14

The total fair value of the Company's restricted stock distributed was \$1.1 million during the year ended December 31, 2013 and \$0.6 million for each of the years ended December 31, 2012 and 2011.

As of December 31, 2013, there was \$73.6 million of unrecognized compensation cost related to the Company's restricted stock, restricted stock units and performance stock unit awards. The weighted-average period over which that cost is expected to be recognized is approximately one year.

Marsh & McLennan Companies Stock Purchase Plans

In May 1999, the Company's stockholders approved an employee stock purchase plan (the "1999 Plan") to replace the 1994 Employee Stock Purchase Plan (the "1994 Plan"), which terminated on September 30, 1999 following its fifth annual offering. Under the current terms of the Plan, shares are purchased four times during the plan year at a price that is 95% of the average market price on each quarterly purchase date. Under the 1999 Plan, after including the available remaining unused shares in the 1994 Plan and reducing the shares available by 10,000,000 consistent with the Company's Board of Directors' action in March 2007, no more than 35,600,000 shares of the Company's common stock may be sold. Employees purchased 748,842 shares during the year ended December 31, 2013 and at December 31, 2013, 3,387,471 shares were available for issuance under the 1999 Plan. Under the 1995 Company Stock Purchase Plan for International Employees (the "International Plan"), after reflecting the additional 5,000,000 shares of common stock for issuance approved by the Company's Board of Directors in July 2002, and the addition of 4,000,000 shares due to a shareholder action in May 2007, no more than 12,000,000 shares of the Company's common stock may be sold. Employees purchased 98,863 shares during the year ended December 31, 2013 and there were 2,987,099 shares available for issuance at December 31, 2013 under the International Plan. The plans are considered non-compensatory.

10. Fair Value Measurements

Fair Value Hierarchy

The Company has categorized its assets and liabilities that are valued at fair value on a recurring basis into a three-level fair value hierarchy as defined by the FASB in ASC Topic No. 820 ("Fair Value Measurements and Disclosures"). The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets and liabilities (Level 1) and lowest priority to unobservable inputs (Level 3). In some cases, the inputs used to measure fair value might fall into different levels of the fair value hierarchy. In such cases, the level in the fair value hierarchy, for disclosure purposes, is determined based on the lowest level input that is significant to the fair value measurement.

Assets and liabilities recorded in the consolidated balance sheets at fair value are categorized based on the extent of their involvement in the company's operations and the ability to be sold or settled at the reporting date. Interest

Contingent Purchase Consideration Liability - Level 3

Instrument 4b Senior Notes due 272727.9-12.f72727272798 5al

Purchase consideration for some acquisitions made by the Company includes contingent consideration arrangements. Contingent consideration arrangements are primarily based on meeting EBITDA and revenue targets over periods from two to four years. The fair value of contingent consideration is estimated as the present value of future cash flows that would result from the projected revenue and earnings of the acquired entities.

The following fair value hierarchy table presents information about the Company's assets and liabilities measured at fair value on a recurring basis as of December 31, 2013 and 2012.

(In millions of dollars)	Identical Assets (Level 1)		Observable Inputs (Level 2)		Unobservable Inputs (Level 3)		Total	
	12/31/13	12/31/12	12/31/13	12/31/12	12/31/13	12/31/12	12/31/13	12/31/12
Assets:								
12/3—cal								

The fair value of the contingent purchase consideration liability is based on projections of revenue and earnings for the acquired entities that are reassessed on a quarterly basis. As set forth in the table above, based on the Company's ongoing assessment of the fair value of contingent consideration, the Company recorded a net increase in the estimated fair value of such liabilities for prior period acquisitions of \$32 million for the year ended December 31, 2013. A 5% increase in the above mentioned projections would increase the liability by approximately \$8 million. A 5% decrease in the above mentioned projections would decrease the liability by approximately \$9 million.

Fair Value of Long-term Investments

The Company has certain long-term investments, primarily related to investments in non-publicly traded private equity funds of \$14 million and \$16 million at December 31, 2013 and December 31, 2012, respectively, carried on the cost basis for which there are no readily available market prices. The carrying values of these investments approximates fair value. Management's estimate of the fair value of these non-publicly traded investments is based on valuation methodologies including estimates from private equity managers of the fair value of underlying investments in private equity funds. The ability to accurately predict future cash flows, revenue or earnings may impact the determination of fair value. The Company monitors these investments for impairment and makes appropriate reductions in carrying values when necessary. These investments would be classified as Level 3 in the fair value hierarchy and are included in Other assets in the consolidated balance sheets.

11. Long-term Commitments

The Company leases office facilities, equipment and automobiles under non-cancelable operating leases. These leases expire on varying dates; in some instances contain renewal and expansion options; do not restrict the payment of dividends or the incurrence of debt or additional lease obligations; and contain no significant purchase options. In addition to the base rental costs, occupancy lease agreements generally provide for rent escalations resulting from increased assessments for real estate taxes and other charges. Approximately 98% of the Company's lease obligations are for the use of office space.

The consolidated statements of income include net rental costs of \$403 million, \$416 million and \$430 million for 2013, 2012 and 2011, respectively, after deducting rentals from subleases (\$13 million in 2013, \$10 million in 2012 and \$9 million in 2011). These net rental costs exclude rental costs and sublease income for previously accrued restructuring charges related to vacated space.

At December 31, 2013, the aggregate future minimum rental commitments under all non-cancelable operating lease agreements are as follows:

For the Years Ended December 31, (In millions of dollars)	Gross Rental Commitments	Rentals from Subleases	Net Rental Commitments
2014	\$ 398	\$ 52	\$ 346
2015	\$ 357	\$ 46	\$ 311
2016	\$ 318	\$ 45	\$ 273
2017	\$ 273	\$ 42	\$ 231
2018	\$ 244	\$ 40	\$ 204
Subsequent years	\$ 1,101	\$ 86	\$ 1,015

The Company has entered into agreements, primarily with various service companies, to outsource certain information systems activities and responsibilities and processing activities. Under these agreements, the Company is required to pay minimum annual service charges. Additional fees may be payable depending upon the volume of transactions processed, with all future payments subject to increases for inflation. At December 31, 2013, the aggregate fixed future minimum commitments under these agreements are as follows:

For the Years Ended December 31, (In millions of dollars)	Future Minimum Commitments
2014	\$ 285
2015	119
2016	102
Subsequent years	170
	\$ 676

12. Debt

The Company's outstanding debt is as follows:

December 31, (In millions of dollars)	2013	2012
Short-term:		
Current portion of long-term debt	\$ 334	\$ 260
Long-term:		
Senior notes – 4.850% due 2013	—	250
Senior notes – 5.875% due 2033	297	296
Senior notes – 5.375% due 2014	323	326
Senior notes – 5.75% due 2015	230	479
Senior notes – 2.30% due 2017	249	249
Senior notes – 9.25% due 2019	399	398
Senior notes – 4.80% due 2021	497	497
Senior notes - 2.55% due 2018	248	—
Senior notes - 4.05% due 2023	247	—
Mortgage – 5.70% due 2035	413	422
Term Loan Facility - due 2016	50	—
Other	2	1
	2,955	2,918
Less current portion	334	260
	\$ 2,621	\$ 2,658

The senior notes in the table above are publically registered by the Company with no guarantees attached.

In September 2013, the Company issued \$250 million of 2.55% five-year senior notes and \$250 million of 4.05% ten-year senior notes. The net proceeds of this offering were used for general corporate purposes, which included a partial redemption of \$250 million of the outstanding principal amount of the existing 5.75% senior notes due 2015. The redemption settled in October 2013 with a total cash outflow of approximately \$275 million including a \$24 million cost for early redemption.

In February 2013, the Company repaid its 4.850% fixed rate \$250 million senior notes that matured using cash.

During the first quarter of 2012, the Company repaid its 6.25% fixed rate \$250 million senior notes that matured. The Company used proceeds from the issuance of 2.3% five-year \$250 million senior notes in the first quarter of 2012 to fund the maturing notes.

The Company and certain of its foreign subsidiaries maintain a \$1.0 billion multi-currency unsecured revolving credit facility which expires in October 2016. The interest rate on this facility is based on LIBOR plus a fixed margin which varies with the Company's credit ratings. This facility requires the Company to maintain certain coverage and leverage ratios which are tested quarterly. There were no borrowings outstanding under this facility at December 31, 2013.

In December 2012, the Company closed on a \$50 million, three-year term loan facility. The interest rate on this facility at December 31, 2013 was 1.29%, which is based on LIBOR plus a fixed margin which varies with the Company's credit ratings. The facility requires the Company to maintain coverage ratios and leverage ratios consistent with the revolving credit facility discussed above. The Company had \$50 million of borrowings under this facility at December 31, 2013.

Derivative Financial Instruments

In February 2011, the Company entered into two \$125 million 3.5-year interest rate swaps to hedge changes in the fair value of the first \$250 million of the outstanding 5.375% senior notes due in 2014.

Under the terms of the swaps, the counter-parties will pay the Company a fixed rate of 5.375% and the Company will pay interest at a floating rate of three-month LIBOR plus a fixed spread of 3.726%. The maturity date of the senior notes outstanding is 2014.

Additional credit facilities, guarantees and letters of credit are provided outside the United States.

As of December 31, 2013, these

facilities at

of long-term debt in 2014 and in the four succeeding years are \$3 billion, \$241

long-term Debt

Company's credit term and long-term debt is provided below

in a separate section.

(In millions of dollars)	December 31, 2013		December 31, 2012	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Short-term debt	\$ 334	\$ 334	\$ 260	\$ 261
Long-term debt	\$ 2,621	\$ 2,819	\$ 2,658	\$ 2,986

The fair value of the Company's short-term debt, which consists primarily of term debt maturing within the next year, approximates its carrying value. The estimated fair value of a primary portion of the Company's long-term debt is based on discounted future cash flows using current interest rates available for debt with similar terms and remaining maturities. Short and long-term debt would be classified as Level 2 in the fair value hierarchy.

13. Integration and Restructuring Costs

In 2013, the Company implemented restructuring actions which resulted in costs totaling \$22 million.

Restructuring costs consist primarily of severance

In millions of dollars)

December 31, 2013 December 31, 2012 December 31, 2011

15. Claims, Lawsuits and Other Contingencies

Errors and Omissions Claims

The Company and its subsidiaries are subject to a significant number of claims, lawsuits and proceedings in the ordinary course of business. Such claims and lawsuits consist principally of alleged errors and omissions in connection with the performance of professional services, including the placement of insurance, the provision of actuarial services for corporate and public sector clients, and the provision of consulting services relating to the drafting and interpretation of trust deeds and other documentation governing pension plans. Errors and omissions claims may seek damages, including punitive and treble damages, in amounts that could, if awarded, be significant. In establishing liabilities for errors and omissions claims in accordance with FASB ASC Subtopic No. 450-20 (Contingencies-Loss Contingencies), the Company utilizes case level reviews by inside and outside counsel, an internal actuarial analysis and other analysis to estimate potential losses. A liability is established when a loss is both probable and reasonably estimable. The liability is reviewed quarterly and adjusted as developments warrant. In many cases, the Company has not recorded a liability, other than for legal fees to defend the claim, because we are unable, at the present time, to make a determination that a loss is both probable and reasonably estimable.

To the extent that expected losses exceed our deductible in any policy year, the Company also records an asset for the amount that we expect to recover under any available third-party insurance programs. The Company has varying levels of third-party insurance coverage, with policy limits and coverage terms varying significantly by policy year.

Governmental Inquiries and Related Claims

In January 2005, the Company and its subsidiary Marsh Inc. entered into a settlement agreement with the New York State Attorney General (“NYAG”) and the New York State Insurance Department to settle a civil complaint and related citation regarding Marsh's use of market service agreements with various insurance companies. The parties subsequently entered into an amended and restated settlement agreement in February 2010 that restored a level playing field for Marsh.

Numerous private party lawsuits based on similar allegations to those made in the NYAG complaint were commenced against the Company, one or more of its subsidiaries, and their current and former directors and officers. The vast majority of these matters have been resolved. Two actions instituted by policyholders against the Company, Marsh and certain Marsh subsidiaries remain pending.

Our activities are regulated under the laws of the United States and its various states, the European Union and its member states, and the other jurisdictions in which the Company operates. In the ordinary course of business the Company is also subject to subpoenas, investigations, lawsuits and/or other regulatory actions undertaken by governmental authorities. In this regard, in November 2013, Mercer received a subpoena from the New York Department of Financial Services in connection with a review of New York's public pension funds.

Other Contingencies -Guarantees

In connection with its acquisition of U.K.-based Sedgwick Group in 1998, the Company acquired several insurance underwriting businesses that were already in run-of

From 1980 to 1983, the Company owned indirectly the English & American Insuror *y185mlish& -457.159-1227 0 which

16. Segment Information

The Company is organized based on the types of services provided. Under this organizational structure, the Company's segments are:

- Risk and Insurance Services , comprising insurance services (Marsh) and reinsurance services (Guy Carpenter); and
- Consulting , comprising Mercer and Oliver Wyman Group

The accounting policies of the segments are the same as those used for the consolidated financial statements described in Note 1. Segment performance is evaluated based on segment operating income, which includes directly related expenses, and charges or credits related to integration and restructuring but not the Company's corporate-level expenses. Revenues are attributed to geographic areas on the basis of where the services are performed.

Selected information about the Company's segments and geographic areas of operation are as follows:

For the Year Ended December 31, (In millions of dollars)	Revenue	Operating Income (Loss)	Total Assets	Depreciation and Amortization	Capital Expenditures
2013 –					
Risk and Insurance Services	\$ 6,596 (a)	\$ 1,421	\$11,365	\$ 192	\$ 158
Consulting	5,701 (b)	845	5,178	115	155
Total Segments	12,297	2,266	16,543	307	313
Corporate / Eliminations	(36) (c)	(189) (c)	437 (d)	51	88
Total Consolidated	\$ 12,261	\$ 2,077	\$16,980	\$ 358	\$ 401
2012 –					
Risk and Insurance Services	\$ 6,350 (a)	\$ 1,334	\$ 9,832	\$ 196	\$ 131
Consulting	5,613 (b)	692	5,203	113	117
Total Segments	11,963	2,026	15,035	309	248
Corporate / Eliminations	(39) (c)	(197) (c)	1,253 (d)	40	72
Total Consolidated	\$ 11,924	\$ 1,829	\$16,288	\$ 349	\$ 320
2011 –					
Risk and Insurance Services	\$ 6,079 (a)	\$ 1,200	\$ 9,102	\$ 189	\$ 146
Consulting	5,487 (b)	617	4,820	112	91
Total Segments	11,566	1,817	13,922	301	237

Details of operating segment revenue are as follows:

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of

Marsh & McLennan Companies, Inc.

New York, New York

We have audited the accompanying consolidated balance sheets of Marsh & McLennan Companies, Inc. and subsidiaries (the "Company") as of December 31, 2013 and 2012, and the related consolidated statements of income, comprehensive income, cash flows and equity for each of the three years in the period ended December 31, 2013. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of Marsh & McLennan Companies, Inc. and subsidiaries as of December 31, 2013 and 2012, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2013, in conformity with accounting principles generally accepted in the United States of America.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the Company's internal control over financial reporting as of December 31, 2013, based on the criteria established in Internal Control-Integrated Framework (1992) issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated February 27, 2014 expressed an unqualified opinion on the Company's internal control over financial reporting.

/s/ Deloitte & Touche LLP

New York, New York

February 27, 2014

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

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
(In millions, except per share figures)				
2013:				
Revenue	\$ 3,126	\$ 3,088	\$ 2,932	\$ 3,115
Operating income	\$ 607	\$ 577	\$ 404	\$ 489
Income from continuing operations	\$ 412	\$ 400	\$ 260	\$ 307
Income (loss) from discontinued operations	\$ 12	\$ (5)	\$ (1)	\$ —
Net income attributable to the Company	\$ 413	\$ 388	\$ 253	\$ 303
Basic Per Share Data:				
Income from continuing operations	\$ 0.73	\$ 0.71	\$ 0.46	\$ 0.55
Income from discontinued operations	\$ 0.02	\$ —	\$ —	\$ —
Net income attributable to the Company	\$ 0.75	\$ 0.71	\$ 0.46	\$ 0.55
Diluted Per Share Data:				
Income from continuing operations	\$ 0.72	\$ 0.70	\$ 0.45	\$ 0.54
Income (loss) from discontinued operations	\$ 0.02	\$ (0.01)	\$ —	\$ —
Net income attributable to the Company	\$ 0.74	\$ 0.69	\$ 0.45	\$ 0.54
Dividends Paid Per Share	\$ 0.23	\$ 0.23	\$ 0.25	\$ 0.25
2012:				
Revenue	\$ 3,051	\$ 3,026	\$ 2,845	\$ 3,002
Operating income	\$ 527	\$ 518	\$ 378	\$ 406
Income from continuing operations	\$ 354	\$ 339	\$ 246	\$ 265
Income (loss) from discontinued operations	\$ —	\$ (2)	\$ 1	\$ (2)
Net income attributable to the Company	\$ 347	\$ 329	\$ 241	\$ 259
Basic Per Share Data:				
Income from continuing operations	\$ 0.64	\$ 0.61	\$ 0.44	\$ 0.48
Income (loss) from discontinued operations	\$ —	\$ (0.01)	\$ —	\$ —
Net income attributable to the Company	\$ 0.64	\$ 0.60	\$ 0.44	\$ 0.48
Diluted Per Share Data:				
Income from continuing operations	\$ 0.63	\$ 0.60	\$ 0.43	\$ 0.47
Income (loss) from discontinued operations	\$ —	\$ (0.01)	\$ 0.01	\$ —
Net income attributable to the Company	\$ 0.63	\$ 0.59	\$ 0.44	\$ 0.47
Dividends Paid Per Share	\$ 0.22	\$ 0.22	\$ 0.23	\$ 0.23

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

None.

Item 9A. Controls and Procedures.

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

Internal Control over Financial Reporting.

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

MANAGEMENT'S ANNUAL REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

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

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

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

Management evaluated the effectiveness of the Company's internal control over financial reporting as of December 31, 2013 under the supervision and with the participation of the Company's principal executive and principal financial officers. In making this evaluation, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in Internal Control—Integrated Framework issued in 1992. Based on its evaluation, management determined that the Company maintained effective internal control over financial reporting as of December 31, 2013.

Deloitte & Touche LLP, the Independent Registered Public Accounting Firm that audited and reported on the Company's consolidated financial statements included in this annual report on Form 10-K, also issued an audit report on the effectiveness of the Company's internal control over financial reporting as of December 31, 2013.

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

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

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

We have audited the internal control over financial reporting of Marsh & McLennan Companies, Inc. and subsidiaries (the "Company") as of December 31, 2013, based on criteria established in Internal Control - Integrated Framework (1992) issued by the Committee of Sponsoring Organizations of the Treadway Commission. The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Annual Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit.

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

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

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

In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2013, based on the criteria established in Internal Control - Integrated Framework (1992) issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated financial statements as of and for the year ended December 31, 2013 of the Company and our report dated February 27, 2014 expressed an unqualified opinion on those financial statements.

/s/ Deloitte & Touche LLP
New York, New York
February 27, 2014

(c) Changes in Internal Control Over Financial Reporting

There have been no changes in the Company's internal control over financial reporting during the quarter ended December 31, 2013 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

Item 9B. Other Information.

None.

PART III

Item 10. Directors, Executive Officers and Corporate Governance.

Information as to the directors and nominees for the board of directors of the Company is incorporated herein by reference to the material set forth under the heading “Item 1: Election of Directors” in the 2014 Proxy Statement.

The executive officers of the Company are Peter J. Beshar, J. Michael Bischoff, E. Scott Gilbert, Daniel S. Glaser, Laurie Ledford, Scott McDonald, Alexander S. Moczarski, Julio A. Portalatin and Peter Zaffino. Information with respect to these individuals is provided in Part I, Item 1 above under the heading “Executive Officers of the Company”.

The information set forth in the 2014 Proxy Statement in the sections “Transactions with Management and Others; Other Information”, “Section 16(a) Beneficial Ownership Reporting Compliance”, “Corporate Governance—Codes of Conduct” and “Board of Directors and Committees—Committees—Audit Committee” is incorporated herein by reference.

Item 11. Executive Compensation.

The information set forth in the sections “Board of Directors and Committees—Director Compensation” and “Compensation of Executive Officers” in the 2014 Proxy Statement is incorporated herein by reference.

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

PART IV

Item 15. Exhibits and Financial Statement Schedules. †

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

(1) Consolidated Financial Statements:

Consolidated Statements of Income for each of the three years in the period ended December 31, 2013

Consolidated Statements of Comprehensive Income for each of the three years in the period ended December 31, 2013

Consolidated Balance Sheets as of December 31, 2013 and 2012

Consolidated Statements of Cash Flows for each of the three years in the period ended December 31, 2013

Consolidated Statements of Stockholders' Equity for each of the three years in the period ended December 31, 2013

Notes to Consolidated Financial Statements

Report of Independent Registered Public Accounting Firm

Other:

Selected Quarterly Financial Data and Supplemental Information (Unaudited) for fiscal years 2013 and 2012

Five-Year Consolidated Statements of Financial Statements

Report of Independent Registered Public Accounting Firm

Report of Independent Registered Public Accounting Firm

- (4.3) Second Supplemental Indenture dated as of February 19, 2003 between Marsh & McLennan Companies, Inc. and U.S. Bank National Association (as successor to State Street Bank and Trust Company), as trustee (incorporated by reference to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2003)
- (4.4) Third Supplemental Indenture dated as of July 30, 2003 between Marsh & McLennan Companies, Inc. and U.S. Bank National Association (as successor to State Street Bank and Trust Company), as trustee (incorporated by reference to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2003)
- (4.5) Indenture dated as of March 19, 2002 between Marsh & McLennan Companies, Inc. and State Street Bank and Trust Company, as trustee (incorporated by reference to the Company's Registration Statement on Form S-4, Registration No. 333-87510)
- (4.6) Indenture, dated as of July 14, 2004, between Marsh & McLennan Companies, Inc. and The Bank of New York, as trustee (incorporated by reference to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2004)
- (4.7) First Supplemental Indenture, dated as of July 14, 2004, between Marsh & McLennan Companies, Inc. and The Bank of New York, as trustee (incorporated by reference to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2004)
- (4.8) Second Supplemental Indenture, dated as of September 16, 2005, between Marsh & McLennan Companies, Inc. and The Bank of New York, as trustee (incorporated by reference to the Company's Current Report on Form 8-K dated September 13, 2005)
- (4.9) Indenture, dated as of March 23, 2009, between Marsh & McLennan Companies, Inc. and The Bank of New York Mellon, as trustee (incorporated by reference to the Company's Annual Report on Form 10-K for the year ended December 31, 2009)
- (4.10) First Supplemental Indenture, dated as of March 23, 2009, between Marsh & McLennan Companies, Inc. and The Bank of New York Mellon, as trustee (incorporated by reference to the Company's Current Report on Form 8-K dated March 18, 2009)
- (4.11) Indenture, dated as of July 15, 2011, between Marsh & McLennan Companies, Inc. and The Bank of New York Mellon, as trustee (incorporated by reference to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2011)
- (4.12) First Supplemental Indenture, dated as of July 15, 2011, between Marsh & McLennan Companies, Inc. and The Bank of New York Mellon, as trustee (incorporated by reference to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2011)
- (4.13) Form of Second Supplemental Indenture between Marsh & McLennan Companies, Inc. and The Bank of New York Mellon, as trustee (incorporated by reference to the Company's Current Report on Form 8-K dated March 7, 2012)
- (4.14) Form of Third Supplemental Indenture between Marsh & McLennan Companies, Inc. and The Bank of New York Mellon, as trustee (incorporated by reference to the Company's Current Report on Form 8-K dated September 24, 2013)
- (10.1) Agreement between the Attorney General of the State of New York and the Superintendent of Insurance of the State of New York, and Marsh & McLennan Companies, Inc., Marsh Inc. and their subsidiaries and affiliates dated January 30, 2005 (incorporated by reference to the Company's Current Report on Form 8-K dated January 31, 2005)
- (10.2) Amendment No. 1, effective as of January 30, 2005, to Agreement between the Attorney General of the State of New York and the Superintendent of Insurance of the State of New York, and Marsh & McLennan Companies, Inc., Marsh Inc. and their subsidiaries and affiliates dated January 30, 2005 (incorporated by reference to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2005)

- (10.3) Amendment No. 2, dated September 27, 2005, to Agreement between the Attorney General of the State of New York and the Superintendent of Insurance of the State of New York, and Marsh & McLennan Companies, Inc., Marsh Inc. and their subsidiaries and affiliates, dated January 30, 2005 (incorporated by reference to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2005)
- (10.4) Amendment No. 3, dated August 17, 2006, to the Agreement, dated January 30, 2005, as amended, among Marsh & McLennan Companies, Inc., Marsh Inc. and their subsidiaries and affiliates, the Attorney General of the State of New York and the Superintendent of Insurance of the State of New York (incorporated by reference to the Company's Current Report on Form 8-K dated August 17, 2006)
- (10.5) Amendment No. 4, signed August 6, 2007, to the Agreement, dated January 30, 2005, as amended, among Marsh & McLennan Companies, Inc., Marsh Inc. and their subsidiaries and affiliates, the Attorney General of the State of New York and the Superintendent of Insurance of the State of New York (incorporated by reference to the Company's Current Report on Form 8-K dated August 6, 2007)
- (10.6) Amendment No. 5, dated May 16, 2008, to the Agreement, dated January 30, 2005, as amended, among Marsh & McLennan Companies, Inc., Marsh Inc. and their subsidiaries and affiliates, the Attorney General of the State of New York and the Superintendent of Insurance of the State of New York (incorporated by reference to the Company's Current Report on Form 8-K dated June 3, 2008)
- (10.7) Amended and Restated Agreement, effective February 11, 2010, to the Agreement, dated January 30, 2005, as amended, among Marsh & McLennan Companies, Inc., Marsh Inc. and their subsidiaries and affiliates, the Attorney General of the State of New York and the Superintendent of Insurance of the State of New York (incorporated by reference to the Company's Current Report on Form 8-K dated February 11, 2010)
- (10.8) *Marsh & McLennan Companies, Inc. U.S. Employee 1996 Cash Bonus Award Voluntary Deferral Plan (incorporated by reference to the Company's Annual Report on Form 10-K for the year ended December 31, 1996)
- (10.9) *Marsh & McLennan Companies, Inc. U.S. Employee 1997 Cash Bonus Award Voluntary Deferral Plan (incorporated by reference to the Company's Annual Report on Form 10-K for the year ended December 31, 1997)
- (10.10) *Marsh & McLennan Companies, Inc. U.S. Employee 1998 Cash Bonus Award Voluntary Deferral Plan (incorporated by reference to the Company's Annual Report on Form 10-K for the year ended December 31, 1998)
- (10.11) *Marsh & McLennan Companies, Inc. 2000 Senior Executive Incentive and Stock Award Plan (incorporated by reference to the Company's Annual Report on Form 10-K for the year ended December 31, 1999)
- (10.12) *Amendments to Marsh & McLennan Companies, Inc. 2000 Senior Executive Incentive and Stock Award Plan and the Marsh & McLennan Companies, Inc. 2000 Employee Incentive and Stock Award Plan (incorporated by reference to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2005)
- (10.13) *Form of Awards under the Marsh & McLennan Companies, Inc. 2000 Senior Executive Incentive and Stock Award Plan (incorporated by reference to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2004)
- (10.14) *Additional Forms of Awards under the Marsh & McLennan Companies, Inc. 2000 Senior Executive Incentive and Stock Award Plan (incorporated by reference to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2005)

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

- (10.15) *Form of Restricted Stock Award under the Marsh & McLennan Companies, Inc. 2000 Senior Executive Incentive and Stock Award Plan (incorporated by reference to the Company's Current Report on Form 8-K dated May 18, 2005)
- (10.16) *2005 Award of Nonqualified Stock Options under the Marsh & McLennan Companies, Inc. 2000 Senior Executive Incentive and Stock Award Plan (incorporated by reference to the Company's Annual Report on Form 10-K for the year ended December 31, 2012)
- (10.17) *Form of Restricted Stock Unit Award, dated as of February 21, 2011, under the Marsh & McLennan Companies, Inc. 2000 Senior Executive Incentive and Stock Award Plan and the Marsh & McLennan Companies, Inc. 2000 Employee Incentive and Stock Award Plan (incorporated by reference to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2011)
- (10.18) *Stock Option and Restricted Stock Unit Award to Brian Duperreault under the Marsh & McLennan Companies, Inc. 2000 Senior Executive Incentive and Stock Award Plan (incorporated by reference to the Company's Annual Report on Form 10-K for the year ended December 31, 2008)
- (10.19) *Marsh & McLennan Companies, Inc. 2000 Employee Incentive and Stock Award Plan (incorporated by reference to the Company's Annual Report on Form 10-K for the year ended December 31, 2001)
- (10.20) *Form of Awards under the Marsh & McLennan Companies, Inc. 2000 Employee Incentive and Stock Award Plan (incorporated by reference to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2004)
- (10.21) *Additional Forms of Awards under the Marsh & McLennan Companies, Inc. 2000 Employee Incentive and Stock Award Plan (incorporated by reference to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2005)
- (10.22) *2005 Award of Nonqualified Stock Options under the Marsh & McLennan Companies, Inc. 2000 Employee Incentive and Stock Award Plan (incorporated by reference to the Company's Annual Report on Form 10-K for the year ended December 31, 2012)
- (10.23) *Form of Long-term Incentive Award under the Marsh & McLennan Companies, Inc. 2000 Senior Executive Incentive and Stock Award Plan and the Marsh & McLennan Companies, Inc. 2000 Employee Incentive and Stock Award Plan (incorporated by reference to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2006)
- (10.24) *Form of 2007 Long-term Incentive Award under the Marsh & McLennan Companies, Inc. 2000 Senior Executive Incentive and Stock Award Plan and the Marsh & McLennan Companies, Inc. 2000 Employee Incentive and Stock Award Plan (incorporated by reference to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2007)
- (10.25) *Form of 2008 Long-term Incentive Award under the Marsh & McLennan Companies, Inc. 2000 Senior Executive Incentive and Stock Award Plan and the Marsh & McLennan Companies, Inc. 2000 Employee Incentive and Stock Award Plan (incorporated by reference to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2008)
- (10.26) *Form of 2009 Long-term Incentive Award under the Marsh & McLennan Companies, Inc. 2000 Senior Executive Incentive and Stock Award Plan and the Marsh & McLennan Companies, Inc. 2000 Employee Incentive and Stock Award Plan (incorporated by reference to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2009)

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

- (10.27) *Form of 2010 Long-term Incentive Award under the Marsh & McLennan Companies, Inc. 2000 Senior Executive Incentive and Stock Award Plan and the Marsh & McLennan Companies, Inc. 2000 Employee Incentive and Stock Award Plan (incorporated by reference to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2010)
- (10.28) *Form of 2011 Long-term Incentive Award under the Marsh & McLennan Companies, Inc. 2000 Senior Executive Incentive and Stock Award Plan and the Marsh & McLennan Companies, Inc. 2000 Employee Incentive and Stock Award Plan (incorporated by reference to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2011)
- (10.29) *Form of 2011 Long-term Incentive Award dated as of June 1, 2011 under the Marsh & McLennan Companies, Inc. 2011 Incentive and Stock Award Plan (incorporated by reference to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2011)
- (10.30) *Form of 2012 Long-term Incentive Award under the Marsh & McLennan Companies, Inc. 2011 Incentive and Stock Award Plan (incorporated by reference to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2012)
- (10.31) *Form of 2013 Long-term Incentive Award under the Marsh & McLennan Companies, Inc. 2011 Incentive and Stock Award Plan (incorporated by reference to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2013)
- (10.32) *Form of Deferred Stock Unit Award under the Marsh & McLennan Companies, Inc. 2000 Senior Executive Incentive and Stock Award Plan and the Marsh & McLennan Companies, Inc. 2000 Employee Incentive and Stock Award Plan (incorporated by reference to the Company's Annual Report on Form 10-K for the year ended December 31, 2007)
- (10.33) *Form of Deferred Stock Unit Award, dated as of January 1, 2009, under the Marsh & McLennan Companies, Inc. 2000 Senior Executive Incentive and Stock Award Plan and the Marsh & McLennan Companies, Inc. 2000 Employee Incentive and Stock Award Plan (incorporated by reference to the Company's Annual Report on Form 10-K for the year ended December 31, 2008)
- (10.34) *Form of Deferred Stock Unit Award, dated as of February 23, 2009, under the Marsh & McLennan Companies, Inc. 2000 Senior Executive Incentive and Stock Award Plan and the Marsh & McLennan Companies, Inc. 2000 Employee Incentive and Stock Award Plan (incorporated by reference to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2009)
- (10.35) *Form of Deferred Stock Unit Award, dated as of May 3, 2010, under the Marsh & McLennan Companies, Inc. 2000 Senior Executive Incentive and Stock Award Plan and the Marsh & McLennan Companies, Inc. 2000 Employee Incentive and Stock Award Plan (incorporated by reference to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2010)
- (10.36) *Form of Deferred Stock Unit Award, dated as of April 20, 2011, under the Marsh & McLennan Companies, Inc. 2000 Senior Executive Incentive and Stock Award Plan and the Marsh & McLennan Companies, Inc. 2000 Employee Incentive and Stock Award Plan (incorporated by reference to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2011)

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

(10.37) *Form of Deferred Stock Unit

- (10.48) *Marsh & McLennan Companies, Inc. Senior Executive Severance Pay Plan (incorporated by reference to the Company's Quarterly Report on Form 10-Q for the Quarter ended March 31, 2008)
- (10.49) *Amendment to the Marsh & McLennan Companies, Inc. Senior Executive Severance Pay Plan, effective December 31, 2009 (incorporated by reference to the Company's Annual Report on Form 10-K for the year ended December 31, 2009)
- (10.50) *Marsh & McLennan Companies, Inc. Senior Management Incentive Compensation Plan (incorporated by reference to the Company's Annual Report on Form 10-K for the year ended December 31, 1994)
- (10.51) *Marsh & McLennan Companies, Inc. Directors' Stock Compensation Plan-May 31, 2009 Restatement (incorporated by reference to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2009)
- (10.52) *Description of compensation arrangements for independent directors of Marsh & McLennan Companies, Inc. effective June 1, 2012 (incorporated by reference to the Company's Annual Report on Form 10-K for the year ended December 31, 2011)
- (10.53) *Employment Agreement, effective as of January 29, 2008, between Marsh & McLennan Companies, Inc. and Brian Duperreault (incorporated by reference to the Company's Current Report on Form 8-K dated January 29, 2008)
- (10.54) *Employment Letter, effective as of September 17, 2009 and January 30, 2011, between Marsh & McLennan Companies, Inc. and Brian Duperreault (incorporated by reference to the Company's Current Report on Form 8-K dated September 16, 2009)
- (10.55) *Letter Regarding Qualifying Retirement Determination, dated January 16, 2013, from Marsh & McLennan Companies, Inc. to Brian Duperreault (incorporated by reference to the Company's Annual Report on Form 10-K for the year ended December 31, 2012)
- (10.56) *General Release, dated January 22, 2013, between Marsh & McLennan Companies, Inc. and Brian Duperreault (incorporated by reference to the Company's Annual Report on Form 10-K for the year ended December 31, 2012)
- (10.57) *Letter Agreement, dated August 18, 2008, between Marsh & McLennan Companies, Inc. and Vanessa A. Wittman (incorporated by reference to the Company's Current Report on Form 8-K dated August 18, 2008)
- (10.58) Non-Solicitation Agreement, dated as of September 10, 2008, between Marsh & McLennan Companies, Inc. and Vanessa A. Wittman (incorporated by reference to the Company's Annual Report on Form 10-K for the year ended December 31, 2012)
- (10.59) Confidentiality Agreement, dated as of September 10, 2008, between Marsh & McLennan Companies, Inc. and Vanessa A. Wittman (incorporated by reference to the Company's Annual Report on Form 10-K for the year ended December 31, 2012)
- (10.60) *Employment Agreement, dated as of December 10, 2007, by and between Marsh & McLennan Companies, Inc. and Daniel S. Glaser (incorporated by reference to the Company's Quarterly Report on 10-Q for the quarter ended March 31, 2009)
- (10.61) *Letter Agreement, effective as of March 20, 2013, between Marsh & McLennan Companies, Inc. and Daniel S. Glaser (incorporated by reference to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2013)
- (10.62) *Non-Competition and Non-Solicitation Agreement, effective as of September 18, 2013, between Marsh & McLennan Companies, Inc. and Daniel S. Glaser (incorporated by reference to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2013)

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

- (10.63) *Letter Agreement, effective as of March 20, 2013, between Marsh & McLennan Companies, Inc. and J. Michael Bischoff
- (10.64) *Non-Competition and Non-Solicitation Agreement, effective as of November 21, 2013, between Marsh & McLennan Companies, Inc. and J. Michael Bischoff
- (10.65) *Letter Agreement, effective as of March 20, 2013, between Marsh & McLennan Companies, Inc. and Peter Zaffino
- (10.66) *Non-Competition and Non-Solicitation Agreement, effective as of November 21, 2013, between Marsh & McLennan Companies, Inc. and Peter Zaffino
- (10.67) *Letter Agreement, effective as of March 20, 2013, between Marsh & McLennan Companies, Inc. and Julio A. Portalatin
- (10.68) *Non-Competition and Non-Solicitation Agreement, effective as of November 21, 2013, between Marsh & McLennan Companies, Inc. and Julio A. Portalatin
- (12.1) Statement Re: Computation of Ratio of Earnings to Fixed Charges
- (14.1) Code of Ethics for Chief Executive and Senior Financial Officers (incorporated by reference to the Company's Annual Report on Form 10-K for the year ended December 31, 2002)
- (21.1) List of Subsidiaries of Marsh & McLennan Companies, Inc. (as of February 21, 2014)
- (23.1) Consent of Independent Registered Public Accounting Firm
- (24.1) Power of Attorney (included on signature page)
- (31.1) Rule 13a-14(a)/15d-14(a) Certification of Chief Executive Officer
- (31.2) Rule 13a-14(a)/15d-14(a) Certification of Chief Financial Officer
- (32.1) Section 1350 Certifications
- 101.INS XBRL Instance Document
- 101.SCH XBRL Taxonomy Extension Schema
- 101.CAL XBRL Taxonomy Extension Calculation Linkbase
- 101.DEF XBRL Taxonomy Extension Definition Linkbase
- 101.LAB XBRL Taxonomy Extension Label Linkbase
- 101.PRE XBRL Taxonomy Extension Presentation Linkbase

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

SIGNATURES

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

<u>Name</u>	<u>Title</u>	<u>Date</u>
/S/ BRUCE P. NOLOP Bruce P. Nolop	Director	February 27, 2014
/S/ MARC D. OKEN Marc D. Oken	Director	February 27, 2014
/S/ MORTON O. SCHAPIRO Morton O. Schapiro	Director	February 27, 2014
/S/ ADELE SIMMONS Adele Simmons	Director	February 27, 2014
/S/ LLOYD YATES Lloyd Yates	Director	February 27, 2014
/S/ R. DAVID YOST R. David Yost	Director	February 27, 2014

CERTIFICATIONS

I, Daniel S. Glaser, certify that:

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

Date: February 27, 2014

/s/ Daniel S. Glaser

Daniel S. Glaser

President and Chief Executive Officer

Certification of Chief Executive Officer and Chief Financial Officer

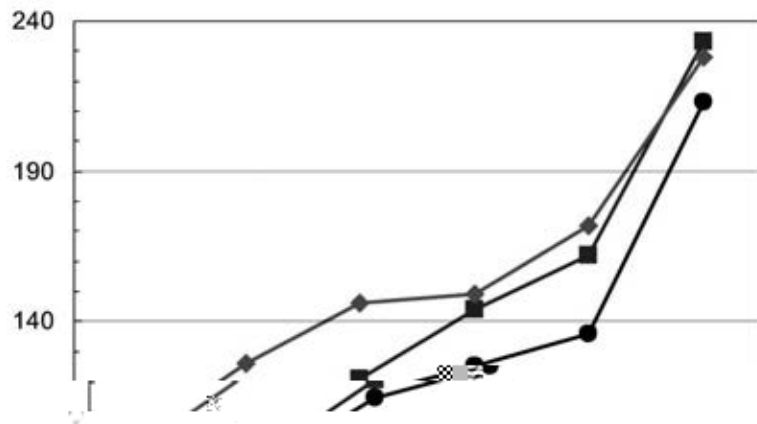
The certification set forth below is being submitted in connection with the Annual Report on Form 10-K for the year ended December 31, 2013 of Marsh & McLennan Companies, Inc. (the "Report") for the purpose of complying with Rule 13a-14(b) or Rule 15d-14(b) under the Securities Exchange Act of 1934, as amended (the "Exchange Act"),

STOCK PERFORMANCE GRAPH

The following graph compares the annual cumulative stockholder return for the five-year period ended December 31, 2013 on: Marsh & McLennan Companies common stock; a management-constructed composite industry index; and the Standard & Poor's 500 Stock Index. The graph assumes an investment of \$100 on December 31, 2008 in Marsh & McLennan Companies common stock and each of the two indices, with dividends reinvested. Returns on the composite industry index reflect allocation of the total amount invested among the constituent stocks on a pro rata basis according to each issuer's start-of-the-year market capitalization. The composite industry index consists of Aon plc, Arthur J. Gallagher & Co., Towers Watson & Co., and Willis Group Holdings plc.

COMPARISON OF CUMULATIVE TOTAL STOCKHOLDER RETURN

(\$100 invested 12/31/08 with dividends reinvested)



33	—	Marsh & McLennan Companies	100	130	145	155	175	235	2
13	—	Composite Industry Index	100	105	110	115	125	136	2
28	—	S&P 500	100	126	146	149	172	225	2

EXECUTIVE OFFICERS

SHAREHOLDER INFORMATION

PETER BISHAR
Executive Vice President and
General Counsel,
Marsh & McLennan Companies

J. MICHAEL BOSCHOFF
Chief Financial Officer,
Marsh & McLennan Companies

E. SCOTT GLBERT
Senior Vice President and
Chief Risk & Compliance Officer,
Marsh & McLennan Companies

DANIEL S. GIASER
President and Chief Executive Officer,
Marsh & McLennan Companies

LAURIE D. FORD
Senior Vice President and
Chief Human Resources Officer,
Marsh & McLennan Companies

SCOTT McDONALD
President and Chief Executive Officer,
Oliver Wyman Group

ALEXANDER S. MOCZARSKI
President and Chief Executive Officer,
Guy Carpenter

JULIO A. PORTANTIN
President and Chief Executive Officer,
Mercer

PETER RAFFINO
President and Chief Executive Officer,
Marsh

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