ATTORNEY GENERAL SETTLEMENT AGREEMENT

This Attorney General Settlement Agreement ("AG Settlement Agreement") is entered into by and between Marsh & McLennan Companies, Inc., Marsh Inc. and their subsidiaries and affiliates (collectively, "Marsh") and the Offices of the Attorneys General of the States of Florida, Hawaii, Maryland, Michigan, Oregon, Texas and West Virginia, the Commonwealths of Massachusetts and Pennsylvania, the Florida Department of Financial Services and the Florida Office of Insurance Regulation (collectively, the "Settling Attorneys General").

WHEREAS:

A. The Offices of the Attorney General of the States of Florida, Hawaii, Maryland, Michigan, Oregon, Texas and West Virginia, and of the Commonwealths of Massachusetts and Pennsylvania have authority to investigate and litigate potential antitrust violations as well as violations of state laws relating to fraud, misrepresentation or similar or related conduct.

B. The Florida Department of Financial Services and the Florida Office of Insurance Regulation each has regulatory jurisdiction over the insurance industry in the State of Florida.

C. In their respective capacities, the Settling Attorneys General have undertaken a four-year joint investigation of the insurance brokering business as a result of reports of alleged collusive arrangements whereby brokers entered into agreements with insurers to receive undisclosed compensation ("Investigation"), including allegations of anticompetitive conduct in the market for commercial liability insurance ("Governmental Proceedings").

D. As part of the Investigation, the Settling Attorneys General have collected and reviewed numerous documents and have interviewed many witnesses.

E. The Settling Attorneys General and Marsh (the "Parties") have agreed in principle to the terms of a settlement resolving claims that have been made or could be made against Marsh directly relating to the Governmental Proceedings, which terms are set out in an October 20, 2008 Memorandum of Understanding superseded by this AG Settlement Agreement.

F. The Parties agree that this AG Settlement Agreement is a fair and reasonable compromise of disputed claims.

NOW, THEREFORE, the Parties agree as follows:

I. DEFINITION

1. "Compensation" shall mean any thing of material value received from an insurance company, including, but not limited to, money, credits, loans, forgiveness of principal or interest, vacations, prizes, gifts or the payment of employee salaries or expenses.

II. GENERAL PROVISIONS

2. On or before December 31, 2008, Marsh shall pay the Settling Attorneys General, per their instructions, the sum of Seven Million Dollars ($7,000,000) (the "Settlement Amount") to resolve all claims that the Settling Attorneys General have made or could have made against Marsh or any current or former director, officer or employee of Marsh (except as to the conduct of any former Marsh employee while subsequently employed by an insurance company or other insurance broker under investigation by any of the Settling Attorneys General) related to the Investigation or Governmental Proceedings and also to resolve the lawsuit filed against Marsh by the Attorney General for the State of Florida and the Florida Department of Financial Services in

the Circuit Court of the Second Judicial Circuit for Leon County, Florida, case number 06-CA-696 ("Florida State Court Action"). Marsh intends to pay $5 million of the monetary consideration provided for herein from the fund that Marsh created for settlements with state officials. The Settlement Amount shall be used for any or all of the following: (i) reimbursement of costs incurred by the Settling Attorneys General relating to the Investigation, Governmental Proceedings and negotiation of this AG Settlement Agreement, or (ii) other purposes permitted by a State's law, at the sole discretion of each of the Settling Attorneys General. Any amount paid to the Commonwealth of Pennsylvania plus subsequent interest earned thereon shall be used for future Public Protection purposes. Any payment the Commonwealth of Massachusetts receives from the above-referenced monies shall be distributed according to the following terms: the first Four Hundred Seventy-Nine Thousand Dollars ($479,000.00) will be distributed to the Massachusetts Attorney General, as a grant for the purpose of assisting the Office of the Attorney General in the discharge of its duties, and shall be expended by the Attorney General for the purposes of monitoring, mediation, and consumer education efforts relating to this and associated Governmental Proceedings.

3. Upon payment of the Settlement Amount by Marsh, the Attorney General for the State of Florida and the Florida Department of Financial Services shall dismiss the Florida State Court Action with prejudice.

III. BUSINESS REFORMS

4. Marsh shall abide by the Compensation disclosure provision set forth in paragraph 15 of the Agreement Between the Attorney General of the State of New York and the Superintendent of Insurance of the State of New York, and Marsh dated January 30, 2005 as

amended or modified and as may be amended or modified (the "NYAG Agreement"), with respect to policyholders in the jurisdictions covered by this Agreement.

5. Marsh's obligations under this AG Settlement Agreement shall be automatically modified, with no further action required by any party, to reflect any amendments or other modifications to the NYAG Agreement. As soon as practicable, Marsh shall send notification of any subsequent amendment or other modification by U.S. mail, postage prepaid or by hand delivery to:

Dennis Silverman
Chief Counsel
Department of Financial Services
200 East Gaines Street
Suite 612
Tallahassee, Florida 32399-0333

Christopher R. Hunt
Assistant Attorney General
Office of the Attorney General
Antitrust Division
PL-01, The Capitol
Tallahassee, Florida 32399-1050

And

Mark Tobey
Assistant Attorney General
Chief, Antitrust Division
Office of the Attorney General
P.O. Box 12548
Austin, Texas 78711-2548

IV. OTHER PROVISIONS

6. The Settling Attorneys General agree to terminate, close, dismiss, and otherwise dispense with the Investigation and Governmental Proceedings that have been commenced concerning Marsh and any current or former director, officer or employee of Marsh (except as to the conduct of any former Marsh employee while he or she is/was subsequently employed by an

insurance company or other insurance broker under investigation by any of the Settling Attorneys General), including but not limited to the Florida State Court Action, and to forego pursuing any future investigation into the same. The Settling Attorneys General hereby release Marsh and each of its current or former directors, officers or employees of Marsh (except any former Marsh employees that were or are subsequently employed by an insurance company or other insurance broker under investigation by any of the Settling Attorneys General) from each and every claim the Settling Attorneys General have made or could have made directly relating to the acts, practices or course of conduct that were the subject of the Investigation, Governmental Proceedings, and/or Florida State Court Action. Nothing in this release shall preclude public and commercial entities in the respective states that are settlement class members from accepting the settlement consideration in the New Jersey class action settlement or from reserving their rights not to participate in the New Jersey class action settlement. Nothing in this Release shall preclude the Settling Attorneys General (or any of the settling State or public entities they represent) from asserting any claims relating to the shares of common stock issued by Marsh, including but not limited to the claims that were alleged in the putative class case In re Marsh & McLennan Companies, Inc. Securities Litigation, Case No. 04-CV-08144 (SWK) (S.D.N.Y.) or any opt-outs therefrom, and any individual securities cases, such as State of Oregon v. Marsh & McLennan Companies, Inc., Multnomah County Circuit Court Case No. 0508-08454 (Or.), which was dismissed by judgment of the Court dated June 19, 2008 and is on appeal to the Oregon Court of Appeals.

7. The Parties agree that this AG Settlement Agreement shall not confer any rights upon any other person or entity besides the Settling Attorneys General, Marsh, and its current and former directors, officers and employees.

8. The terms of this AG Settlement Agreement are binding on Marsh and on any person or entity to which Marsh may be sold, leased or otherwise transferred, during the term of this AG Settlement Agreement.

9. Nothing in this AG Settlement Agreement shall be deemed to preclude review by the Settling Attorneys General of acts, practices or courses of conduct that occur after the execution date of this AG Settlement Agreement.

10. The Parties agree that this AG Settlement Agreement contains the entire agreement between them with regard to the matters set forth in this AG Settlement Agreement. There are no other understandings or agreements, verbal or otherwise, between the Parties, except as set forth herein. There have been no representations not set forth herein that any Party has relied upon in entering into this AG Settlement Agreement.

11. Except as otherwise provided for herein, this AG Settlement Agreement may not be modified, changed, cancelled, amended or varied, nor may any or all of its terms be waived, except by a writing signed by all of the Parties.

12. This AG Settlement Agreement may be executed in counterparts.

13. The Parties represent and warrant that the person executing this AG Settlement Agreement on behalf of each Party has the legal authority to bind the Party to the terms of this AG Settlement Agreement.

14. The Parties agree to cooperate fully with one another in implementing this AG Settlement Agreement.

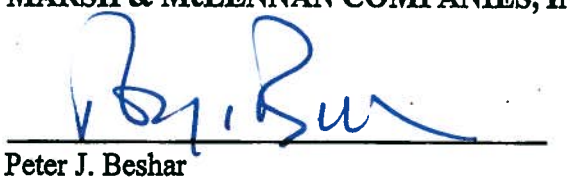
15. The Parties agree that this AG Settlement Agreement shall remain in full force and effect subject to paragraph 11, except that Marsh's obligations under paragraph 4 shall be automatically modified to reflect any amendments or other modifications to the NYAG

Agreement as provided in paragraph 5. This Agreement is not intended to, and shall not, disqualify Marsh or any of its employees from engaging in business in any of the jurisdictions covered by this Agreement.

16. This AG Settlement Agreement becomes effective upon execution by all Parties.

Executed this 5th day of December, 2008.

MARSH & McLENNAN COMPANIES, INC.



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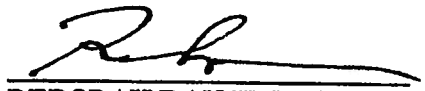

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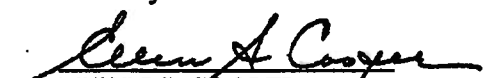

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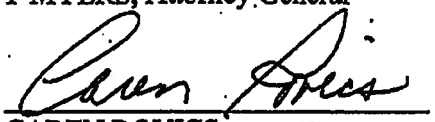
By: 

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