

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 10-Q

(Mark One)

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

For the quarter ended March 31, 2005

or

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

Commission file number: 001-16503

WILLIS GROUP HOLDINGS LIMITED

(Exact name of registrant as specified in its charter)

Bermuda

(Jurisdiction of incorporation or organization)

98-0352587

(I.R.S. Employer Identification No.)

c/o Willis Group Limited

Ten Trinity Square, London EC3P 3AX, England

(Address of principal executive offices)

(011) 44-20-7488-8111

(Registrant's telephone number, including area code)

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

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Exchange Act). Yes No

As of April 29, 2005, there were outstanding 164,836,942 shares of common stock, par value \$0.000115 per share of the registrant.

WILLIS GROUP HOLDINGS LIMITED
QUARTERLY REPORT ON FORM 10-Q
FOR THE QUARTER ENDED MARCH 31, 2005

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INFORMATION CONCERNING FORWARD-LOOKING STATEMENTS

We have included in this document forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, that state our intentions, beliefs, expectations or predictions for the future. These forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from historical results or those anticipated, depending on a variety of factors such as general economic conditions in different countries around the world, fluctuations in global equity and fixed income markets, changes in premium rates, the competitive environment and the actual cost of resolution of contingent liabilities. Although we believe that the expectations reflected in forward-looking statements are reasonable we can give no assurance that those expectations will prove to have been correct. All forward-looking statements contained in this document are qualified by reference to this cautionary statement.

PART I—FINANCIAL INFORMATION

Item 1—Financial Statements

WILLIS GROUP HOLDINGS LIMITED
CONSOLIDATED STATEMENTS OF OPERATIONS

	Three months ended March 31,	
	2005	2004
(millions, except per share data) (unaudited)		
REVENUES:		
Commissions and fees	\$ 651	\$ 648
Interest income	18	17
	<u>669</u>	<u>665</u>
Total revenues	<u>669</u>	<u>665</u>
EXPENSES:		
General and administrative expenses (including non-cash compensation of \$nil in 2005 and \$2 in 2004)	511	419
Regulatory settlements (Note 7)	51	—
Depreciation expense	11	11
Amortization of intangible assets	2	1
	<u>575</u>	<u>431</u>
Total expenses	<u>575</u>	<u>431</u>
OPERATING INCOME	94	234
Interest expense	6	5
Premium on redemption of subordinated notes	—	17
	<u>88</u>	<u>212</u>
INCOME BEFORE INCOME TAXES, EQUITY IN NET INCOME OF ASSOCIATES AND MINORITY INTEREST	88	212
INCOME TAXES	26	72
	<u>62</u>	<u>140</u>
INCOME BEFORE EQUITY IN NET INCOME OF ASSOCIATES AND MINORITY INTEREST	62	140
EQUITY IN NET INCOME OF ASSOCIATES	14	12
MINORITY INTEREST	(4)	(4)
	<u>72</u>	<u>148</u>
NET INCOME	\$ 72	\$ 148
NET INCOME PER SHARE (Note 5)		
—Basic	\$ 0.44	\$ 0.94
—Diluted	\$ 0.43	\$ 0.87
	<u>0.44</u>	<u>0.94</u>
AVERAGE NUMBER OF SHARES OUTSTANDING (Note 5)		
—Basic	163	158
—Diluted	168	170
	<u>163</u>	<u>158</u>
CASH DIVIDENDS DECLARED PER COMMON SHARE	\$ 0.2150	\$ 0.1875

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

WILLIS GROUP HOLDINGS LIMITED

CONSOLIDATED BALANCE SHEETS

	March 31, 2005	December 31, 2004
	(millions, except share data) (unaudited)	
ASSETS		
Cash and cash equivalents	\$ 200	\$ 351
Fiduciary funds—restricted	1,827	1,505
Short-term investments	73	74
Accounts receivable, net of allowance for doubtful accounts of \$40 in 2005 and \$39 in 2004	9,018	7,316
Fixed assets, net of accumulated depreciation of \$214 in 2005 and \$209 in 2004	243	249
Goodwill and other intangible assets, net of accumulated amortization of \$129 in 2005 and \$127 in 2004	1,571	1,551
Investments in associates	144	132
Deferred tax assets	195	203
Other assets	265	272
TOTAL ASSETS	\$ 13,536	\$ 11,653
LIABILITIES AND STOCKHOLDERS' EQUITY		
Accounts payable	\$ 10,365	\$ 8,562
Deferred revenue and accrued expenses	254	351
Income taxes payable	145	147
Long-term debt (Note 6)	450	450
Other liabilities	815	699
Total liabilities	12,029	10,209
COMMITMENTS AND CONTINGENCIES (Note 7)		
MINORITY INTEREST	23	20
STOCKHOLDERS' EQUITY:		
Common shares, \$0.000115 par value; Authorized: 4,000,000,000; Issued and outstanding, 164,804,153 shares in 2005 and 162,743,722 shares in 2004	—	—
Additional paid-in capital	1,011	977
Retained earnings	710	675
Accumulated other comprehensive loss, net of tax (Note 9)	(222)	(212)
Treasury stock, at cost, 582,981 shares in 2005 and 697,220 shares in 2004	(15)	(16)
Total stockholders' equity	1,484	1,424
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 13,536	\$ 11,653

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

WILLIS GROUP HOLDINGS LIMITED

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Three months ended March 31,	
	2005	2004
	(millions) (unaudited)	
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	\$ 72	\$ 148
Adjustments to reconcile net income to net cash (used in) provided by operating activities:		
Depreciation	11	11
Amortization of intangible assets	2	1
Provision for doubtful accounts	1	—
Minority interest	4	3
Provision for deferred income taxes	10	6
Subordinated debt redemption expense	—	17
Non-cash compensation—performance options	—	2
Regulatory settlements (Note 7)	51	—
Other	12	13
Changes in operating assets and liabilities, net of effects from purchase of subsidiaries:		
Fiduciary funds—restricted	(342)	(110)
Accounts receivable	(1,777)	(1,712)
Accounts payable	1,893	1,808
Other assets and liabilities	(43)	(24)
	<u>(106)</u>	<u>163</u>
Net cash (used in) provided by operating activities		
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds on disposal of fixed assets	1	—
Additions to fixed assets	(10)	(13)
Acquisitions of subsidiaries, net of cash acquired	(13)	(49)
Purchase of short-term investments	(12)	(14)
Proceeds on sale of short-term investments	12	11
	<u>(22)</u>	<u>(65)</u>
Net cash used in investing activities		
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayments of debt	—	(370)
Draw down of term loans	—	300
Subordinated debt redemption expense	—	(17)
Repurchase of shares	—	(148)
Proceeds from issue of shares	13	9
Dividends paid	(31)	(26)
	<u>(18)</u>	<u>(252)</u>
Net cash used in financing activities		
DECREASE IN CASH AND CASH EQUIVALENTS	(146)	(154)
Effect of exchange rate changes on cash and cash equivalents	(5)	1
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	351	364
	<u>\$ 200</u>	<u>\$ 211</u>
CASH AND CASH EQUIVALENTS, END OF PERIOD		

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

1. THE COMPANY AND ITS OPERATIONS

Business—Willis Group Holdings Limited ("Willis Group Holdings") and subsidiaries (collectively, the "Company") provide a broad range of value-added risk management consulting and insurance brokerage services, both directly and indirectly through its associates, to a diverse base of clients internationally. The Company provides specialized risk management advisory and other services on a global basis to clients in various industries, including aerospace, marine, energy and construction industries. In its capacity as an advisor and insurance broker, the Company acts as an intermediary between clients and insurance carriers by advising clients on risk management requirements, helping clients determine the best means of managing risk, and negotiating and placing insurance risk with insurance carriers through the Company's global distribution network. The Company also provides other value-added services.

2. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

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

The Interim Financial Statements are unaudited but include all adjustments (consisting of normal recurring adjustments) which the Company's management considers necessary for a fair presentation of the financial position as of such dates and the operating results and cash flows for those periods. Certain information and footnote disclosures normally included in financial statements prepared in accordance with US GAAP have been condensed or omitted. The results of operations for the three month period ended March 31, 2005 may not necessarily be indicative of the operating results that may be incurred for the entire fiscal year.

The December 31, 2004 balance sheet was derived from audited financial statements but does not include all disclosures required by US GAAP. However, the Company believes that the disclosures are adequate to make the information presented not misleading. These Interim Financial Statements should be read in conjunction with the Company's consolidated balance sheets as of December 31, 2004 and 2003, and the related consolidated statements of operations, cash flows and changes in stockholders' equity for each of the three years in the period ended December 31, 2004 included in the Annual Report on Form 10-K filed with the Securities and Exchange Commission. Certain reclassifications have been made to the prior period amounts to conform to the current period presentation.

Stock-based compensation—The Company accounts for its stock option and stock-based compensation plans using the intrinsic-value method prescribed in Accounting Principles Board Opinion No. 25, *Accounting for Stock Issued to Employees* ("APB 25"). Accordingly, the Company computes compensation costs for each employee stock option granted as the amount by which the quoted market price of the Company's shares on the date of the grant exceeds the amount the employee must pay to acquire the shares.

Had compensation expense for such plans been determined consistent with the fair value method prescribed by Statement of Financial Accounting Standard No. 123, *Accounting for Stock-Based*

Compensation ("SFAS 123"), using the Black-Scholes option-pricing model, the Company's pro forma net income and net income per share would have been:

	Three months ended March 31,	
	2005	2004
(millions, except per share data)		
Net income, as reported	\$ 72	\$ 148
Add: Non-cash compensation expense—performance options included in reported net income, net of related tax of \$nil in 2005 and \$nil in 2004	—	2
Less: Total stock-based employee compensation expense determined under SFAS 123 for all awards, net of related tax of \$1 in 2005 and \$1 in 2004	(3)	(2)
Net income, pro forma	\$ 69	\$ 148
Net income per share:		
Basic:		
As reported	\$ 0.44	\$ 0.94
Pro forma	\$ 0.42	\$ 0.94
Diluted:		
As reported	\$ 0.43	\$ 0.87
Pro forma	\$ 0.42	\$ 0.87

Accounting Changes and Recent Accounting Pronouncements—In December 2004, the Financial Accounting Standards Board issued SFAS No. 123 (revised 2004), *Share-Based Payment* ("SFAS 123R"). SFAS 123R replaces SFAS 123 and supersedes APB 25. SFAS 123R requires that the cost resulting from all share-based payment transactions be recognized in the financial statements at fair value and that excess tax benefits be reported as a financing cash inflow rather than as a reduction of taxes paid. SFAS 123R is effective for the Company from January 1, 2006.

SFAS 123R requires public companies to account for share-based payments using the modified-prospective method. Under the modified-prospective method, from the effective date, compensation cost is recognized based on the requirements of SFAS 123R for all new share-based awards and based on the requirements of SFAS 123 for all awards granted prior to the effective date of SFAS 123R that remain unvested on the effective date.

Public entities may also apply the modified-retrospective method to restate, based on the amounts previously recognized under SFAS 123 for pro forma disclosure purposes, either all prior periods presented or prior interim periods in the year of adoption.

In March 2005, the SEC issued Staff Accounting Bulletin No. 107, which summarizes the SEC staff's view regarding share-based payment arrangements for public companies.

The SFAS 123 pro forma disclosures given in Note 2 show the impact of the Company adopting SFAS 123R in prior periods. The Company has not yet determined whether it will adopt the modified-retrospective method.

3. DERIVATIVE FINANCIAL INSTRUMENTS

The financial risks the Company manages through the use of financial instruments are interest rate risk and foreign currency risk. The Company's Board of Directors reviews and agrees on policies for managing each of these risks. The Company has applied SFAS No. 133, *Accounting for Derivative Instruments and Hedging Activities* ("SFAS 133"), as amended by SFAS 149, in accounting for these financial instruments.

The fair values of both interest rate contracts and foreign currency contracts are recorded in other assets and other liabilities on the balance sheet. For contracts that are qualifying cash flow hedges as defined by SFAS 133, changes in fair value are recorded as a component of other comprehensive income. Amounts are reclassified from other comprehensive income into earnings when the hedged exposure affects earnings. For contracts that do not qualify for hedge accounting as defined by SFAS 133, changes in fair value are recorded in general and administrative expenses.

The changes in fair value of derivative financial instruments have been recorded as follows:

	Three months ended March 31,	
	2005	2004
	(millions)	
Other comprehensive income:		
Interest rate contracts (net of tax of \$2 and \$nil)	(5)	—
Foreign currency contracts (net of tax of \$(1) and \$(3))	3	7

4. PENSION PLANS AND OTHER EMPLOYEE BENEFITS

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

	Three months ended March 31,			
	UK Pension Benefits		US Pension Benefits	
	2005	2004	2005	2004
	(millions)			
Components of net periodic benefit cost:				
Service cost	\$ 12	\$ 10	\$ 6	\$ 5
Interest cost	23	21	8	7
Expected return on plan assets	(29)	(28)	(9)	(8)
Amortization of unrecognized prior service gain	(1)	(1)	—	—
Amortization of unrecognized actuarial loss	3	—	—	—
Net periodic benefit cost	\$ 8	\$ 2	\$ 5	\$ 4

As of March 31, 2005, \$28 million and \$6 million of contributions have been made to the UK and US defined benefit pension plans, respectively.

Severance costs—Severance costs of \$28 million were recognized in first quarter 2005. Following a review of the expense base in the light of the evolving business model for insurance brokerage, the Company has identified approximately 500 people whose employment has been, or is in the process of being, terminated. Severance costs for these employees were recognized pursuant to the terms of their existing benefit arrangements or employee agreements and the Company expects to have paid most of the costs by June 30, 2005. Severance costs of \$2 million were recognized in first quarter 2004.

5. NET INCOME PER SHARE

Basic and diluted net income per share is calculated by dividing net income by the average number of shares outstanding during each period. The computation of diluted net income per share reflects the potential dilution that could occur if dilutive securities and other contracts to issue shares were exercised or converted into shares or resulted in the issue of shares that then shared in the net income of the Company.

At March 31, 2005, time-based and performance-based options to purchase 12.8 million and 2.0 million (2004: 19.2 million and 6.2 million) shares, respectively, and 0.3 million restricted shares (2004: 0.5 million), were outstanding. Basic and diluted net income per share are as follows:

	Three months ended March 31,	
	2005	2004
	(millions, except per share data)	
Net income	\$ 72	\$ 148
Basic average number of shares outstanding	163	158
Dilutive effect of potentially issuable shares	5	12
Diluted average number of shares outstanding	168	170
Basic net income per share	\$ 0.44	\$ 0.94
Dilutive effect of potentially issuable shares	(0.01)	(0.07)
Diluted net income per share	\$ 0.43	\$ 0.87

For the three month period ended March 31, 2005, no options to purchase shares were excluded from the computation of the dilutive effect of stock options because their effect was antidilutive (2004: 5.2 million shares).

6. LONG-TERM DEBT

Long-term debt consists of the following:

	March 31, 2005	December 31, 2004
	(millions)	
Senior Credit Facility, term loans	\$ 450	\$ 450

On December 4, 2003, the Company entered into a credit agreement providing a \$450 million term loan facility and a \$150 million revolving credit facility. \$150 million of the term loan facility matures on each of the third, fourth and fifth anniversaries of the agreement. The undrawn revolving credit facility is available until December 4, 2008.

On February 2, 2004, the Company redeemed all the outstanding 9% senior subordinated notes at a redemption price of 104.5%. On the same day, the Company drew down \$300 million of term loans under the Senior Credit Facility. The remaining \$150 million under the Senior Credit Facility was drawn down on June 1, 2004.

7. COMMITMENTS AND CONTINGENCIES

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

Most of these claims, lawsuits and other proceedings arising in the ordinary course of business are covered by professional indemnity or other appropriate insurance. In respect of self-insured deductibles, the Company has established provisions against these items which are believed to be adequate in the light of current information and legal advice, and the Company adjusts such provisions from time to time according to developments. On the basis of current information, the Company does not expect that the actual claims, lawsuits and other proceedings, including the proceedings relating to contingent compensation arrangements referred to below, to which the Company is subject or of which it is aware will ultimately have a material adverse effect on the Company's financial condition, results of operations or cash flow. Nonetheless, given the large or indeterminate amounts sought in certain of these actions, and the inherent unpredictability of litigation, it is possible that an adverse outcome in certain matters could, from time to time, have a material adverse effect on the Company's results of operations or cash flows in particular quarterly or annual periods.

Proceedings Relating to Contingent Compensation Arrangements—In April 2005, the Company entered into an Assurance of Discontinuance ("NY AOD") with the New York Attorney General and the New York Superintendent of Insurance resolving the investigation commenced by the New York Attorney General in April 2004 which concerned, among other things, arrangements pursuant to which insurers compensated insurance brokers for distribution and other services provided to insurers and, as the investigation of brokers and insurers continued, broadened into an investigation of other practices, bid rigging, tying and other possible violations of law, including violations of fiduciary duty, securities laws, and antitrust laws. Pursuant to the NY AOD, the Company will pay \$50 million into a fund that will be distributed to eligible customers by February 2006. The Company has also agreed to continue certain business reforms it had already implemented and to implement certain other business reforms. These reforms include an agreement not to accept contingent compensation; and an undertaking to disclose to customers any compensation the Company will receive in connection with providing policy placement services to the customer. The Company also resolved a similar investigation commenced by the Minnesota Attorney General by entering into an Assurance of Discontinuance pursuant to which the Company agreed, among other things, to pay \$1 million to Minnesota customers and to continue or implement the business reforms described in the NY AOD. The Company continues to respond to requests for documents and information by the regulators and/or attorneys general of more than twenty other states, the District of Columbia, one city, Canada, and Australia that are conducting similar investigations. The Company is co-operating fully with these investigations. The Company has engaged in discussions with regulators and attorneys general about their investigations. The Company cannot predict at this time how or when those investigations will be resolved.

The compensation arrangements, which were initially the subject of the investigation by the New York Attorney General, were a longstanding and common practice within the insurance industry and had been disclosed by the Company for many years. On October 21, 2004, the Company announced that it was voluntarily abolishing these compensation arrangements immediately in North America and by December 31, 2004 outside North America.

In August 2004, a proceeding was commenced in the Superior Court of the State of California, County of San Diego against the Company by United Policyholders, an organization purporting to act in a representative capacity on behalf of the California general public. The complaint alleges that the compensation arrangements between the Company and insurance carriers constitute deceptive trade practices, and it seeks both injunctive and equitable relief, including restitution. That action was dismissed in December 2004, but is being appealed by the plaintiff. Since August 2004, various plaintiffs have filed eight purported class actions, one in the United States District Court for the Southern District of New York, four in the Northern District of Illinois, one in the Northern District of California, one in New Jersey District court, and one in the Circuit Court for the Eighteenth Judicial Circuit in and for Seminole County, Florida Civil Division, and it is expected that further suits may be filed. These actions name various insurance carriers and insurance brokerage firms, including the Company, as defendants. The complaints seek monetary damages and equitable relief and make allegations regarding the practices and conduct that has been the subject of the investigation of state attorneys general and insurance commissioners, including allegations that the brokers are breaching their duties to their clients by entering into contingent compensation agreements with either no disclosure or limited disclosure to clients, of bid rigging, tying, and of the improper use of affiliated wholesalers. The eight complaints also allege the existence of a conspiracy among the insurance carriers and brokers and the seven federal court complaints allege violations of the federal RICO statute. The seven actions filed in federal court have been transferred to the United States District Court for the District of New Jersey for coordinated pre-trial proceedings. The Company disputes these allegations and intends to defend itself vigorously against these actions.

8. SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION

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

	Three months ended March 31,	
	2005	2004
	(millions)	
Supplemental disclosures of cash flow information:		
Cash payments for income taxes	\$ 1	\$ 21
Cash payments for interest	\$ 5	\$ 17
Supplemental disclosures of non-cash flow investing and financing activities:		
Issue of stock on acquisition of subsidiaries	\$ 3	\$ 18
Deferred payments on acquisitions of subsidiaries	2	5
Acquisitions:		
Fair value of assets acquired	\$ 5	\$ 34
Less: liabilities assumed	(9)	(28)
cash acquired	—	(6)
Acquisitions, net of cash acquired	\$ (4)	\$ —

9. ACCUMULATED OTHER COMPREHENSIVE LOSS, NET OF TAX

The components of comprehensive income are as follows:

	Three months ended March 31,	
	2005	2004
	(millions)	
Net income	\$ 72	\$ 148
Other comprehensive (loss) income, net of tax:		
Foreign currency translation adjustment	(7)	5
Unrealized holding loss	(1)	—
Net (loss) gain on derivative instruments (net of tax of \$1 in 2005 and \$(3) in 2004)	(2)	7
	(10)	12
Other comprehensive (loss) income (net of tax of \$1 in 2005 and \$(3) in 2004)		
Comprehensive income	\$ 62	\$ 160

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

	March 31, 2005	December 31, 2004
		(millions)
Net foreign currency translation adjustment	\$ (11)	\$ (4)
Net minimum pension liability adjustment	(227)	(227)
Net unrealized holding loss	(1)	—
Net unrealized gain on derivative instruments	17	19
	(222)	(212)
Accumulated other comprehensive loss, net of tax	\$ (222)	\$ (212)

10. SEGMENT INFORMATION

The Company conducts its worldwide insurance brokerage activities through three operating segments: Global, North America and International. Each operating segment exhibits similar economic characteristics, provides similar products and services and distributes same through common distribution channels to a common type or class of customer. In addition, the regulatory environment in each region is similar. Consequently, for financial reporting purposes the Company has aggregated these three operating segments into one reportable segment.

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

The Willis North America Inc. ("Willis North America") debt securities registered in April 2003 will be, if issued, jointly and severally, irrevocably and fully and unconditionally guaranteed by Willis Group Holdings, Willis Group Limited, Trinity Acquisition Limited, TA I Limited, TA II Limited, TA III Limited and TA IV Limited.

Presented below is condensed consolidating financial information for: i) Willis Group Holdings, which will be a guarantor, on a parent company only basis; ii) the Other Guarantors which are all wholly owned subsidiaries of the parent; iii) the Issuer, Willis North America; iv) Other, which are the non-guarantor subsidiaries, on a combined basis; v) Eliminations; and vi) Consolidated Company and subsidiaries. The equity method has been used for all investments in subsidiaries.

The entities included in the Other Guarantors column are Willis Group Limited, Trinity Acquisition Limited, TA I Limited, TA II Limited, TA III Limited and TA IV Limited.

Condensed Consolidating Statements of Operations

	Three months ended March 31, 2005					
	Willis Group Holdings	The Other Guarantors	The Issuer	Other	Eliminations	Consolidated
	(millions)					
REVENUES:						
Commissions and fees	\$ —	\$ —	\$ —	\$ 651	\$ —	\$ 651
Interest income	—	—	2	25	(9)	18
Total revenues	—	—	2	676	(9)	669
EXPENSES:						
General and administrative expenses	—	4	4	503	—	511
Regulatory settlements	—	—	51	—	—	51
Depreciation expense	—	—	1	10	—	11
Amortization of intangible assets	—	—	—	—	2	2
Net gain on disposal of operations	—	—	—	(7)	7	—
Total expenses	—	4	56	506	9	575
OPERATING (LOSS) INCOME	—	(4)	(54)	170	(18)	94
Investment income from Group undertakings	—	54	49	16	(119)	—
Interest expense	—	(45)	(11)	(25)	75	(6)
INCOME (LOSS) BEFORE INCOME TAXES, EQUITY IN NET INCOME OF ASSOCIATES AND MINORITY INTEREST	—	5	(16)	161	(62)	88
INCOME TAXES	—	1	(26)	57	(6)	26
INCOME BEFORE EQUITY IN NET INCOME OF ASSOCIATES AND MINORITY INTEREST	—	4	10	104	(56)	62
EQUITY IN NET INCOME OF ASSOCIATES	—	—	—	14	—	14
MINORITY INTEREST	—	—	—	(2)	(2)	(4)
EQUITY ACCOUNT FOR SUBSIDIARIES	72	60	(59)	—	(73)	—
NET INCOME (LOSS)	\$ 72	\$ 64	\$ (49)	\$ 116	\$ (131)	\$ 72

Condensed Consolidating Statements of Operations

Three months ended March 31, 2004

	Willis Group Holdings	The Other Guarantors	The Issuer	Other	Eliminations	Consolidated
	(millions)					
REVENUES:						
Commissions and fees	\$ —	\$ —	\$ —	\$ 648	\$ —	\$ 648
Interest income	—	—	2	19	(4)	17
Total revenues	—	—	2	667	(4)	665
EXPENSES:						
General and administrative expenses (including non-cash compensation \$2 in Other)	1	(4)	(1)	444	(21)	419
Depreciation expense	—	—	3	8	—	11
Amortization of intangible assets	—	—	—	—	1	1
Total expenses	1	(4)	2	452	(20)	431
OPERATING (LOSS) INCOME	(1)	4	—	215	16	234
Investment income from Group undertakings	155	678	10	6	(849)	—
Interest expense	—	(54)	(4)	(21)	74	(5)
Premium on redemption of Subordinated notes	—	—	(17)	—	—	(17)
INCOME (LOSS) BEFORE INCOME TAXES, EQUITY IN NET INCOME OF ASSOCIATES AND MINORITY INTEREST	154	628	(11)	200	(759)	212
INCOME TAXES	—	4	(4)	78	(6)	72
INCOME (LOSS) BEFORE EQUITY IN NET INCOME OF ASSOCIATES AND MINORITY INTEREST	154	624	(7)	122	(753)	140
EQUITY IN NET INCOME OF ASSOCIATES	—	—	—	12	—	12
MINORITY INTEREST	—	—	—	(1)	(3)	(4)
EQUITY ACCOUNT FOR SUBSIDIARIES	(6)	(475)	32	—	449	—
NET INCOME	\$ 148	\$ 149	\$ 25	\$ 133	\$ (307)	\$ 148

Condensed Consolidating Balance Sheets

As at March 31, 2005

	Willis Group Holdings	The Other Guarantors	The Issuer	Other	Eliminations	Consolidated
	(millions)					
ASSETS						
Cash and cash equivalents	\$ 8	\$ —	\$ 7	\$ 185	\$ —	\$ 200
Fiduciary funds—restricted	—	—	105	1,722	—	1,827
Accounts receivable	130	2,144	841	10,356	(4,453)	9,018
Goodwill and other intangible assets	—	—	—	240	1,331	1,571
Other assets	—	66	80	922	(148)	920
Equity accounted subsidiaries	1,384	2,096	769	1,899	(6,148)	—
TOTAL ASSETS	\$ 1,522	\$ 4,306	\$ 1,802	\$ 15,324	\$ (9,418)	\$ 13,536
LIABILITIES AND STOCKHOLDERS' EQUITY						
Accounts payable	\$ —	\$ 2,829	\$ 1,345	\$ 10,672	\$ (4,481)	\$ 10,365
Deferred revenue and accrued expenses	—	—	1	259	(6)	254
Other liabilities	38	137	560	764	(89)	1,410
Total liabilities	38	2,966	1,906	11,695	(4,576)	12,029
MINORITY INTEREST	—	—	—	3	20	23
STOCKHOLDERS' EQUITY	1,484	1,340	(104)	3,626	(4,862)	1,484
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 1,522	\$ 4,306	\$ 1,802	\$ 15,324	\$ (9,418)	\$ 13,536

Condensed Consolidating Balance Sheets

As at December 31, 2004

	Willis Group Holdings	The Other Guarantors	The Issuer	Other	Eliminations	Consolidated
	(millions)					
ASSETS						
Cash and cash equivalents	\$ 79	\$ 58	\$ 14	\$ 200	\$ —	\$ 351
Fiduciary funds—restricted	—	—	90	1,415	—	1,505
Accounts receivable	156	2,417	805	8,840	(4,902)	7,316
Goodwill and other intangible assets	—	—	—	221	1,330	1,551
Other assets	—	56	56	927	(109)	930
Equity accounted subsidiaries	1,300	2,016	812	1,939	(6,067)	—
TOTAL ASSETS	\$ 1,535	\$ 4,547	\$ 1,777	\$ 13,542	\$ (9,748)	\$ 11,653
LIABILITIES AND STOCKHOLDERS' EQUITY						
Accounts payable	\$ 79	\$ 3,171	\$ 1,354	\$ 8,877	\$ (4,919)	\$ 8,562
Deferred revenue and accrued expenses	1	—	2	362	(14)	351
Other liabilities	31	108	492	756	(91)	1,296
Total liabilities	111	3,279	1,848	9,995	(5,024)	10,209
MINORITY INTEREST	—	—	—	2	18	20
STOCKHOLDERS' EQUITY	1,424	1,268	(71)	3,545	(4,742)	1,424
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 1,535	\$ 4,547	\$ 1,777	\$ 13,542	\$ (9,748)	\$ 11,653

Condensed Consolidating Statements of Cash Flows

Three months ended March 31, 2005

	Willis Group Holdings	The Other Guarantors	The Issuer	Other	Eliminations	Consolidated
	(millions)					
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	\$ —	\$ 3	\$ (8)	\$ (101)	\$ —	\$ (106)
CASH FLOWS FROM INVESTING ACTIVITIES:						
Acquisitions of subsidiaries, net of cash acquired	—	—	—	(13)	—	(13)
Other	—	—	(1)	(8)	—	(9)
Net cash used in investing activities	—	—	(1)	(21)	—	(22)
CASH FLOWS FROM FINANCING ACTIVITIES:						
Amounts owed by and to Group undertakings	(51)	(66)	(47)	164	—	—
Proceeds from issue of shares	11	5	—	(3)	—	13
Dividends paid	(31)	—	49	(49)	—	(31)
Net cash (used in) provided by financing activities	(71)	(61)	2	112	—	(18)
DECREASE IN CASH AND CASH EQUIVALENTS	(71)	(58)	(7)	(10)	—	(146)
Effect of exchange rate changes on cash and cash equivalents	—	—	—	(5)	—	(5)
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	79	58	14	200	—	351
CASH AND CASH EQUIVALENTS, END OF PERIOD	\$ 8	\$ —	\$ 7	\$ 185	\$ —	\$ 200

Condensed Consolidating Statements of Cash Flows

Three months ended March 31, 2004

	Willis Group Holdings	The Other Guarantors	The Issuer	Other	Eliminations	Consolidated
	(millions)					
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ —	\$ 11	\$ 35	\$ 117	\$ —	\$ 163
CASH FLOWS FROM INVESTING ACTIVITIES:						
Acquisitions of subsidiaries, net of cash acquired	(36)	—	—	(13)	—	(49)
Other	—	—	(1)	(15)	—	(16)
Net cash used in investing activities	(36)	—	(1)	(28)	—	(65)
CASH FLOWS FROM FINANCING ACTIVITIES:						
Repayments of debt	—	—	(370)	—	—	(370)
Draw down of term loans	—	—	300	—	—	300
Amounts owed by and to Group undertakings	2	134	(67)	(69)	—	—
Repurchase of shares	(148)	—	—	—	—	(148)
Other	137	(154)	(17)	—	—	(34)
Net cash used in financing activities	(9)	(20)	(154)	(69)	—	(252)
(DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(45)	(9)	(120)	20	—	(154)
Effect of exchange rate changes on cash and cash equivalents	—	—	—	1	—	1
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	48	9	148	159	—	364
CASH AND CASH EQUIVALENTS, END OF PERIOD	\$ 3	\$ —	\$ 28	\$ 180	\$ —	\$ 211

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

The Trinity Acquisition Limited debt securities registered in April 2003 will be, if issued, jointly and severally, irrevocably and fully and unconditionally guaranteed by Willis Group Holdings, TA I Limited, TA II Limited and TA III Limited.

Presented below is condensed consolidating financial information for: i) Willis Group Holdings, which will be a guarantor, on a parent company only basis; ii) the Other Guarantors, which are all wholly owned subsidiaries of the parent; iii) the Issuer, Trinity Acquisition Limited; iv) Other, which are the non-guarantor subsidiaries, on a combined basis; v) Eliminations; and vi) Consolidated Company and subsidiaries. The equity method has been used for all investments in subsidiaries.

The entities included in the Other Guarantors column are TA I Limited, TA II Limited and TA III Limited.

Condensed Consolidating Statements of Operations

Three months ended March 31, 2005

	Willis Group Holdings	The Other Guarantors	The Issuer	Other	Eliminations	Consolidated
	(millions)					
REVENUES:						
Commissions and fees	\$ —	\$ —	\$ —	\$ 651	\$ —	\$ 651
Interest income	—	—	—	27	(9)	18
Total revenues	—	—	—	678	(9)	669
EXPENSES:						
General and administrative expenses	—	—	—	511	—	511
Regulatory settlements	—	—	—	51	—	51
Depreciation expense	—	—	—	11	—	11
Amortization of intangible assets	—	—	—	—	2	2
Net gain on disposal of operations	—	—	—	(7)	7	—
Total expenses	—	—	—	566	9	575
OPERATING INCOME	—	—	—	112	(18)	94
Investment income from Group undertakings	—	—	39	80	(119)	—
Interest expense	—	—	(6)	(75)	75	(6)
INCOME BEFORE INCOME TAXES, EQUITY IN NET INCOME OF ASSOCIATES AND MINORITY INTEREST	—	—	33	117	(62)	88
INCOME TAXES	—	—	8	24	(6)	26
INCOME BEFORE EQUITY IN NET INCOME OF ASSOCIATES AND MINORITY INTEREST	—	—	25	93	(56)	62
EQUITY IN NET INCOME OF ASSOCIATES	—	—	—	14	—	14
MINORITY INTEREST	—	—	—	(2)	(2)	(4)
EQUITY ACCOUNT FOR SUBSIDIARIES	72	64	57	—	(193)	—
NET INCOME	\$ 72	\$ 64	\$ 82	\$ 105	\$ (251)	\$ 72

Condensed Consolidating Statements of Operations

Three months ended March 31, 2004

	Willis Group Holdings	The Other Guarantors	The Issuer	Other	Eliminations	Consolidated
	(millions)					
REVENUES:						
Commissions and fees	\$ —	\$ —	\$ —	\$ 648	\$ —	\$ 648
Interest income	—	—	—	21	(4)	17
Total revenues	—	—	—	669	(4)	665
EXPENSES:						
General and administrative expenses (including non-cash compensation \$2 in Other)	1	—	(1)	440	(21)	419
Depreciation expense	—	—	—	11	—	11
Amortization of intangible assets	—	—	—	—	1	1
Total expenses	1	—	(1)	451	(20)	431
OPERATING (LOSS) INCOME	(1)	—	1	218	16	234
Investment income from Group undertakings	155	464	40	190	(849)	—
Interest expense	—	—	(11)	(68)	74	(5)
Premium on redemption of Subordinated notes	—	—	—	(17)	—	(17)
INCOME BEFORE INCOME TAXES, EQUITY IN NET INCOME OF ASSOCIATES AND MINORITY INTEREST	154	464	30	323	(759)	212
INCOME TAXES	—	—	11	67	(6)	72
INCOME BEFORE EQUITY IN NET INCOME OF ASSOCIATES AND MINORITY INTEREST	154	464	19	256	(753)	140
EQUITY IN NET INCOME OF ASSOCIATES	—	—	—	12	—	12
MINORITY INTEREST	—	—	—	(1)	(3)	(4)
EQUITY ACCOUNT FOR SUBSIDIARIES	(6)	(315)	130	—	191	—
NET INCOME	\$ 148	\$ 149	\$ 149	\$ 267	\$ (565)	\$ 148

Condensed Consolidated Balance Sheets

As at March 31, 2005

	Willis Group Holdings	The Other Guarantors	The Issuer	Other	Eliminations	Consolidated
	(millions)					
ASSETS						
Cash and cash equivalents	\$ 8	\$ —	\$ —	\$ 192	\$ —	\$ 200
Fiduciary funds—restricted	—	—	—	1,827	—	1,827
Accounts receivable	130	3	1,428	11,910	(4,453)	9,018
Goodwill and other intangible assets	—	—	—	240	1,331	1,571
Other assets	—	—	—	1,068	(148)	920
Equity accounted subsidiaries	1,384	1,346	636	4,536	(7,902)	—
TOTAL ASSETS	\$ 1,522	\$ 1,349	\$ 2,064	\$ 19,773	\$ (11,172)	\$ 13,536
LIABILITIES AND STOCKHOLDERS' EQUITY						
Accounts payable	\$ —	\$ 1	\$ 585	\$ 14,260	\$ (4,481)	\$ 10,365
Deferred revenue and accrued expenses	—	—	—	260	(6)	254
Other liabilities	38	8	99	1,354	(89)	1,410
Total liabilities	38	9	684	15,874	(4,576)	12,029
MINORITY INTEREST	—	—	—	3	20	23
STOCKHOLDERS' EQUITY	1,484	1,340	1,380	3,896	(6,616)	1,484
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 1,522	\$ 1,349	\$ 2,064	\$ 19,773	\$ (11,172)	\$ 13,536

Condensed Consolidated Balance Sheets

As at December 31, 2004

	Willis Group Holdings	The Other Guarantors	The Issuer	Other	Eliminations	Consolidated
	(millions)					
ASSETS						
Cash and cash equivalents	\$ 79	\$ —	\$ —	\$ 272	\$ —	\$ 351
Fiduciary funds—restricted	—	—	—	1,505	—	1,505
Accounts receivable	156	238	1,393	10,431	(4,902)	7,316
Goodwill and other intangible assets	—	—	—	221	1,330	1,551
Other assets	—	—	—	1,039	(109)	930
Equity accounted subsidiaries	1,300	1,266	569	4,576	(7,711)	—
TOTAL ASSETS	\$ 1,535	\$ 1,504	\$ 1,962	\$ 18,044	\$ (11,392)	\$ 11,653
LIABILITIES AND STOCKHOLDERS' EQUITY						
Accounts payable	\$ 79	\$ 236	\$ 584	\$ 12,582	\$ (4,919)	\$ 8,562
Deferred revenue and accrued expenses	1	—	—	364	(14)	351
Other liabilities	31	—	87	1,269	(91)	1,296
Total liabilities	111	236	671	14,215	(5,024)	10,209
MINORITY INTEREST	—	—	—	2	18	20
STOCKHOLDERS' EQUITY	1,424	1,268	1,291	3,827	(6,386)	1,424
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 1,535	\$ 1,504	\$ 1,962	\$ 18,044	\$ (11,392)	\$ 11,653

Condensed Consolidating Statement of Cash Flows

Three months ended March 31, 2005

	Willis Group Holdings	The Other Guarantors	The Issuer	Other	Eliminations	Consolidated
	(millions)					
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	\$ —	\$ —	\$ 34	\$ (140)	\$ —	\$ (106)
CASH FLOWS FROM INVESTING ACTIVITIES:						
Acquisitions of subsidiaries, net of cash acquired	—	—	—	(13)	—	(13)
Other	—	—	—	(9)	—	(9)
Net cash used in investing activities	—	—	—	(25)	—	(22)
CASH FLOWS FROM FINANCING ACTIVITIES:						
Amounts owed by and to Group undertakings	(51)	—	(34)	85	—	—
Proceeds from issue of shares	11	—	—	2	—	13
Dividends paid	(31)	—	—	—	—	(31)
Net cash (used in) provided by financing activities	(71)	—	(34)	87	—	(18)
DECREASE IN CASH AND CASH EQUIVALENTS	(71)	—	—	(75)	—	(146)
Effect of exchange rates changes on cash and cash equivalents	—	—	—	(5)	—	(5)
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	79	—	—	272	—	351
CASH AND CASH EQUIVALENTS, END OF PERIOD	\$ 8	\$ —	\$ —	\$ 192	\$ —	\$ 200

Condensed Consolidating Statements of Cash Flows

Three months ended March 31, 2004

	Willis Group Holdings	The Other Guarantors	The Issuer	Other	Eliminations	Consolidated
	(millions)					
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ —	\$ —	\$ 31	\$ 132	\$ —	\$ 163
CASH FLOWS FROM INVESTING ACTIVITIES:						
Acquisitions of subsidiaries, net of cash acquired	(36)	—	—	(13)	—	(49)
Other	—	—	—	(16)	—	(16)
Net cash used in investing activities	(36)	—	—	(29)	—	(65)
CASH FLOWS FROM FINANCING ACTIVITIES:						
Repayments of debt	—	—	—	(370)	—	(370)
Draw down of term loans	—	—	—	300	—	300
Amounts owed by and to Group undertakings	2	—	124	(126)	—	—
Repurchase of shares	(148)	—	—	—	—	(148)
Other	137	—	(155)	(16)	—	(34)
Net cash used in financing activities	(9)	—	(31)	(212)	—	(252)
DECREASE IN CASH AND CASH EQUIVALENTS	(45)	—	—	(109)	—	(154)
Effect of exchange rates changes on cash and cash equivalents	—	—	—	1	—	1
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	48	—	—	316	—	364
CASH AND CASH EQUIVALENTS, END OF PERIOD	\$ 3	\$ —	\$ —	\$ 208	\$ —	\$ 211

13. SUBSEQUENT EVENT

On April 14, 2005 the Company completed the sale of Stewart Smith, its wholesale division. The pre-tax gain on disposal, which is currently estimated to be approximately \$70 million, will be recognized in second quarter 2005 earnings. Stewart Smith contributed \$77 million to revenues in fiscal 2004. The net assets and first quarter 2005 and 2004 results for Stewart Smith have not been separately disclosed as discontinued operations as management does not believe the impact of its assets, liabilities, revenues or expenses were material to the financial position or the results of operations of the Company.

EXECUTIVE SUMMARY

We believe 2005 will be another challenging year for the insurance industry: the reassessment of market practices that began in 2004 following various regulatory investigations continues and there have been further declines in insurance premium rates across most lines of business.

Results

Net income for first quarter 2005 was \$72 million, or \$0.43 per diluted share, compared with \$148 million, or \$0.87 per diluted share, in first quarter 2004. Revenues were 1 percent higher at \$669 million for first quarter 2005. First quarter 2005 results were adversely affected by the following items:

	Impact on:			
	Operating income	Tax	Net income	Diluted earnings per share
	(millions, except per share data)			
Regulatory settlements	\$ 60	\$ 24	\$ 36	\$ 0.21
Severance costs and related expenses	28	9	19	0.11
Provisions for legal claims	20	6	14	0.08

Regulatory settlements—On April 8, 2005 we reached agreements with the New York Attorney General, New York Department of Insurance and the Minnesota Attorney General to resolve issues raised by the industry-wide investigation into contingent commissions. We agreed to establish reimbursement funds totaling \$51 million and also recorded a \$9 million charge for related legal and administrative expenses.

Severance costs and related expenses—We continue to review the expense base in the light of the evolving business model for insurance brokerage: as of March 31, 2005 approximately 500 people were identified and their employment has been or is being terminated. Severance costs in first quarter 2004 were \$2 million.

Provisions for legal claims—Based on the March 31, 2005 quarter-end review of current legal proceedings, we increased our provisions for legal claims by an additional \$20 million.

In addition, first quarter 2005 results were adversely impacted by a sharp fall in market remuneration which totaled \$6 million compared with \$43 million in first quarter 2004.

Market remuneration and future outlook

In October 2004, we announced that we were abolishing volume and profit-based contingent commissions. We do not expect to earn any contingent commissions in respect of 2005 and future years although immaterial amounts may be received in relation to the winding-up of non-US contracts from prior years. In first quarter 2005 we received \$3 million, all of which related to 2004 arrangements outside the United States, compared with \$21 million in first quarter 2004 and \$71 million for fiscal 2004.

In addition to volume and profit-based contingent commissions, we earned other market remuneration in 2004 which included fees received for product and market research carried out on behalf of insurers and income related to administration and other services provided to the market. Following the regulatory investigations into volume and profit-based contingent commissions, we entered negotiations with the insurance markets to restructure this remuneration. However, we have not been as successful as we had hoped in restructuring these agreements and other market

remuneration in first quarter 2005 totaled only \$3 million, compared with \$22 million in first quarter 2004 and \$77 million for fiscal 2004.

As a consequence of this sharp reduction in market remuneration, we believe that our operating margin (operating income as a percentage of revenues) for fiscal 2005 is likely to be lower than in recent years.

Cash and financing

Cash at March 31, 2005 was \$200 million, \$151 million lower than at December 31, 2004 with the decrease primarily due to a reclassification of approximately \$200 million from own funds to fiduciary funds under new UK regulations—see 'Liquidity and Capital Resources' below.

There were no share buybacks in first quarter 2005. In April 2005, the Board of Directors approved a new buyback program for \$300 million, replacing the previous program under which \$339 million was purchased. We expect to resume our buyback activity in second quarter 2005.

Disposal of Stewart Smith

We completed the sale of Stewart Smith, our wholesale unit, on April 14, 2005. The pre-tax gain on disposal, which is currently estimated to be approximately \$70 million, will be recognized in second quarter 2005 earnings. Stewart Smith contributed \$77 million to revenues in full year 2004.

Critical accounting estimates

The accounting estimates or assumptions that management considers to be the most important to the presentation of the Company's financial condition or operating performance were discussed in our Annual Report on Form 10-K for the year ended December 31, 2004. There were no significant additions or changes to these assumptions in first quarter 2005.

OPERATING RESULTS

Revenues

First quarter 2005 revenues at \$669 million were \$4 million, or 1 percent, higher than in first quarter 2004 of which 2 percent was attributable to foreign currency translation and 3 percent to the net impact of acquisitions and disposals. Organic revenue growth was negative 4 percent reflecting a sharp reduction in market remuneration and a softening rate environment partly offset by net new business growth in our North America and International operations.

Our Global and International operations earn revenues in currencies other than the US dollar. In first quarter 2005, reported revenues in Global and International benefited from the year on year impact of foreign currency translation, in particular the strengthening of sterling and the euro against the dollar.

Net acquisitions and disposals added 5 percent to Global's first quarter 2005 commissions and fees compared with 2004. This increase was mainly attributable to the Coyle Hamilton and Opus acquisitions in second half 2004.

The following table sets out organic revenue growth by business.

Three months ended March 31,	Revenues			Change attributable to:		
	2005	2004	% change	Foreign currency translation	Acquisitions and disposals	Organic revenue growth
	(millions)					
Global	\$ 362	\$ 354	2%	2%	5%	(5)%
North America	142	156	(9)%	—	—	(9)%
International	147	138	7%	3%	1%	3%
Commissions and fees	651	648	—	1%	3%	(4)%
Investment income	18	17	6%	5%	2%	(1)%
Total revenues	\$ 669	\$ 665	1%	2%	3%	(4)%

- (i) Organic revenue growth excludes the impact of foreign currency translation and acquisitions and disposals from reported revenues. We use organic revenue growth as a measure of business growth generated by operations that were part of the Group at the end of the period. Our method of calculating this measure may differ from that used by other companies and therefore comparability may be limited.
- (ii) Acquisitions and disposals include Stewart Smith which was sold in April 2005.
- (iii) Following a change to our reporting structure effective July 1, 2004, \$16 million of revenues previously reported as North America for the three months ended March 31, 2004 have been reclassified as Global revenues.

Organic revenue growth was negative 4 percent primarily due to the \$37 million reduction in market remuneration. Volume and profit-based contingent commissions were \$3 million in first quarter 2005, compared with \$21 million in first quarter 2004, and related to the run-off from 2004 arrangements outside the United States that will not be replaced when they expire. Other market remuneration of \$3 million in first quarter 2005 was \$19 million lower than in first quarter 2004. Following the uncertainty in the market arising from the regulatory investigations in 2004, we are working with the insurance markets to restructure existing relationships.

The following table analyses first quarter 2005 organic growth in commissions and fees by business:

	Market remuneration				Total commissions and fees organic growth
	Commissions and fees excluding market remuneration	Volume and profit-based contingent commissions	Other market remuneration(i)	Total market remuneration	
Global	—	—	(5)%	(5)%	(5)%
North America	3%	(12)%	—	(12)%	(9)%
International	3%	—	—	—	3%
Group	2%	(3)%	(3)%	(6)%	(4)%

- (i) Other market remuneration includes compensation for product and market research carried out on behalf of insurers and income related to administration and other services provided to the market.

Global: Global revenues were adversely impacted by a \$19 million reduction in other market remuneration. Commissions and fees, excluding market remuneration, were in line with first quarter 2004. The market is highly competitive and there have been significant rate declines, in particular in aerospace, large property accounts and UK retail.

North America: The abolition of volume and profit-related contingent commissions with effect from October 2004 led to North America reporting negative organic growth in commissions and fees. Excluding market remuneration, commissions and fees were 3 percent higher in first quarter 2005

despite a significant decline in rates. A survey by the Council of Insurance Agents and Brokers released in April 2005 reported that average rates had declined by over 9 percent in first quarter 2005. Net new business growth remained robust and was spread across a number of product lines. Two small acquisitions were completed in first quarter 2005 to further strengthen our benefits practice.

International: Organic revenue growth in commissions and fees was 3 percent despite a further softening in rates in many areas with Iberia, Italy and Asia, in particular Singapore and Korea, all performing well. We completed a small acquisition in Taiwan in the quarter.

General and administrative expenses

General and administrative expenses at \$511 million were \$92 million, or 22 percent, higher than in first quarter 2004. This increase was mainly attributable to:

- a \$28 million charge for severance payments in first quarter 2005 compared with \$2 million in first quarter 2004. We continue to review our expense base in light of the evolving business model for insurance brokerage and some 500 people were identified during the first quarter 2005 and their employment has been or is being terminated;
- a \$20 million additional charge to increase provisions following the quarter-end review of legal proceedings; and
- a \$9 million charge for legal and administrative costs relating to the regulatory settlements referred to above.

Excluding these items, the underlying expense base was \$37 million, or 9 percent higher, of which 2 percent was attributable to foreign currency translation and 5 percent was attributable to acquisitions and disposals. Growth of 2 percent in the underlying cost base was mainly attributable to increased recruitment expenditure and an increase in pension costs partly offset by savings on travel costs and other discretionary expenditures. The increase in pension costs reflected an increase in longevity, a fall in discount rates and the amortization of losses arising in prior years.

We continued to recruit revenue-earning and client-facing staff at the same rate as in fourth quarter 2004 with over half of the recruits joining North America. We have strengthened a number of regions and practices across North America including construction and benefits. Elsewhere, we added depth to our UK Retail, Reinsurance and International units. Excluding severance charges, salaries and benefits were 53 percent of first quarter 2005 revenues, compared with 48 percent in first quarter 2004, with the increase mainly attributable to the fall in market remuneration referred to above, and were 53 percent of revenues on a trailing twelve months basis.

Operating income and operating margin

	Three months ended March 31,	
	2005	2004
	(millions, except percentages)	
Revenues	\$ 669	\$ 665
Operating income	94	234
Operating margin	14.1%	35.2%

Operating margin, or operating income as a percentage of revenues, at 14.1 percent in first quarter 2005 was significantly lower than first quarter 2004 due mainly to the \$51 million charge for regulatory settlements and related \$9 million legal and administrative costs, together with the \$26 million increase

in severance charges and the \$20 million additional provision for legal claims. Excluding the effect of these items, operating margin decreased to 30.2 percent in first quarter 2005 compared with 35.5 percent in first quarter 2004 after excluding severance costs of \$2 million: approximately 2 percent of this decline was attributable to the elimination of volume and profit-based contingent commissions and a further 2 percent to the decline in other market remuneration.

Premium on redemption of subordinated notes

In February 2004, we paid a call premium of \$17 million on the early redemption of all \$370 million of our 9% senior subordinated notes then outstanding.

Income taxes

	Three months ended March 31,	
	2005	2004
	(millions, except percentages)	
Income before taxes	\$ 88	\$ 212
Income taxes	26	72
Effective tax rate	30%	34%

Income tax expense for first quarter 2005 amounted to \$26 million, an effective rate of 30%. The net effect on taxation of the amortization of intangibles, disposal of operations, performance stock options and regulatory settlements, was a 3 percent decrease in the effective rate in first quarter 2005. In first quarter 2004, the amortization of intangibles, disposal of operations and performance stock options had no net effect on the effective tax rate.

Net income and earnings per share

	Three months ended March 31,	
	2005	2004
	(millions, except per share data)	
Net income	\$ 72	\$ 148
Earnings per diluted share	\$ 0.43	\$ 0.87

First quarter 2005 net income was \$72 million (\$0.43 per diluted share), \$76 million (\$0.44 per diluted share) lower than first quarter 2004. Foreign currency translation contributed 2 cents to earning per diluted share compared with first quarter 2004 and a two million reduction in average diluted share count contributed 1 cent.

LIQUIDITY AND CAPITAL RESOURCES

Operating activities

Net cash provided by operations, which excludes fiduciary cash movements, was a \$106 million outflow in first quarter 2005 compared with a \$163 million inflow a year ago. The net cash outflow in 2005 was primarily attributable to a reclassification of approximately \$200 million own funds to fiduciary funds under new Financial Services Authority ("FSA") regulations in the United Kingdom

which came into force in January 2005. The impact of the change in regulations will be seasonal. At December 31, 2005, we expect the impact of these regulations to be approximately \$150 million.

The new FSA regulations require fiduciary funds to be held in designated trust accounts, restrict the financial instruments in which such funds may be invested and affect the timing of transferring commissions from fiduciary funds to own funds. The regulations change the basis for the withdrawal of commissions from fiduciary funds from an earned to a receipts basis with a consequential increase in the balances held in fiduciary funds.

Net cash in 2005 will also be adversely impacted by the abolition of volume and profit-based contingent commissions and the reduction in other market remuneration. However, we hope to mitigate this by steps we are taking to grow our market share and by continuing to control expenses tightly.

Investing activities

Total net cash used in investing activities was \$22 million for first quarter 2005 compared with \$65 million a year ago.

Cash used for acquisitions in first quarter 2005 amounted to \$13 million (net of cash acquired), primarily incurred in acquiring CGI Consulting Group and Primary Worldwide Corp. in the United States, CR King and Partners Limited in the United Kingdom and Essence, a Taiwanese broker.

Financing activities

Cash used in financing activities amounted to \$18 million in first quarter 2005, comprising dividend payments less the proceeds from shares issued, compared with \$252 million in the corresponding period of 2004 when we refinanced our debt, \$87 million, and began a program of share buybacks, \$148 million.

On April 27, 2005, the Board of Directors approved a new share buyback program for \$300 million. This replaces the previous program under which shares totaling \$339 million were purchased.

Cash dividends paid in first quarter 2005 were \$31 million, a quarterly rate of \$0.1875 per share, compared with \$26 million, a quarterly rate of \$0.1625 per share, a year ago. In February 2005, the quarterly cash dividend declared was increased by 15 percent to \$0.215 per share, an annual rate of \$0.86 per share. At this rate, the expected annual cost of dividends payable in 2005 will be approximately \$138 million. We have funded dividends from cash generated internally by operations and expect to do so in the future.

As of March 31, 2005, we had cash and cash equivalents of \$200 million, compared with \$211 million at March 31, 2004. We expect that internally generated funds will be sufficient to meet our foreseeable operating cash requirements, capital expenditures and dividend payments. In addition we have an undrawn \$150 million revolving credit facility.

Contractual obligations

On April 8, 2005, we reached settlements with the New York Attorney General, the Superintendent of Insurance of the State of New York and the Minnesota Attorney General to establish reimbursement funds of \$51 million payable on or before July 1, 2005. Apart from these settlements, there have been no other material changes in our contractual obligations since December 31, 2004.

Off-balance sheet transactions

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

Item 3—Quantitative and Qualitative Disclosures about Market Risk

There has been no material change with respect to market risk from that described in our Annual Report on Form 10-K for the year ended December 31, 2004.

Item 4—Controls and Procedures

Evaluation of Disclosure Controls and Procedures

As of March 31, 2005, the Company carried out an evaluation, under the supervision and with the participation of the Company's management, including the Chairman and Chief Executive Officer and the Group Chief Financial Officer, of the effectiveness of the design and operation of the Company's disclosure controls and procedures pursuant to Exchange Act Rule 13a-15(e). Based upon that evaluation, the Chief Executive Officer and the Chief Financial Officer concluded that the Company's disclosure controls and procedures are effective in timely alerting them to material information relating to the Company (including its consolidated subsidiaries) required to be included in the Company's periodic SEC filings.

Changes in Internal Control over Financial Reporting

There have been no significant changes in the Company's internal controls over financial reporting during the quarter ended March 31, 2005 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II—OTHER INFORMATION

Item 1—Legal Proceedings

The information set forth in Note 7 of Notes to the Consolidated Financial Statements, provided in Part I, Item 1 of this Report, is incorporated herein by reference.

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

During the quarter ended March 31, 2005, the Company issued a total of 66,242 shares of common stock without registration under the Securities Act of 1933, as amended, in reliance upon the exemption under Section 4(2) of such Act relating to sales by an issuer not involving a public offering, none of which involved the sale of more than 1% of the outstanding common stock of the Company.

The following sales of shares related to part consideration for the acquisition of interest in the following companies:

Date of Sale	Number of Shares	Acquisition
January 5, 2005	9,019	Essence Insurance Broker Co., Ltd
January 10, 2005	14,800	CR King and Partners Limited
January 31, 2005	38,838	Primary Worldwide Corporation
February 28, 2005	3,585	CGI Consulting Group, Inc.

The Company did not repurchase any of its own common stock during the quarter covered by this report.

On April 27, 2005, the Board of Directors authorized an open-ended plan to purchase, from time to time in the open market or through negotiated trades with persons who are not affiliates of the Company, shares of the Company's common stock at an aggregate purchase price of up to \$300 million. This authorization replaces the Company's previously announced buyback plan of \$500 million, under which \$339 million was purchased.

Item 6—Exhibits

- 10.25 Assurance of Discontinuance dated April 8, 2005 with the Attorney General of the State of New York and the Superintendent of Insurance of the State of New York
- 10.26 Assurance of Discontinuance dated April 8, 2005 with the Attorney General of the State of Minnesota
- 31.1 Certification Pursuant to Rule 13a-14(a)
- 31.2 Certification Pursuant to Rule 13a-14(a)
- 32.1 Certification Pursuant to 18 U.S.C. Section 1350
- 32.2 Certification Pursuant to 18 U.S.C. Section 1350

SIGNATURES

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

WILLIS GROUP HOLDINGS LIMITED
(Registrant)

By: /s/ THOMAS COLRAINE

Thomas Colraine
Co-Chief Operating Officer, Vice Chairman and Group Chief Financial Officer

Dated: London, May 6, 2005

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THE ATTORNEY GENERAL OF THE STATE OF NEW YORK

_____X

In the Matter of
WILLIS GROUP HOLDINGS LTD,
WILLIS NORTH AMERICA INC. and
WILLIS OF NEW YORK, INC.

_____X

ASSURANCE OF DISCONTINUANCE
PURSUANT TO EXECUTIVE LAW § 63(15)

Pursuant to the provisions of Executive Law § 63 (12), the Donnelly Act (Gen. Bus. Law § 340 et seq.), and the Martin Act (Gen. Bus. Law § 352-c), Eliot Spitzer, Attorney General of the State of New York caused an investigation to be made of Willis Group Holdings LTD, Willis North America Inc., and Willis of New York, Inc. (collectively "Willis") related to its practices in the purchasing, renewal, placement or servicing of insurance for its clients (the "Attorney General's Investigation"); and the Superintendent of Insurance of the State of New York (the "Superintendent"), pursuant to Insurance Law § 305, conducted an investigation of Willis related to its practices in the purchasing, renewal, placement or servicing of insurance for its clients (the "Superintendent's Investigation"); and based upon the Attorney General's Investigation and the Superintendent's Investigation the following findings have been made:

1. Willis is the world's third largest insurance broker and is also a leading provider of risk management, human capital and management consulting. Businesses and individuals who need insurance as well as insurance companies that need reinsurance retain Willis to help them design an insurance plan and negotiate with insurance companies to get the best mix of coverage, service, financial security and price.
2. Willis tells its clients through its Clients' Bill of Rights that "Willis represents the client's best interests through our client advocacy model. Willis' global resources and services are committed to understanding the client's company, its industry and its individual needs. Willis' customized recommendations and solutions will be driven by what is in the client's best interests. This is the centerpiece of the value Willis provides its clients." (Willis website; <http://www.willis.com/> Last visited March 27, 2005)
3. In fact, prior to modifications to its business model in response to the Attorney General's Investigation and the Superintendent's Investigation, Willis conducted its business putting its own interests first. Willis had entered into a number of contingent or override agreements to receive compensation from insurance carriers in exchange for increasing the volume or profitability of insurance policies it places with these carriers.
4. Willis steered its customers to preferred "Partner" carriers who had signed contingent fee agreements ["PSA's"] with Willis so that it could achieve maximum payouts. Willis also sent clients' business through its wholesaler, Stewart Smith, in order to obtain bigger commissions, even where it could have placed that business directly with insurers. Willis also used the leverage it had in the placement of retail insurance with insurers to obtain reinsurance brokerage business from those insurers for its Willis Re reinsurance brokerage unit.

5. In 2003, Willis began to centralize its receipt of contingent commissions from a local office basis to a national structure, headed out of New York. This unit was called Willis Global Markets North America.

6. In an April 4, 2004 e-mail to Rowan Douglas, Executive Director of Willis Global Markets in London, James Drinkwater, Managing Director of Willis Global Markets in North America and the Willis executive in charge of negotiating national PSA's, explained how an insurer would benefit from having a contingent fee agreement with Willis's national:

Underwriters [insurers] need to realise that our PSA's [contingent fee agreements] are a reward for services that we provide to carriers such as carrier advocacy.... Carrier Advocacy includes transparency into our organisation and our book, access to our leadership and our clients, an unfair competitive advantage as well as other benefits that partnership brings. While the downside of not partnering with us is impossible to calculate I think that Hartford, Axis, Ace, St Paul would all advocate the value and the positive effect that it has on our business. (Emphasis supplied.) (Willis—23996)

7. Drinkwater, in a May 15, 2003 e-mail, outlined how he proposed to steer business in the second half of 2003 to Partner carriers that signed national PSA agreements, noting his intent was to "[m]ake the marketing departments more accountable for growing contingent revenue and reward[ing] them for this behavior. This can be done by driving business to these carriers." Another idea was "[n]egotiating Enterprise deals with carriers for reaching stretch goals—I am in the process of doing this with Hartford for the last six months of 2003." Willis -53585 - 86.

8. In a September 2003 internal Willis Report on U.S. Operations, Willis stated that "Marketing centers are reviewing contingent, bonus and override plans to maximize all agreements during the fourth quarter. Special attention is being given to St. Paul, Chubb, Liberty Mutual, Hartford and Crum & Foster due to special [PSA] agreements." Willis—43329

9. Carrying through with these reviews and plans, Drinkwater held a National Planning Meeting in Chicago in late October, 2003. At that meeting the regional marketing officers of Willis North America agreed on a revenue strategy to "generate \$2.5 million in unanticipated income from North America in November and December 2003." Each of Willis's five marketing regions in the United States was given an income target so that the \$2.5 million target would be reached. Responsibility for hitting these targets was assigned to the Regional Marketing Officers. One of the "Key Objectives" of the \$2.5 million revenue strategy was to "Maximize premium volume flow to key carriers with most attractive contingent income agreements." Willis—16095. Drinkwater was explicit. In an October 17, 2003 e-mail to the Regional Marketing Officers ("RMOs"), titled "Contingent Income Push," Drinkwater said: "I need you to drive this initiative—I want to see you directing the flow of business to these companies ["Partner Markets" Crum & Forster, Chubb, St. Paul and Hartford, insurers with which Willis had contingent revenue agreements]. Drinkwater explained, "... moving business wherever possible to our Partner Markets... will have significant revenue implications to the Group." Willis 15695 - 97.

10. After the Chicago National Planning Meeting, the RMOs got the message out to their teams back home. For example, on November 1, 2003, the Willis Regional Marketing Officer for the West Coast, sent an "urgent" e-mail to his marketing team saying:

I just came back from a national planning meeting in Chicago with all of the RMO's in attendance. One of the major topics of discussion at our meeting was how each region in North America could achieve an additional \$500,000 in revenue by 12/31/03.

The RMO's collectively devised at [sic] an action plan that we believe will help us achieve this goal.

C. Where possible drive ALL of our new and renewal business to our strategic partners who are paying Willis added incentives for year end growth results. (Emphasis supplied, but ALL capitalized in original.) Willis—26264.

11. In a November 11, 2003 e-mail from the Chief Marketing Officer of Willis North America to the regional and national marketing team, he wrote, "Don't forget the advantages of placing as much business as possible with the carriers we have negotiated special deals with, as you look for ways to maximize revenues the last few months of this year and into 2004." Willis—54752.

12. In some instances Willis personnel were ordered to give business to a specific carrier unless there were "compelling reasons" not to. For example, in an August 26, 2003 e-mail, the Marketing Manager of Willis—Portland told the Northwest marketing team:

Corporate marketing has signed a contingency agreement with Hartford Steam Boiler making them our preferred Strategic partner for this class of business. Therefore I am mandated to place all B&M with them unless there is a very compelling reason not to. If you will remember, the whole marketing dept. concept was originally predicated on the fact that we would limit our markets to some strategic markets where we would place 80% of our business. (Emphasis supplied.) Willis—29760

13. Moreover, Willis made it clear to insurers that signing contingent fee agreements with it would mean that Willis would steer business to those carriers. During negotiation of a 2004 agreement with ACE, James Drinkwater e-mailed Susan Rivera, president of ACE, on December 11, 2003 as follows: "One final comment, and possibly most importantly, the quicker I can get word to our offices that we have agreed to a partnership for 2004 the more opportunity that we may have to get off to a good start in 2004 and focus on writing January 1st business." Willis—44448 - 49

14. Indeed, when Willis decided in late 2003 that it would establish the job title of Carrier Advocate to manage the Partner Market relationships, Damian Chapman, who was to be appointed to one of those new positions, drafted an e-mail notification to be sent to the Willis North America regional offices. That draft spelled out explicitly that "[f]ocusing on our 'Partner' markets will require premium flows to be restructured as non partner markets are de-emphasized." Willis—44136. James Drinkwater edited out this clear admission that carriers who did not pay contingents would have their business suffer, changing Chapman's language to, "[f]ocusing on our 'Partner' markets will require the management of our premium flows and the overall relationship." Willis—44157 - 58. Notwithstanding Drinkwater's euphemism, the intent was clear: premiums would be shifted to "Partners", i.e. to carriers having contingent agreements with Willis, and away from carriers having none.

15. As explained in ¶¶ 9 - 12 above, the goal of reaching \$2.5 million of unanticipated income in November and December 2003 was carried out in the regions. But the methods used by the regions did not stop at simply steering business to carriers with lucrative contingent fee agreements. The regions also directed as much business as possible through Willis-owned wholesaler Stewart Smith, sought additional upfront commissions from insurers, and pushed for any reinsurance needed by the insurers to be placed through Willis.

16. Members of Willis realized that they could gain additional commissions through placing clients through its wholly owned wholesaler Stewart Smith, thereby gaining a second commission when Willis could have directly placed the business for a single price. For example, in the Willis Florida office, the Director of Marketing, described two of these occurrences in a December 1, 2003 e-mail called "Maximizing Revenues": "Lincare (Umbrella, Professional, GL)—after negotiating acceptable premiums, we ran this through Stewart Smith [Willis's wholesaler] for additional income to group of more than \$156,000. Fee Account." Willis—44079. In other words, regardless of the fact that Lincare paid Willis a fee for its placement services to Lincare, Willis sent this business through its wholesaler Stewart Smith and earned an additional \$156,000 on the Lincare placement. The same e-mail also described another similar placement, this time for "Central Concrete Supermix (Umbrella)—renewing with AIG, via Stewart Smith (versus direct), additional income to group of \$100,000. Fee account." Willis—44079. Had Willis gone direct to AIG, Willis would have received only the fee that Central Concrete Supermix had agreed to pay Willis for the placement. Instead Willis received an additional \$100,000. The e-mail also noted that Willis's Florida office had also been steering accounts to contingent markets "in order to maximize our contingencies...." Willis—44079 - 80

17. Similarly, in a November 3, 2003 e-mail the head of the Willis Northeast Marketing team instructed his team members that in order to help meet \$2.5 million additional revenue year end target, they should (1) ask for 2% additional commission on all renewals, (2) run all fee accounts through Stewart Smith, the Willis wholesaler, wherever possible, (3) "feed our biggest contingency players, Hartford, St. Paul, Chubb and Liberty Mutual", and (4) "look to get Willis Re [reinsurance] involved in any accounts possible." Willis—35628 - 29

18. Willis's stated goal to get Willis Re involved in any retail account possible was actively pursued. From early in 2003 until well after the Attorney General's and the Superintendent's investigations had commenced, Tony Ainsworth was responsible for coordinating Willis's efforts to use the leverage it had with insurers through Willis's placement of retail insurance with those insurers to obtain facultative reinsurance brokerage business from those insurers. On a monthly basis, Ainsworth prepared spreadsheets to show Willis management his successes in this area. Willis—0107097 - 7110

19. A month after the Attorney General commenced litigation against one of Willis's competitors, Marsh & McLennan, Willis began to move to curtail the e-mail and paper trail of these leveraging activities, while still apparently continuing them. In a frank November 15, 2004 e-mail to his colleagues, Ainsworth wrote:

Based upon the developments of the last few weeks in our industry [the Marsh lawsuit filed by the Attorney General], I as well as the Management Team have decided to suspend all e mail and/or written correspondence between Willis Re Fac [Facultative] and Willis Retail/Wholesale effective immediately. This will mean that we will no longer track [retail] broker / share renewal lists / leverage business, etc.. It does not mean that we will not be working with Retail/Wholesale on accounts but more in a low key manner. Keep talking to our friends and find out where business is being sent.....just do it verbally or in person! (Emphasis supplied.) Willis—107036 - 37

20. Willis was not shy about using the leverage Willis Retail had with insurers to get reinsurance business from those insurers. In one instance, ACE North America had retained Guy Carpenter, the reinsurance brokerage unit of Marsh & McLennan, to place reinsurance for a contract that Willis Retail had awarded to ACE for ABM, an airport maintenance service company. Drinkwater, upon discovering the employment of a competing reinsurance broker on a Willis retail account, called Susan Rivera, ACE's President, and insisted that the reinsurance business be placed through Willis Re. After the call, Rivera ordered ACE to move the reinsurance to Willis Re.

21. In one instance, Willis also used its relationship with insurance companies to solicit and receive false bids. In 2001, Willis was attempting to obtain bids for insurance for a parking and shuttle contract its client ABM had received from the Detroit Metro Airport. The airport required that ABM receive three bids from insurance companies. Willis, however, was unable to get three insurance companies to bid, only receiving a quote from the Fireman's Fund. Willis, therefore, asked two insurance companies, Zurich North America and CNA, to provide bids as a favor. Willis then told both Zurich and CNA what they should bid in order to ensure that they would not gain the business. In his e-mails to the companies, the Willis broker stated: we need the alternative quotes to come in higher than [Fireman's Fund's] first dollar indication. I have come up with a premium breakdown that follows, and need a quote letter from you so that ABM can meet the terms of the insurance requirement.

Zurich and CNA complied with the requests, submitting the false bids as detailed by the Willis broker, without performing any underwriting work. These bids were then submitted by Willis to the Detroit Metro Airport on behalf of ABM.

22. Willis attempted to manage the timing of contingent fee payments. In late 2003 James Drinkwater sought out a number of insurance companies, promising increased business in exchange for as yet unearned payments before year end. One of the companies that accepted the offer was ACE North America, which agreed to advance Willis \$500,000. To justify the receipt of these funds on Willis's books, Drinkwater personally convinced Susan Rivera, ACE's president, to send him fraudulent e-mails, drafted by Drinkwater himself, to make it appear that Willis was entitled to the funds in 2003. These inaccurate e-mails were then given to Willis's auditors to justify the recording of the payment.

23. Based on these facts, the Attorney General and the Superintendent find that Willis unlawfully deceived its clients by (a) steering clients' insurance business to favored insurance companies, (b) unnecessarily running business through its wholly owned wholesaler, Stewart Smith, and (c) leveraging its retail brokerage business in order to obtain reinsurance brokerage business.

24. Willis is cooperating with the Attorney General's and the Superintendent's Investigations.

25. In the wake of the issuance of the subpoenas and the Attorney General's Investigation and the Superintendent's Investigation, Willis has adopted and under this Assurance of Discontinuance (the "Assurance"), and a corresponding Stipulation with the Superintendent, will continue to implement a number of business reforms governing the conduct of Willis's employees.

26. The Attorney General and Willis wish to enter into this Assurance to resolve all issues related to Willis in the Attorney General's Investigation.

27. The Attorney General finds the relief and agreements contained in this Assurance appropriate and in the public interest. The Attorney General is willing to accept this Assurance of Discontinuance pursuant to Executive Law § 63(15), in lieu of commencing a statutory proceeding.

28. The Superintendent and Willis will simultaneously with the Assurance enter into a Stipulation to resolve all issues related to Willis in the Superintendent's Investigation. The Superintendent finds the relief and agreements contained in this Assurance and the corresponding Stipulation appropriate and in the public interest.

29. This Assurance is entered into solely for the purpose of resolving the Attorney General's Investigation, and is not intended to be used for any other purpose;

30. Without admitting or denying any of the above allegations, Willis is entering into this Assurance and the Stipulation.

31. Neither this Assurance, nor any acts performed nor documents executed in furtherance of this Assurance, may be used as an admission of the above allegations.

WHEREAS Willis accepts responsibility for and deeply regrets the behavior described above, recognizing that certain of its employees failed to abide by Willis's standards of conduct in their dealings with its clients;

NOW THEREFORE Willis and the Attorney General hereby enter into this Assurance and agree as follows:

MONETARY RELIEF

1. Willis North America Inc. shall pay \$50,000,000 into a fund (the "Fund") on or before July 1, 2005 to be paid to Willis's U.S. policyholder clients who retained Willis to place, renew, consult on or service insurance where such placement resulted in contingent commissions or overrides. All of the money paid into the Fund and any interest earned thereon shall be paid to such policyholder clients pursuant to this Assurance. No portion of the Fund shall be considered a fine or a penalty. This sum is in full satisfaction of Willis's obligations hereunder, and neither the Attorney General nor the Superintendent shall seek to impose on Willis any other financial obligation or liability related to the above allegations.

2. Willis shall (a) by July 31, 2005 calculate, in accordance with a formula approved by the Attorney General, the amount of money each of the U.S. policyholder clients who retained Willis to place, renew, consult on or service insurance with inception or renewal dates between January 1, 2001 through December 31, 2004 where such placement, renewal, consultation or servicing resulted in contingent commissions or overrides recorded by Willis between January 1, 2001 through December 31, 2004 (the "Relevant Period"), is eligible to receive; (b) within ten (10) days of completing these calculations, file a report with the Attorney General and the Superintendent, certified by an officer of Willis, setting forth: (1) each client's name and address; (2) the client's insurer(s), product line(s) and policy(ies) purchased and policy number(s); (3) the amount the client paid in premiums or consulting fees for each such policy; (4) for each such policy, the amount of contingent commission or override revenue recorded by Willis during the Relevant Period attributable to that policy, in accordance with a calculation approved by the Attorney General and the Superintendent; and (5) the amount of contingent commission or override revenue each client is eligible to receive for each such policy and in the aggregate for all such policies pursuant to this Assurance; and (c) by August 20, 2005, send a notice, subject to the approval of the Attorney General and the Superintendent, to each client eligible to be paid from the Fund, setting forth items (2) through (5), above, and stating that the amount paid may increase if there is less than full participation by eligible clients in the Fund. For the purposes of this paragraph, "U.S. policyholder clients" means U.S.-domiciled policyholder clients and policyholder clients who retained Willis's U.S. offices to place, renew, consult on or service insurance.

3. Clients eligible to receive a distribution from the Fund shall have until December 20, 2005 to request a distribution. Eligible clients who voluntarily elect to receive a cash distribution (the "Participating Policyholders") shall tender a release in the form attached hereto as Exhibit 1. In the event that any eligible client elects not to participate or otherwise does not respond (the "Non-Participating Policyholders"), that client's allocated share may be used by Willis to satisfy any pending or other claims asserted by policyholders relating to these matters. In no event shall a distribution be made from the Fund to any other policyholder until all Participating Policyholders have been paid the full aggregate amount due as calculated pursuant to ¶ 2 above; nor shall the total payments from the Fund to any Non-Participating Policyholder exceed 80% of that Non-Participating Policyholder's original allocated share. If any funds remain in the fund as of February 20, 2006, any such funds shall be distributed on a pro rata basis to the Participating Policyholders.

4. In no event shall any of the funds in the Fund be used to pay attorney fees.

5. On February 1, 2006, Willis shall pay proportionally to each Participating Policyholder as much of that Participating Policyholder's aggregate share of the Fund as possible with the monies then available in the Fund pursuant to a calculation approved by the Attorney General and the Superintendent. On or before March 15, 2006 Willis shall file a report with the Attorney General and the Superintendent, certified by an officer of Willis, listing all amounts paid from the Fund.

BUSINESS REFORMS

6. Within sixty (60) days of the effective date of this Assurance and the Stipulation, Willis shall undertake (to the extent not already undertaken) the following business reforms.

A. Permissible Forms of Compensation

7. In connection with its insurance brokerage, agency, producing, consulting and other services in placing, renewing, consulting on or servicing any insurance policy, Willis shall accept only: a specific fee to be paid by the client; a specific percentage commission on premium to be paid by the insurer set at the time of purchase, renewal, placement or servicing of the insurance policy; or a combination of both. Willis shall accept no such commissions unless, before the binding of any such policy: (a) Willis in plain, unambiguous written language fully discloses such commissions, in either dollars or percentage amounts; and (b) the U.S. client consents in writing. Nothing in this paragraph relieves Willis of complying with additional requirements imposed by law, including the requirements for written documentation relating to fees paid directly by clients. Willis may not retain interest earned on premiums collected on behalf of insurers without prior notification to the client, and only when such retention is consistent with the requirements of, and is permitted by, applicable law.

8. Willis shall not hereafter, except as set forth in the preceding paragraph, directly or indirectly accept or request any thing of material value 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 (hereinafter collectively "Compensation").

B. Prohibition of Contingent Compensation

9. In placing, renewing, consulting on or servicing any insurance policy, Willis shall not directly or indirectly accept from or request of any insurer any Contingent Compensation. For purposes of this Assurance, Contingent Compensation is any Compensation contingent upon Willis's: (a) placing a particular number of policies or dollar value of premium with the insurer, (b) achieving a particular level of growth in the number of policies placed or dollar value of premium with the insurer, (c) meeting a particular rate of retention or renewal of policies in force with the insurer, (d) placing or keeping sufficient insurance business with the insurer to achieve a particular loss ratio or any other measure of profitability, (e) providing preferential treatment in the placement process, including but not limited to the giving of last looks, first looks, rights of first refusal, or limiting the number of quotes sought from insurers for insurance placements, or (f) obtaining anything else of material value for the insurer.

C. Prohibition of "Pay-To-Play" Arrangements

10. In placing, renewing, consulting on or servicing any insurance policy, Willis shall not directly or indirectly accept from or request of any insurer any Compensation in connection with Willis's selection of insurance companies from which to solicit bids for its clients.

D. Prohibition of "Bid-Rigging" Arrangements

11. In placing, renewing, consulting on or servicing any insurance policy, Willis shall not directly or indirectly knowingly accept from or request of any insurer any false, fictitious, inflated, artificial, "B" or "throw away" quote or indication, or any other quote or indication except for a quote or indication that represents the insurer's best evaluation at the time when the quote or indication is given of the minimum premium the insurer would require to bind the insurance coverage desired by Willis's client. Nothing herein shall preclude Willis from accepting or requesting any bona fide quote or indication.

E. Prohibition of Reinsurance Brokerage "Leveraging"

12. In placing, renewing, consulting on or servicing any insurance policy, Willis shall not directly or indirectly accept from or request of any insurer any promise or commitment to use any of Willis's brokerage, agency, producing or consulting services, including reinsurance brokerage, agency or producing services, contingent upon any of the factors listed in ¶ 9 (a)-(f), above.

F. Prohibition of Inappropriate Use of Wholesalers

13. In placing, renewing, consulting on or servicing any insurance policy, Willis shall not directly or indirectly knowingly place, renew, consult on or service its clients' insurance business through a wholesale broker unless agreed to by the client after full disclosure of (a) the Compensation received or to be received by Willis, (b) any Willis interest in or contractual agreements with the wholesaler, and (c) any alternatives to using a wholesaler.

G. Mandated Disclosures to Clients

14. Willis in placing, renewing, consulting on or servicing any insurance policy shall in writing: (a) prior to binding, disclose to each client all quotes and indications sought and all quotes and indications received by Willis in connection with the coverage of the client's risk with all terms, including but not limited to any Willis interest in or contractual agreements with any of the prospective insurers, and all Compensation to be received by Willis for each quote, in dollars if known at that time or as a percent of premium if the dollar amount is not known at that time, from any insurer or third party in connection with the placement, renewal, consultation on or servicing of insurance for that client; (b) provide disclosure to each client and obtain written consent in accordance with ¶ 7 of this Assurance for each client, and (c) disclose to each client at the end of each year all Compensation received during the preceding year or contemplated to be received from any insurer or third party in connection with the placement, renewal, consultation on or servicing of that client's policy.

H. Standards of Conduct and Training

15. Willis shall implement company-wide written standards of conduct regarding Compensation from insurers, consistent with the terms of this Assurance, subject to approval of the Superintendent, which implementation shall include, inter alia, appropriate training of relevant employees, including but not limited to training in business ethics, professional obligations, conflicts of interest, anti-trust and trade practices compliance, and record keeping.

16. Willis shall not place its own financial interest ahead of its clients' interests in determining the best available insurance product or service for its clients. Willis shall communicate with its clients in sufficient detail to enable them to make informed choices on insurance products or services, and shall provide complete and accurate information to prospective and current clients on all proposals and bids received from insurers, including the amount of Compensation or other things of value that were or will be paid to Willis by each insurer.

I. Prohibition Against Violating New York Law

17. Willis shall not directly or indirectly engage or attempt to engage in violations of Executive Law § 63 (12), the Donnelly Act (Gen. Bus. Law § 340 et seq.), the Martin Act (Gen. Bus. Law § 352-c) and the New York Insurance Law, including without limitation, Article 24, Unfair Methods of Competition and Unfair and Deceptive Acts and Practices (Insurance Law § 2401 et seq.).

J. Limitation on Extraterritorial Effect

18. The provisions of paragraphs 7 through 16 shall apply only to those Willis entities that (a) service clients domiciled in the United States; (b) place, renew, consult on or provide services for policies covering risks in the United States; or (c) are, themselves, domiciled in the United States.

MONITORING COMPLIANCE AND REPORTING

19. Willis shall establish a Compliance Committee of the Board of Directors of Willis which shall monitor Willis's compliance with the standards of conduct regarding Compensation from insurers and shall report on a quarterly basis to the Board of Directors the results of its monitoring activities for a period of five (5) years from the effective date of this Assurance.

20. Willis shall maintain a record of all complaints received concerning any Compensation from an insurer which shall be provided to the Compliance Committee of the Board of Directors with the Compliance Committee's quarterly report and to the Superintendent annually commencing from the effective date of this Assurance.

21. The Board of Directors of Willis shall file annual reports with the Superintendent on compliance with the standards of conduct regarding Compensation arrangements for five (5) years commencing in December 2005, which shall also include the amount of each form of Compensation received by Willis from each insurer with which it placed insurance during the preceding year.

COOPERATION WITH THE ATTORNEY GENERAL

22. Willis shall fully and promptly cooperate with the Attorney General with regard to his Investigation, and related proceedings and actions, of any other person, corporation or entity, including but not limited to Willis's current and former employees, concerning the insurance industry. Willis shall use its best efforts to ensure that all its officers, directors, employees, and agents also fully and promptly cooperate with the Attorney General in his Investigation and related proceedings and actions. Cooperation shall include without limitation: (a) production voluntarily and without service of subpoena of any information and all documents or other tangible evidence reasonably requested by the Attorney General, and any compilations or summaries of information or data that the Attorney General reasonably requests be prepared; (b) without the necessity of a subpoena, having Willis's officers, directors, employees and agents attend any proceedings at which the presence of any such persons is requested by the Attorney General and having such persons answer any and all inquiries that may be put by the Attorney General (or any of the Attorney General's deputies, assistants or agents) to any of them at any proceedings or otherwise ("proceedings" include but are not limited to any meetings, interviews, depositions, hearings, grand jury hearing, trial or other proceedings); (c) fully, fairly and truthfully disclosing all information and producing all records and other evidence in its possession relevant to all inquiries reasonably made by the Attorney General concerning any fraudulent or criminal conduct whatsoever about which it has any knowledge or information; (d) in the event any document is withheld or redacted on grounds of privilege, work-product or other legal doctrine, a statement shall be submitted in writing by Willis indicating: (1) the type of document; (2) the date of the document; (3) the author and recipient of the document; (4) the general subject matter of the document; (5) the reason for withholding the document; and (6) the Bates number or range of the withheld document. The Attorney General may challenge such claim in any forum of its choice and may, without limitation, rely on all documents or communications theretofore produced or the contents of which have been described by Willis, its officers, directors, employees, or agents; and (e) Willis shall not jeopardize the safety of any investigator or the confidentiality of any aspect of the Attorney General's Investigation, including sharing or disclosing evidence, documents, or other information with others during the course of the investigation, without the consent of the Attorney General. Nothing herein shall prevent Willis from providing such evidence to other regulators, or as otherwise required by law.

23. Willis shall comply fully with the terms of this Assurance. If Willis violates the terms of ¶ 22 in any material respect, as determined solely by the Attorney General: (a) the Attorney General may pursue any action, criminal or civil, against any entity for any crime it has committed, as authorized by law, without limitation; (b) as to any criminal prosecution brought by the Attorney General for violation of law committed within six years prior to the date of this Assurance or for any violation committed on or after the date of this Assurance, Willis shall waive any claim that such prosecution is time barred on grounds of speedy trial or speedy arraignment or the statute of limitations.

COOPERATION WITH THE SUPERINTENDENT

24. Willis shall be subject to annual examination by the Superintendent for five (5) years at Willis' expense beginning in 2005. Willis shall fully cooperate with the Superintendent in such examinations. Willis shall additionally provide private secure office space, photocopying equipment and any other administrative or clerical resources necessary to assist in any examination, as well as all relevant data, provided upon request by the Superintendent in electronic or computerized format. The Superintendent may coordinate such examinations with other states.

OTHER PROVISIONS

25. Willis shall not seek or accept, directly or indirectly, indemnification pursuant to any insurance policy, with regard to any or all of the amounts payable pursuant to this Assurance.

26. The Attorney General will not initiate a case against Willis related to the matters uncovered to date relating to the subject matter of this Assurance, or the subject matter of any subpoena sent to Willis as of the date of this Assurance by the Attorney General's Investigation.

27. Neither this Assurance nor the Stipulation is intended to disqualify Willis, or any current employees of Willis, from engaging in any business in New York or in any other jurisdiction. Nothing in this Assurance or the Stipulation shall relieve Willis's obligations imposed by any applicable state insurance law or regulations or other applicable law.

28. This Assurance shall not confer any rights upon any persons or entities besides the Attorney General and Willis.

29. Willis agrees not to take any action or to make or permit to be made any public statement denying, directly or indirectly, any of the Attorney General's or the Superintendent's findings in this Assurance or the Stipulation or creating the impression that the findings are without factual basis. Nothing in this paragraph affects Willis's (a) testimonial obligations or (b) right to take legal or factual positions in defense of litigation or in defense of other legal proceedings in which the Attorney General is not a party.

30. Willis shall maintain custody of, or make arrangements to have maintained, all documents and records of Willis related to this matter for a period of not less than six (6) years.

31. The Attorney General may make such application as appropriate to enforce or interpret the provisions of this Assurance, or in the alternative, maintain any action, either civil or criminal, for such other and further relief as the Attorney General may determine is proper and necessary for the enforcement of this Assurance. If compliance with any aspect of this Assurance proves impracticable, Willis reserves the right to request that the parties modify the Assurance accordingly.

32. In any application or in any such action, facsimile transmission of a copy of any papers to current counsel for Willis shall be good and sufficient service on Willis unless Willis designates, in a writing to the Attorney General, another person to receive service by facsimile transmission.

33. Facsimile transmission of a copy of this Assurance to counsel for each defendant shall be good and sufficient service on Willis.

34. This Assurance shall be governed by the laws of the State of New York without regard to conflict of laws principles.

35. This Assurance may be executed in counterparts.

WHEREFORE, the following signatures are affixed hereto on this th day of April, 2005.

ELIOT SPITZER, ESQ.

SULLIVAN & CROMWELL LLP

By: _____

Attorney General
State of New York
120 Broadway, 25th Floor
New York, NY 10271

Sullivan & Cromwell LLP
125 Broad Street
New York, New York 10004

Attorneys for

WILLIS GROUP HOLDINGS LTD,
WILLIS NORTH AMERICA INC. and
WILLS OF NEW YORK, INC.

William P. Bowden Jr., Esq.
General Counsel
Willis Group Holdings Limited

GENERAL RELEASE

This RELEASE (the "Release") is executed this day of , 2005 by RELEASOR (defined below) in favor of RELEASEE (defined below).

DEFINITIONS

"RELEASOR" refers to [fill in name] and any of its affiliates, subsidiaries, associates, general or limited partners or partnerships, predecessors, successors, or assigns, including, without limitation, any of their respective present or former officers, directors, trustees, employees, agents, attorneys, representatives and shareholders, affiliates, associates, general or limited partners or partnerships, heirs, executors, administrators, predecessors, successors, assigns or insurers acting on behalf of RELEASOR.

"RELEASEE" refers to Willis Group Holdings LTD and any of its subsidiaries, affiliates, associates, general or limited partners or partnerships, predecessors, successors, or assigns, including, without limitation, any of their respective present or former officers, directors, trustees, employees, agents, attorneys, representatives and shareholders, affiliates, associates, general or limited partners or partnerships, heirs, executors, administrators, predecessors, successors, assigns or insurers (collectively, "Willis").

"Assurance" refers to a certain Assurance between Willis and the Attorney General of the State of New York ("NYAG") dated February , 2005, relating to an investigation commenced against Willis by NYAG.

RELEASE

1. In consideration for the total payment of \$ in accordance with the terms of the Assurance, RELEASOR does hereby fully release, waive and forever discharge RELEASEE from any and all claims, demands, debts, rights, causes of action or liabilities whatsoever, including known and unknown claims, now existing or hereafter arising, in law, equity or otherwise, whether under state, federal or foreign statutory or common law, and whether possessed or asserted directly, indirectly, derivatively, representatively or in any other capacity (collectively, "claims"), to the extent any such claims are based upon, arise out of or relate to, in whole or in part, any of the allegations, acts, omissions, transactions, events, types of conduct or matters that are the subject of the Attorney General's Investigation, except for claims which are based upon, arise out of or relate to the purchase or sale of Willis securities.

2. In the event that the total payment referred to in paragraph 1 is not made for any reason, then this RELEASE shall be deemed null and void, provided that any payments received by RELEASOR shall be credited to Willis in connection with any claims that RELEASOR may assert against Willis, or that are asserted on behalf of RELEASOR or by a class of which RELEASOR is a member, against Willis.

3. This RELEASE may not be changed orally and shall be governed by and interpreted in accordance with the internal laws of the State of New York, without giving effect to choice of law principles, except to the extent that federal law requires that federal law governs. Any disputes arising out of or related to this RELEASE shall be subject to the exclusive jurisdiction of the Supreme Court of the State of New York or, to the extent federal jurisdiction exists, the United States District Court for the Southern District of New York.

4. Releasor represents and warrants that the claims have not been sold, assigned or hypothecated in whole or in part.

Dated:

RELEASOR:

By:

Print Name:

Title:

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[EXHIBIT 10.25](#)

STATE OF MINNESOTA

DISTRICT COURT

COUNTY OF RAMSEY

SECOND JUDICIAL DISTRICT

Case Type: Other Civil

Court File No. C4-05-2210

In the Matter of Willis Group Holdings, Ltd.,
Willis North America Inc.,
Willis of Minnesota, Inc., and
Stewart Smith Group

**ASSURANCE
OF DISCONTINUANCE**

INTRODUCTION

1. This Assurance of Discontinuance ("Assurance") is entered into under Minn. Stat. § 8.31, subdivision 2b (2004), between the State of Minnesota, through its Attorney General, Mike Hatch, and Willis Group Holdings, Ltd., Willis North America Inc., Willis of Minnesota, Inc. and Stewart Smith Group (hereafter collectively referred to as "Willis Group").

2. Mike Hatch is the Attorney General of Minnesota and is authorized under Minn. Stat. § 8.31 (2004) and common law to enforce Minnesota's consumer protection laws.

3. Willis Group Holdings, Ltd. ("Willis Holdings") is a holding company with its registered corporate headquarters in Bermuda.

4. Willis Holdings operates in the United States through its subsidiary, Willis North America Inc. ("Willis North America").

5. On March 8, 2005 the Minnesota Attorney General filed a motion to compel Willis Group to comply with a Civil Investigation Demand ("CID") that the Minnesota Attorney General had issued on behalf of the State of Minnesota on December 15, 2004.

GENERAL PROVISIONS

6. This Assurance is not an admission of a violation of Minnesota law for any purpose.

7. Willis Group has read and understands this Assurance and enters into it voluntarily and with the benefit of legal counsel.

8. The Minnesota Attorney General, without further notice, may make *ex parte* application to the District Court for an Order approving this Assurance. Service of the Order may be made upon Willis Group by mailing a copy of the Order to Mary Caiazzo, Assistant General Counsel to Willis Group Holdings, Ltd.

9. William P. Bowden, Jr. declares that he is the General Counsel of Willis Group Holdings, Ltd. and, as such, has been authorized to enter this Assurance on behalf of Willis Group.

10. This Assurance constitutes a full and final resolution between the Minnesota Attorney General and Willis Group of all claims brought by the Minnesota Attorney General for the alleged conduct described in the Motion to Compel, up to and including the date of the signing of this Assurance on behalf of the Minnesota Attorney General, as long as Willis Group is in compliance with the terms of this Assurance.

11. On April 7, 2005, Willis Group entered into an Agreement with the Attorney General for the State of New York (hereafter "New York Agreement"), based on alleged improprieties as set forth therein and in the earlier Motion to Compel brought by the Minnesota Attorney General.

AGREEMENT

12. Willis Group agrees to adhere within the State of Minnesota to all provisions of the New York Agreement. Through such incorporation, all parties expressly agree and intend that the Minnesota Attorney General has full enforcement authority over the terms of the New York Agreement, including but not limited to the business reforms, with respect to Minnesota Clients as defined below.

13. For purposes of this Assurance, the term "Minnesota Client" means any entity, including but not limited to persons, corporations, partnerships, non-profit organizations, and governmental entities, that are located, headquartered, or have a principle place of business in the State of Minnesota and that were clients of Willis Group at any time from January 1, 2001 to December 31, 2004 regardless of which Willis Group office serviced the particular client.

14. Minnesota Clients shall be entitled to restitution pursuant to the terms and amounts of the New York Agreement. In addition to such payments, Willis North America hereby agrees and covenants to pay an additional \$1 million in restitution to Minnesota Clients (hereafter "Minnesota Restitution") in a manner directed by the Minnesota Attorney General. Willis Group agrees to provide the Minnesota Attorney General with any information the Minnesota Attorney General deems necessary to make the decision as to how the additional Minnesota Restitution will be paid. Willis North America agrees to mail the additional Minnesota Restitution payments to the Minnesota Clients within thirty (30) days of the Minnesota Attorney General informing Willis Group as to how the additional Minnesota Restitution will be paid.

Dated: _____

MIKE HATCH

Attorney General
State of Minnesota

LORI R. SWANSON
Solicitor General
Minn. Atty. Reg. No. 254812

ANN K. BLOODHART
Minn. Atty. Reg. No. 248393
Suite 1400, NCL Tower
445 Minnesota Street
St. Paul, Minnesota 55101-2131
(651) 205-4786 (Voice)

ATTORNEYS FOR STATE OF MINNESOTA

Dated: _____

WILLIAM P. BOWDEN, JR.
General Counsel
Willis Group Holdings, Ltd.

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[EXHIBIT 10.26](#)

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[Exhibit 31.1](#)

[CERTIFICATION PURSUANT TO RULE 13a-14\(a\)](#)

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[Exhibit 31.2](#)

[CERTIFICATION PURSUANT TO RULE 13a-14\(a\)](#)

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[Exhibit 32.1](#)

[CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350](#)

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

In connection with the Quarterly Report on Form 10-Q for the quarter ended March 31, 2005, of Willis Group Holdings Limited (the "Company"), as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Thomas Colraine, Vice Chairman, Co-Chief Operating Officer and Group Chief Financial Officer of the Company, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, certify that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 6, 2005

By:

/s/ THOMAS COLRAINE

Thomas Colraine
*Vice Chairman, Co-Chief Operating Officer
and Group Chief Financial Officer*

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

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[Exhibit 32.2](#)

[CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350](#)