UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

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

FOR THE QUARTERLY PERIOD ENDED MARCH 31, 2010

OR

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

Commission file number 1-7933

Aon Corporation
(Exact Name of Registrant as Specified in Its Charter)

DELAWARE (State or Other Jurisdiction of Incorporation or Organization)	**36-3051915** (I.R.S. Employer Identification No.)
200 E. RANDOLPH STREET, CHICAGO, ILLINOIS (Address of Principal Executive Offices)	**60601** (Zip Code)

(312) 381-1000
(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 has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). YES ☒ NO ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See definition of "large accelerated filer," "accelerated filer," and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☒	Accelerated filer ☐
Non-accelerated filer ☐ (Do not check if a smaller reporting company)	Smaller reporting company ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). YES ☐ NO ☒

Number of shares of common stock, $1.00 par value, outstanding as of March 31, 2010: 269,418,951

Part I Financial Information
ITEM 1. FINANCIAL STATEMENTS
Aon Corporation
Condensed Consolidated Statements of Income
(Unaudited)

(millions, except per share data)	Three Months Ended Mar. 31, 2010	Mar. 31, 2009
Revenue		
Commissions, fees and other	$ 1,891	$ 1,821
Fiduciary investment income	13	25
Total revenue	1,904	1,846
Expenses		
Compensation and benefits	1,163	1,014
Other general expenses	468	466
Total operating expenses	1,631	1,480
Operating Income	273	366
Interest income	1	7
Interest expense	(34)	(29)
Other income (expense)	7	(1)
Income from continuing operations before income taxes	247	343
Income taxes	61	108
Income from continuing operations	186	235
Income from discontinued operations before income taxes	2	91
Income taxes	2	41
Income from discontinued operations	—	50
Net income	186	285
Less: Net income attributable to noncontrolling interests	8	5
Net income attributable to Aon stockholders	$ 178	$ 280
Net income attributable to Aon stockholders		
Income from continuing operations	$ 178	$ 230
Income from discontinued operations	—	50
Net income	$ 178	$ 280
Basic net income per share attributable to Aon stockholders		
Continuing operations	$ 0.65	$ 0.81
Discontinued operations	—	0.18
Net income	$ 0.65	$ 0.99
Diluted net income per share attributable to Aon stockholders		
Continuing operations	$ 0.63	$ 0.79
Discontinued operations	—	0.17
Net income	$ 0.63	$ 0.96
Cash dividends per share paid on common stock	$ 0.15	$ 0.15
Weighted average common shares outstanding - basic	275.9	284.3
Weighted average common shares outstanding - diluted	283.4	292.0

See the accompanying notes to the Condensed Consolidated Financial Statements (unaudited).

Aon Corporation

Condensed Consolidated Statements of Financial Position

(millions)	Mar. 31, 2010 (Unaudited)	Dec. 31, 2009
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 422	$ 217
Short-term investments	312	422
Receivables, net	1,983	2,052
Fiduciary assets	11,089	10,835
Other current assets	462	463
Total Current Assets	14,268	13,989
Goodwill	5,887	6,078
Intangible assets, net	770	791
Fixed assets, net	452	461
Investments	308	319
Other non-current assets	1,274	1,320
TOTAL ASSETS	$ 22,959	$ 22,958
LIABILITIES AND EQUITY		
LIABILITIES		
CURRENT LIABILITIES:		
Fiduciary liabilities	$ 11,089	$ 10,835
Short-term debt and current portion of long-term debt	84	10
Accounts payable and accrued liabilities	1,269	1,535
Other current liabilities	334	260
Total Current Liabilities	12,776	12,640
Long-term debt	2,013	1,998
Pension and other post employment liabilities	1,770	1,889
Other non-current liabilities	943	1,000
TOTAL LIABILITIES	17,502	17,527
EQUITY		
Common stock-$1 par value Authorized: 750 shares (issued: 3/31/10 - 362.7; 12/31/09 - 362.7)	363	363
Additional paid-in capital	3,135	3,215
Retained earnings	7,500	7,335
Treasury stock at cost (shares: 3/31/10 - 93.2; 12/31/09 - 96.4)	(3,725)	(3,859)
Accumulated other comprehensive loss	(1,871)	(1,675)
TOTAL AON STOCKHOLDERS' EQUITY	5,402	5,379
Noncontrolling interests	55	52
TOTAL EQUITY	5,457	5,431
TOTAL LIABILITIES AND EQUITY	$ 22,959	$ 22,958

See the accompanying notes to the Condensed Consolidated Financial Statements (unaudited).

Aon Corporation

Condensed Consolidated Statement of Stockholders' Equity

(Unaudited)

(millions)	Shares	Common Stock and Additional Paid-in Capital	Retained Earnings	Treasury Stock	Accumulated Other Comprehensive Loss, Net of Tax	Non-controlling Interests	Total
Balance at December 31, 2009	362.7	$ 3,578	$ 7,335	$ (3,859)	$ (1,675)	$ 52	$ 5,431
Adoption of new accounting guidance	—	—	44	—	(44)	—	—
Balance at January 1, 2010	362.7	3,578	7,379	(3,859)	(1,719)	52	5,431
Net income	—	—	178	—	—	8	186
Shares issued - employee benefit plans	—	31	—	—	—	—	31
Shares purchased	—	—	—	(50)	—	—	(50)
Shares reissued - employee benefit plans	—	(184)	(16)	184	—	—	(16)
Tax benefit - employee benefit plans	—	9	—	—	—	—	9
Stock-based compensation	—	66	—	—	—	—	66
Dividends to stockholders	—	—	(41)	—	—	—	(41)
Change in net derivative gains/losses	—	—	—	—	(24)	—	(24)
Net foreign currency translation adjustments	—	—	—	—	(141)	—	(141)
Net post-retirement benefit obligations	—	—	—	—	13	—	13
Purchase of subsidiary shares from noncontrolling interests	—	(2)	—	—	—	(4)	(6)
Capital contribution by noncontrolling interests	—	—	—	—	—	2	2
Dividends paid to noncontrolling interests on subsidiary common stock	—	—	—	—	—	(3)	(3)
Balance at March 31, 2010	362.7	$ 3,498	$ 7,500	$ (3,725)	$ (1,871)	$ 55	$ 5,457

See accompanying notes to Condensed Consolidated Financial Statements (unaudited).

Aon Corporation
Condensed Consolidated Statements of Cash Flows
(Unaudited)

(millions)	Three Months Ended Mar. 31, 2010	Three Months Ended Mar. 31, 2009
Cash Flows from Operating Activities:		
Net income	$ 186	$ 285
Adjustments to reconcile net income to cash provided by operating activities:		
Gains from sale of businesses, net	(6)	(92)
Depreciation and amortization	58	60
Stock-based compensation expense	66	40
Deferred income taxes	(12)	14
Change in assets and liabilities:		
Change in funds held on behalf of clients	396	512
Receivables, net	45	179
Accounts payable and accrued liabilities	(274)	(260)
Restructuring reserves	(1)	(8)
Current income taxes	65	82
Pension and other post employment liabilities	(55)	(142)
Other assets and liabilities	(4)	(117)
Cash Provided by Operating Activities	464	553
Cash Flows from Investing Activities:		
Sales of long-term investments	66	7
Purchase of long-term investments	(10)	(12)
Net sales (purchases) of short-term investments - non-fiduciary	97	(193)
Net purchases of short-term investments - funds held on behalf of clients	(396)	(512)
Acquisition of businesses, net of cash acquired	(47)	(33)
Proceeds from sale of businesses	—	128
Capital expenditures	(33)	(21)
Cash Used for Investing Activities	(323)	(636)
Cash Flows from Financing Activities:		
Purchase of treasury stock	(50)	—
Issuance of stock for employee benefit plans	35	55
Issuance (repayments) of debt	73	(1)
Cash dividends to stockholders	(41)	(41)
Cash Provided by Financing Activities	17	13
Effect of Exchange Rate Changes on Cash	47	(11)
Net Increase (Decrease) in Cash and Cash Equivalents	205	(81)
Cash and Cash Equivalents at Beginning of Period	217	582
Cash and Cash Equivalents at End of Period	$ 422	$ 501
Supplemental disclosures:		
Interest paid	$ 30	$ 37
Income taxes paid, net of refunds	10	53

See the accompanying notes to the Condensed Consolidated Financial Statements (unaudited).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

1. Basis of Presentation

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles ("U.S. GAAP") and include all normal recurring adjustments which Aon Corporation ("Aon" or the "Company") considers necessary to present fairly the Company's consolidated financial statements for all periods presented. The consolidated financial statements include the accounts of Aon and its majority-owned subsidiaries and variable interest entities ("VIEs") for which Aon is considered to be the primary beneficiary. The consolidated financial statements exclude VIEs for which Aon is not the primary beneficiary. All material intercompany accounts and transactions have been eliminated.

Certain information and footnote disclosures normally included in the financial statements prepared in accordance with U.S. GAAP have been condensed or omitted. These condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and notes thereto included in the Company's Annual Report on Form 10-K for the year ended December 31, 2009. The results for the three months ended March 31, 2010 are not necessarily indicative of operating results that may be expected for the full year ending December 31, 2010.

Use of Estimates
The preparation of the accompanying consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of reserves and expenses. These estimates and assumptions are based on management's best estimates and judgments. Management evaluates its estimates and assumptions on an ongoing basis using historical experience and other factors, including the current economic environment, which management believes to be reasonable under the circumstances. Management adjusts such estimates and assumptions when facts and circumstances dictate. Illiquid credit markets, volatile equity markets, and foreign currency movements have combined to increase the uncertainty inherent in such estimates and assumptions. As future events and their effects cannot be determined with precision, actual results could differ significantly from these estimates. Changes in estimates resulting from continuing changes in the economic environment will be reflected in the financial statements in future periods.

2. Accounting Principles and Practices

Changes in Accounting Principles
On January 1, 2010, the Company adopted guidance amending current principles related to the transfers of financial assets and the consolidation of VIEs. This guidance eliminates the concept of a qualifying special-purpose entity ("QSPE") and the related exception for applying consolidation guidance, creates more stringent conditions for reporting the transfer of a portion of a financial asset as a sale, clarifies other sale-accounting criteria, and changes the initial measurement of a transferor's interest in transferred financial assets. Consequently, former QSPEs are evaluated for consolidation based on the updated VIE guidance. In addition, the new guidance requires companies to take a qualitative approach in determining a VIE's primary beneficiary and requires companies to more frequently reassess whether they must consolidate VIEs. Additional year-end and interim period disclosures are also required outlining a company's involvement with VIEs and any significant change in risk exposure due to that involvement, as well as how its involvement with VIEs impacts the Company's financial statements. See Note 9 regarding the consolidation of Private Equity Partnership Structures I, LLC ("PEPS I").

On January 1, 2010, the Company adopted guidance requiring additional disclosures regarding fair value measurements. The amended guidance requires entities to disclose additional information regarding assets and liabilities that are transferred between levels of the fair value hierarchy. This guidance also clarifies existing guidance pertaining to the level of disaggregation at which fair value disclosures should be made and the requirements to disclose information about the valuation techniques and inputs used in estimating Level 2 and Level 3 fair value measurements. See Note 15 for these disclosures. The guidance also requires entities to disclose information in the Level 3 rollforward about purchases, sales, issuances and settlements on a gross basis. These disclosures will be effective for Aon beginning in the first quarter of 2011. The Company is currently evaluating this guidance to determine what additional disclosures, if any, will be required.

Recent Accounting Pronouncements
In September 2009, the Financial Accounting Standards Board ("FASB") issued guidance updating current principles related to revenue recognition when there are multiple-element arrangements. This revised guidance relates to the determination of when the individual deliverables included in a multiple-element arrangement may be treated as separate units of accounting and modifies the manner in which the transaction consideration is allocated across the separately identifiable deliverables. The guidance also expands the disclosures required for multiple-element revenue arrangements. These changes will be effective for Aon beginning in the first quarter of 2011, and may be applied retrospectively for all periods presented or prospectively to arrangements entered into or modified after the adoption date. Early adoption is permitted. The Company is currently evaluating this guidance to determine what impact, if any, it will have on its consolidated financial statements.

3. Cash and Cash Equivalents

Cash and cash equivalents include cash balances and all highly liquid investments with initial maturities of three months or less. Cash and cash equivalents included restricted balances of $186 million and $85 million at March 31, 2010 and December 31, 2009, respectively.

4. Other Income (Expense)

Other income (expense) consists of the following (in millions):

	Three months ended March 31, 2010	Three months ended March 31, 2009
Equity income of non-consolidated subsidiaries	$ 2	$ 1
Realized gain on sale of investments	1	—
Gain (loss) on disposal of businesses, net	4	(1)
Other	—	(1)
	$ 7	$ (1)

5. Acquisitions and Dispositions

Acquisitions
In first quarter 2010, the Company completed the acquisition of the JP Morgan Compensation and Benefit Strategies Division of JP Morgan Retirement Plan Services, LLC, which is included in the Consulting segment, as well as seven other companies, which are included in the Risk and Insurance Brokerage Services segment. In first quarter 2009, the Company completed the acquisition of four companies, all of which were included in the Risk and Insurance Brokerage Services segment. The following table includes the aggregate amount paid and the intangible assets recorded as a result of the acquisitions made during the first quarter 2010 and 2009. For

certain of the acquisitions made in the first quarter 2010, the Company is in the process of obtaining third-party valuations for the intangible assets other than goodwill, and therefore, at quarter end the allocation of the purchase prices are still subject to refinement.

(millions)	Three months ended March 31, 2010	2009
Cash paid	$ 47	$ 26
Intangible assets:		
Goodwill	$ 35	$ 11
Other intangible assets	33	13
	$ 68	$ 24

The results of operations of these acquisitions are included in the condensed consolidated financial statements from the dates they were acquired. These acquisitions would not produce a materially different result if they had been reported from the beginning of the period.

Dispositions - Continuing Operations

Some of Aon's U.S. ("Cananwill"), U.K., Canadian, and Australian subsidiaries (together "Cananwill International") originated short-term loans (generally with terms of 12 months or less) to businesses to finance their insurance premium obligations, and then sold these premium finance agreements to unaffiliated companies, typically bank Special Purpose Entities ("SPEs"), in whole loan securitization transactions that met the criteria for sales accounting. Cananwill's results were included in the Risk and Insurance Brokerage Services segment.

In December 2008, Aon signed a definitive agreement to sell the U.S. Cananwill operations. This disposition was completed in February 2009. A pretax loss of $7 million was recorded, of which $2 million was recorded in first quarter 2009 and $5 million in 2008, and is included in Other income (expense) in the Condensed Consolidated Statements of Income. Aon may receive up to $10 million from the buyer over the two years following the sale based on the amount of insurance premiums and related obligations financed by the buyer over this period that are generated from certain of Cananwill's producers. As of March 31, 2010, Aon had received $5 million from the buyer, which is recorded in Other income (expense) in the Condensed Consolidated Statements of Income.

In connection with this sale, Aon has guaranteed the collection of the principal amount of the premium finance notes sold to the buyer, which, at March 31, 2010, was $4 million, if losses exceed the historical credit loss reserve for the business. Historical losses in this business have been very low since the premium finance notes are generally fully collateralized by the lender's right, in the event of non-payment, to cancel the underlying insurance contract and collect the unearned premium from the insurance carrier. The Company does not expect to incur any significant losses related to this guarantee.

In June and July of 2009, the Company entered into agreements with third parties with respect to Aon's Cananwill International operations. As a result of these agreements, these third parties began originating, financing and servicing premium finance loans generated by referrals from Aon's brokerage operations. The third parties did not acquire the existing portfolio of Aon's premium finance loans, and as such, the Company did not extend any guarantees under these agreements.

Dispositions - Discontinued Operations

AIS Management Corporation

In 2008, Aon reached a definitive agreement to sell AIS Management Corporation ("AIS"), which was previously included in the Risk and Insurance Brokerage Services segment, to Mercury General Corporation, for $120 million in cash at closing, plus a potential earn-out of up to $35 million payable over the two years following the completion of the agreement. The disposition was completed in January 2009 and resulted in a pretax gain of $86 million in first quarter 2009. As of March 31, 2010, Aon had not received any of this potential earn-out.

The operating results of all businesses classified as discontinued operations are as follows (in millions):

	Three months ended March 31, 2010	Three months ended March 31, 2009
Revenues	$ —	$ 1
Income (loss) before income taxes:		
Operations	$ —	$ (2)
Gain on sale:		
AIS	—	86
Other	2	7
	2	91
Income taxes	2	41
Net Income	$ —	$ 50

6. Goodwill and Other Intangible Assets

The changes in the net carrying amount of goodwill by operating segment for the three months ended March 31, 2010 are as follows (in millions):

	Risk and Insurance Brokerage Services	Consulting	Total
Balance as of December 31, 2009	$ 5,693	$ 385	$ 6,078
Goodwill related to current year acquisitions	4	31	35
Goodwill related to prior year acquisitions	1	—	1
Foreign currency revaluation	(228)	1	(227)
Balance as of March 31, 2010	$ 5,470	$ 417	$ 5,887

Other intangible assets by asset class are as follows (in millions):

	March 31, 2010		December 31, 2009	
	Gross Carrying Amount	Accumulated Amortization	Gross Carrying Amount	Accumulated Amortization
Trademarks	$ 134	$ —	$ 136	$ —
Customer Related and Contract Based	759	248	757	234
Marketing, Technology and Other	370	245	376	244
	$ 1,263	$ 493	$ 1,269	$ 478

Amortization expense on intangible assets was $27 million and $23 million for the three months ended March 31, 2010 and 2009, respectively. As of March 31, 2010, the estimated amortization for intangible assets is as follows (in millions):

Remainder of 2010	$ 72
2011	103
2012	93
2013	84
2014	73
Thereafter	211
	$ 636

7. Restructuring

Aon Benfield Restructuring Plan

The Company announced a global restructuring plan ("Aon Benfield Plan") in conjunction with its acquisition of Benfield in 2008. The restructuring plan is intended to integrate and streamline operations across the combined Aon Benfield organization. The Aon Benfield Plan includes an estimated 700 job eliminations, of which approximately 575 jobs have been eliminated as of March 31, 2010. Additionally, duplicate space and assets will be abandoned. The Company currently estimates the Plan will result in cumulative costs totaling approximately $155 million, of which $55 million was recorded as part of the purchase price allocation, $64 million has been recorded in earnings to date, and an estimated additional $36 million will be recorded in future earnings. Expenses include workforce reduction, lease consolidation costs, asset impairments, as well as other expenses necessary to implement the restructuring initiative. The Company recorded $9 million of restructuring and related charges in the first three months of both 2010 and 2009. Total payments of $85 million have been made under this Plan to date.

All costs associated with the Aon Benfield Plan are included in the Risk and Insurance Brokerage Services segment. Costs related to the restructuring are included in Compensation and benefits and Other general expenses in the accompanying Condensed Consolidated Statements of Income. The Company expects these restructuring activities and related expenses to affect continuing operations into 2011.

The following summarizes the restructuring and related costs by type that have been incurred and are estimated to be incurred through the end of the restructuring initiative related to the Aon Benfield plan (in millions):

	Actual				Estimated
	Purchase Price Allocation	2009	First Quarter 2010	Total to Date	Total Cost for Restructuring Period (1)
Workforce reduction	$ 32	$ 38	$ 5	$ 75	$ 93
Lease consolidation	22	14	3	39	55
Asset impairments	—	2	—	2	4
Other costs associated with restructuring (2)	1	1	1	3	3
Total restructuring and related expenses	$ 55	$ 55	$ 9	$ 119	$ 155

(1) Actual costs, when incurred, will vary due to changes in the assumptions built into this plan. Significant assumptions likely to change when plans are finalized and implemented include, but are not limited to, changes in severance calculations, changes in the assumptions underlying sublease loss calculations due to changing market conditions, and changes in the overall analysis that might cause the Company to add or cancel component initiatives.

(2) Other costs associated with restructuring initiatives, including moving costs and consulting and legal fees, are recognized when incurred.

2007 Restructuring Plan

In 2007, the Company announced a global restructuring plan intended to create a more streamlined organization and reduce future expense growth to better serve clients ("2007 Plan"). The 2007 Plan includes an estimated 4,600 job eliminations. As of March 31, 2010, approximately 3,775 positions have been eliminated. The Company has closed or consolidated several offices resulting in sublease losses or lease buy-outs. The Company currently estimates that the 2007 Plan will result in cumulative pretax charges totaling approximately $750 million. Expenses include workforce reduction, lease consolidation costs, asset impairments, as well as other expenses necessary to implement the restructuring initiative. The Company recorded $67 million and $34 million of restructuring and related charges in the first three months of 2010 and 2009, respectively. Costs related to the restructuring are included in Compensation and benefits and Other general expenses in the accompanying Condensed Consolidated Statements of Income. The Company expects the restructuring activities and related expenses to affect continuing operations through the first half of 2010.

The following summarizes the restructuring and related expenses by type that have been incurred and are estimated to be incurred through the end of the restructuring initiative related to the 2007 Plan (in millions):

	Actual					Estimated Total Cost for Restructuring Period (1)
	2007	**2008**	**2009**	**First Quarter 2010**	**Total to Date**	
Workforce reduction	$ 17	$ 166	$ 251	$ 57	$ 491	$ 510
Lease consolidation	22	38	78	6	144	149
Asset impairments	4	18	15	1	38	39
Other costs associated with restructuring (2)	3	29	13	3	48	52
Total restructuring and related expenses	$ 46	$ 251	$ 357	$ 67	$ 721	$ 750

(1) Actual costs, when incurred, will vary due to changes in the assumptions built into this plan. Significant assumptions likely to change when plans are finalized and implemented include, but are not limited to, changes in severance calculations, changes in the assumptions underlying sublease loss calculations due to changing market conditions, and changes in the overall analysis that might cause the Company to add or cancel component initiatives.

(2) Other costs associated with restructuring initiatives, including moving costs and consulting and legal fees, are recognized when incurred.

The following summarizes the restructuring and related expenses by segment that have been incurred and are estimated to be incurred through the end of the restructuring initiative, related to the 2007 Plan (in millions):

	Actual					Estimated Total Cost for Restructuring Period
	2007	**2008**	**2009**	**First Quarter 2010**	**Total to Date**	
Risk and Insurance Brokerage Services	$ 41	$ 234	$ 322	$ 60	$ 657	$ 683
Consulting	5	17	35	7	64	67
Total restructuring and related expenses	$ 46	$ 251	$ 357	$ 67	$ 721	$ 750

Restructuring Liabilities

As of March 31, 2010, the Company's liabilities for its restructuring plans are as follows (in millions):

	Benfield Plan	2007 Plan	2005 Plan	Total
Balance at January 1, 2009	$ 104	$ 101	$ 28	$ 233
Expensed in 2009	53	342	(1)	394
Cash payments in 2009	(67)	(248)	(12)	(327)
Purchase accounting adjustment	(49)	—	—	(49)
Foreign exchange translation	4	7	1	12
Balance at December 31, 2009	45	202	16	263
Expensed in 2010	9	66	—	75
Cash payments in 2010	(18)	(56)	(2)	(76)
Foreign exchange translation	(2)	(7)	—	(9)
Balance at March 31, 2010	$ 34	$ 205	$ 14	$ 253

Aon's unpaid restructuring liabilities are included in Accounts payable and accrued liabilities and Other non-current liabilities in the Condensed Consolidated Statements of Financial Position.

8. Investments

The Company earns income on cash balances and investments, as well as on premium trust balances that Aon maintains for premiums collected from insureds but not yet remitted to insurance companies. Premium trust balances and a corresponding liability are included in Fiduciary assets and Fiduciary liabilities in the accompanying Condensed Consolidated Statements of Financial Position.

The Company's interest-bearing assets are included in the following categories in the Condensed Consolidated Statements of Financial Position (in millions):

	March 31, 2010	December 31, 2009
Cash and cash equivalents	$ 422	$ 217
Short-term investments	312	422
Fiduciary assets	3,600	3,329
Investments	308	319
	$ 4,642	$ 4,287

The Company's investments are as follows (in millions):

	March 31, 2010	December 31, 2009
Equity method investments	$ 183	$ 113
Cost method investments	59	54
Other investments	52	49
Fixed-maturity securities	14	16
PEPS I preferred stock	—	87
	$ 308	$ 319

9. Variable Interest Entities

Consolidated Variable Interest Entities
In 2001, Aon sold the vast majority of its limited partnership ("LP") portfolio, valued at $450 million, to PEPS I, a QSPE. In accordance with recently issued VIE guidance, former QSPEs must now be assessed to determine if they are VIEs. Aon has concluded that PEPS I is a VIE and that it holds a variable interest in PEPS I. Aon has also concluded that it is the primary beneficiary of PEPS I, as it has the power to direct the activities that most significantly impact economic performance and it has the obligation or right to absorb losses or receive benefits that could potentially be significant to PEPS I. As a result of adopting this new guidance, Aon consolidated PEPS I effective January 1, 2010. The financial statement impact of consolidating PEPS I resulted in:

- The removal of the $87 million PEPS I preferred stock, previously reported in investments, and
- The addition of $77 million of equity method investments in LP's; cash of $57 million, of which $52 million is restricted; long-term debt of $47 million; a decrease in accumulated other comprehensive income net of tax of $44 million; and an increase in retained earnings of $44 million.

As part of the original transaction, Aon is required to purchase from PEPS I additional securities equal to the unfunded LP commitments, as they are requested. These securities are rated below investment grade. Aon funded less than $1 million of commitments in first quarter 2010. As of March 31, 2010, the unfunded commitments were $42 million. The commitments have specific expiration dates and the general partners may decide not to draw on these commitments.

Unconsolidated Variable Interest Entities
At March 31, 2010, Aon held a 38% interest in Juniperus Insurance Opportunity Fund Limited (Juniperus), which is an investment vehicle that invests in an actively managed and diversified portfolio of insurance risks. Aon has concluded that Juniperus is a variable interest entity. However, Aon has concluded that it is not the primary beneficiary as it lacks the power to direct the activities of Juniperus that most significantly impact economic performance. The investment in Juniperus is accounted for using the equity method of accounting.

Aon's potential loss at March 31, 2010 is limited to its investment in Juniperus of $70 million, which is recorded in Investments in the Condensed Consolidated Statements of Financial Position. Aon has not provided any financing to Juniperus other than previously contractually required amounts.

10. Debt

At March 31, 2010, the Company had borrowed $75 million under its five-year €650 million ($872 million at March 31, 2010 exchange rates) multi-currency foreign credit facility ("Euro credit facility"). This borrowing is included in Short-term debt and current portion of long-term debt in the Condensed Consolidated Statements of Financial Position.

As a result of adopting new guidance on VIEs, Aon consolidated PEPS I effective January 1, 2010, and recorded $47 million of long-term debt in the Condensed Consolidated Statements of Financial Position.

11. Stockholders' Equity

Common Stock
Under the share repurchase program begun in 2005, Aon's Board of Directors has authorized the Company to repurchase up to $4.6 billion of its outstanding common stock. Shares may be repurchased through the open market or in privately negotiated transactions from time to time, based on prevailing market conditions, and will be

funded from available cash. Any repurchased shares will be available for employee stock plans and for other corporate purposes. In first quarter 2010, Aon repurchased 1.2 million shares at a cost of $50 million. Since the inception of this share repurchase program, the Company has repurchased a total of 107.1 million shares for an aggregate cost of $4.4 billion. As of March 31, 2010, the Company was authorized to purchase up to $215 million of additional shares under this stock repurchase program. The timing and amount of future purchases will be based on market and other conditions.

In January 2010, the Company's Board of Directors authorized a new share repurchase program under which up to $2 billion of common stock may be repurchased from time to time depending on market conditions or other factors through open market or privately negotiated transactions. Repurchases will commence under the new share repurchase program upon conclusion of the existing program.

In connection with the acquisition of two entities controlled by Aon's then-Chairman and Chief Executive Officer in 2001, Aon obtained approximately 22.4 million shares of its common stock. These treasury shares are restricted as to their reissuance.

In first quarter 2010, Aon reissued 4.3 million shares of treasury stock for employee benefit plans and 86,000 shares of treasury stock in connection with employee stock purchase plans. In first quarter 2009, Aon issued 966,000 new shares of common stock for employee benefit plans and reissued approximately 4.0 million shares of treasury stock for employee benefit plans and 69,000 shares in connection with employee stock purchase plans.

Participating Securities

Unvested share-based payment awards that contain non-forfeitable rights to dividends or dividend equivalents, whether paid or unpaid, are participating securities, as defined, and therefore should be included in computing basic and diluted earnings per share using the two class method. Certain of Aon's restricted stock awards allow the holder to receive a non-forfeitable dividend equivalent. Income from continuing operations, Income from discontinued operations and Net income, attributable to participating securities, were as follows (in millions):

	Three months ended March 31, 2010	Three months ended March 31, 2009
Income from continuing operations	$ 4	$ 6
Income from discontinued operations	—	1
Net income	$ 4	$ 7

Weighted average shares outstanding are as follows (in millions):

	Three months ended March 31, 2010	Three months ended March 31, 2009
Shares for basic earnings per share (1)	275.9	284.3
Common stock equivalents	7.5	7.7
Shares for diluted earnings per share	283.4	292.0

(1) Includes 6.5 million and 7.3 million of participating securities for the three months ended March 31, 2010 and 2009, respectively.

Certain common stock equivalents primarily related to options were not included in the computation of diluted net income per share because their inclusion would have been antidilutive. The number of shares excluded from the calculation was 5 million for both the three months ended March 31 2010 and 2009.

Other Comprehensive Income (Loss)
The components of comprehensive income, net of related tax, are as follows (in millions):

	Three months ended March 31, 2010	Three months ended March 31, 2009
Net income	$ 186	$ 285
Net derivative losses	(24)	(9)
Net unrealized investment losses	—	(8)
Net foreign currnecy translation adjustments	(141)	(94)
Net post-retirement benefit obligations	13	56
Comprehensive income	34	230
Less: Comprehensive income attributable to noncontrolling interests	8	5
Comprehensive income attributable to Aon stockholders	$ 26	$ 225

The components of Accumulated other comprehensive loss, net of related tax, are as follows (in millions):

	March 31, 2010	Janaury 1, 2010 (1)	December 31, 2009
Net derivative losses	$ (24)	$ —	$ —
Net unrealized investment gains	—	—	44
Net foreign currency translation adjustments	160	301	301
Net post-retirement benefit obligations	(2,007)	(2,020)	(2,020)
Accumulated other comprehensive loss, net of tax	$ (1,871)	$ (1,719)	$ (1,675)

(1) Reflects impact of adopting new accounting guidance which resulted in the consolidation of PEPS I effective January 1, 2010.

12. Employee Benefits

Pension Plans
The following table provides the components of the net periodic benefit cost for Aon's U.S. pension plans, along with the material international plans, which are located in the U.K., the Netherlands, and Canada (in millions):

	Three months ended March 31, U.S. 2010	U.S. 2009	International 2010	International 2009
Service cost	$ —	$ —	$ 3	$ 4
Interest cost	31	31	62	54
Expected return on plan assets	(30)	(26)	(60)	(52)
Amortization of prior-service cost	—	(1)	—	1
Amortization of net loss	6	12	14	9
Net periodic benefit cost	$ 7	$ 16	$ 19	$ 16

In first quarter 2009, a curtailment gain of $83 million was recognized as a result of the Company ceasing crediting future benefits relating to salary and service of the U.S. defined benefit pension plan, which is reported in Compensation and benefits in the Condensed Consolidated Statements of Income.

Also in first quarter 2009, a curtailment gain of $10 million was recognized in discontinued operations resulting from the sale of our Combined Insurance Company of America (“CICA”) subsidiary. The curtailment gain related to the Company’s U.S. Retiree Health and Welfare Plan, in which CICA employees were allowed to participate through the end of 2008, pursuant to the terms of the sale.

Based on current assumptions, in 2010 Aon plans to contribute $30 million and $326 million to its U.S. and material international defined benefit pension plans, respectively. As of March 31, 2010, contributions of $6 million have been made to the U.S. pension plans and $75 million to its material international pension plans.

13. Stock Compensation Plans

The following table summarizes stock-based compensation expense in continuing operations in the Condensed Consolidated Statements of Income in Compensation and benefits (in millions):

	Three months ended March 31, 2010	Three months ended March 31, 2009
Restricted stock units (“RSUs”)	$ 41	$ 34
Performance plans	19	5
Stock options	5	—
Employee stock purchase plans	1	1
Total stock-based compensation expense	$ 66	$ 40

During the first half of 2009, the Company converted its stock administration system to a new service provider. In connection with this conversion, a reconciliation of the methodologies utilized was performed, which resulted in a $16 million reduction of expense for the three months ended March 31, 2009.

Stock Awards

During the first three months of 2010, the Company granted approximately 1.6 million shares in connection with the completion of the 2007 Leadership Performance Plan (“LPP”) cycle. During the first three months of 2009, the Company granted approximately 2.0 million shares in connection with the completion of the 2006 LPP cycle. In addition, during the first three months of both 2010 and 2009, the Company granted restricted shares of approximately 1.9 million in connection with the Company’s incentive compensation plans.

A summary of the status of Aon’s non-vested stock awards is as follows (shares in thousands):

	Three months ended March 31, 2010		2009	
	Shares	Fair Value (1)	Shares	Fair Value (1)
Non-vested at beginning of period	12,850	$ 36	14,060	$ 35
Granted	3,495	39	3,855	39
Vested	(4,290)	37	(4,127)	39
Forfeited	(125)	37	(89)	38
Non-vested at end of period	11,930	36	13,699	35

(1) Represents weighted average fair value per share of award at date of grant.

Information regarding Aon's performance-based plans follows (shares in thousands, dollars in millions):

	As of March 31	
	2010	2009
Potential RSUs to be issued based on current performance levels	7,408	5,258
Unamortized expense, based on current performance levels	$ 187	$ 117

Stock Options

The weighted average assumptions, the weighted average expected life and estimated fair value of employee stock options are summarized as follows:

	Three months ended March 31,			
	2010	2009		
	All Other Options	LPP Options	Special Stock Plan Options	All Other Options
Weighted average volatility	28.5%	35.5%	35.5%	35.5%
Expected dividend yield	1.6%	1.3%	1.3%	1.3%
Risk-free rate	3.0%	1.6%	1.8%	2.0%
Weighted average expected life, in years	6.1	4.4	5.6	6.5
Weighted average estimated fair value per share	$ 10.36	$ 12.25	$ 13.77	$ 14.60

In connection with its incentive compensation plans in the first quarter 2010, the Company granted 141,000 stock options at $38 per share. Beginning in the first quarter 2010, the Company eliminated the grant of options under two of its key equity award programs, the LPP and the Special Stock Program, in order to manage share usage and expense. In 2009, in connection with the 2009 LPP Plan, the Company granted 1.0 million shares at $39 per share.

A summary of the status of Aon's stock options and related information is as follows (shares in thousands):

	Three months ended March 31,			
	2010		2009	
	Shares	Weighted-Average Exercise Price	Shares	Weighted-Average Exercise Price
Outstanding at beginning of period	15,937	$ 33	19,666	$ 31
Granted	141	38	975	39
Exercised	(1,274)	29	(1,963)	26
Forfeited and expired	(177)	29	(467)	42
Outstanding at end of period	14,627	33	18,211	32
Exercisable at end of period	9,428	32	9,301	31

The weighted average remaining contractual life, in years, of outstanding options was 4.0 years and 4.6 years at March 31, 2010 and 2009, respectively.

The aggregate intrinsic value represents the total pretax intrinsic value, based on options with an exercise price less than the Company's closing stock price of $42.71 as of March 31, 2010, which would have been received by the option holders had those option holders exercised their options as of that date. At March 31, 2010, the aggregate intrinsic value of options outstanding was $141 million, of which $100 million was exercisable.

Other information related to the Company's stock options is as follows (in millions):

	Three months ended March 31, 2010	Three months ended March 31, 2009
Aggregate intrinsic value of stock options exercised	$ 15	$ 31
Cash received from the exercise of stock options	32	52
Tax benefit realized from the exercise of stock options	1	11

Unamortized deferred compensation expense, which includes both options and awards, amounted to $308 million as of March 31, 2010, with a remaining weighted-average amortization period of approximately 2.0 years.

14. Derivatives and Hedging

Aon is exposed to market risk primarily from changes in foreign currency exchange rates and interest rates. To manage the risk related to these exposures, Aon enters into various derivative transactions that reduce Aon's market risks by creating offsetting market exposures. Aon does not enter into derivative transactions for trading purposes.

Derivative transactions are governed by a uniform set of policies and procedures covering areas such as authorization, counterparty exposure and hedging practices. Positions are monitored using techniques such as market value and sensitivity analyses.

Certain derivatives also give rise to credit risks from the possible non-performance by counterparties. The credit risk is generally limited to the fair value of those contracts that are favorable to Aon. Aon has limited its credit risk by using International Swaps and Derivatives Association ("ISDA") master agreements and credit support arrangements, entering into non-exchange-traded derivatives with highly-rated major financial institutions and by using exchange-traded instruments. Aon monitors the credit-worthiness of, and exposure to, its counterparties. As of March 31, 2010, all derivative liability positions were entered into pursuant to terms of ISDA master agreements, and were free of credit risk contingent features. In addition, Aon has received collateral of $68 million from counterparties and pledged collateral of $25 million to counterparties for derivatives subject to collateral support arrangements as of March 31, 2010.

Foreign Exchange Risk Management

Aon and its subsidiaries are exposed to foreign exchange risk when they receive revenues, pay expenses, or enter into intercompany loans denominated in a currency that differs from their functional currency. Aon uses foreign exchange derivatives, typically forward contracts, options and cross currency swaps, to reduce its overall exposure to the effects of currency fluctuations on cash flows. Aon has hedged these exposures up to six years in the future. Aon has designated foreign exchange derivatives with a notional amount of $2.4 billion at March 31, 2010 as cash flow hedges of these exposures. As of March 31, 2010, a $50 million pretax loss has been deferred to OCI related to these hedges, of which $30 million is expected to be reclassified to earnings in the next twelve months. These hedges had no material ineffectiveness in either the first three months of 2010 or 2009. As of March 31, 2010, Aon also has $129 million notional amount of foreign exchange derivatives not designated or qualifying as cash flow hedges offsetting its exposures to foreign exchange risks.

Aon also uses foreign exchange derivatives, typically forward contracts and options, to hedge its net investments in foreign operations for up to four years in the future. As of March 31, 2010, the notional amount outstanding was $1.5 billion and a $73 million gain has been deferred to OCI related to this hedge. This hedge had no ineffectiveness in either the first three months of 2010 or 2009.

Aon also uses foreign exchange derivatives, typically forward contracts and options, with a notional amount of $67 million at March 31, 2010, to reduce the impact of foreign currency fluctuations on the translation of the financial statements of Aon's foreign operations and to manage the currency exposure of Aon's global liquidity profile for one year in the future. These derivatives are not eligible for hedge accounting treatment.

Interest Rate Risk Management
Aon holds variable rate short-term brokerage and other operating deposits. Aon uses interest rate derivatives, typically swaps, to reduce its exposure to the effects of interest rate fluctuations on the forecasted interest receipts from these deposits for up to three years in the future. Aon has designated interest rate derivatives with a notional amount of $1.4 billion at March 31, 2010 as cash flow hedges of this exposure. As of March 31, 2010, a $10 million pretax gain has been deferred to OCI related to this hedge, all of which is expected to be reclassified to earnings during the next twelve months. This hedge had no material ineffectiveness in either the first three months of 2010 or 2009.

In 2009, a subsidiary of Aon issued €500 million ($671 million at March 31, 2010 exchange rates) of fixed rate debt due on July 1, 2014. Aon is exposed to changes in the fair value of the debt due to interest rate fluctuations. Aon uses receive-fixed-pay-floating interest rate swaps to reduce its exposure to the effects of interest rate fluctuations on the fair value of the debt. Aon has designated interest rate swaps with a notional amount of €250 million ($335 million at March 31, 2010 exchange rates) at March 31, 2010 as a fair value hedge of this exposure. This hedge did not have any ineffectiveness in either the first three months of 2010 or 2009.

As of March 31, 2010, the fair values of derivative instruments are as follows (in millions):

	Derivative Assets		Derivative Liabilities	
	Balance Sheet Location	Fair Value	Balance Sheet Location	Fair Value
Derivatives accounted for as hedges:				
Interest rate contracts	Other assets	$ 28	Other liabilities	$ 2
Foreign exchange contracts	Other assets	229	Other liabilities	180
Total		257		182
Derivatives not accounted for as hedges:				
Foreign exchange contracts	Other assets	3	Other liabilities	2
Total		$ 260		$ 184

The amounts of derivative gains (losses) recognized in the Condensed Consolidated Statements of Income for the first three months of 2010 and 2009 are as follows (in millions):

Three months ended March 31, 2010

	Amount of Gain (Loss) Recognized in OCI on Derivative (Effective Portion)	Location of Gain (Loss) Reclassified from OCI into Income (Effective Portion)	Amount of Gain (Loss) Reclassified from OCI into Income (Effective Portion)
Cash flow hedges:			
Interest rate contracts	$ 2	Investment income	$ 6
Foreign exchange contracts	(75)	Other general expenses and interest expense	(39)
Total	$ (73)		$ (33)
Foreign net investment hedges:			
Foreign exchange contracts	$ 73	N/A	$ —

	Amount of Gain (Loss) Recognized in Income on Derivative	Hedged item in Fair Value Hedge Relationships	Amount of Gain (Loss) Recognized in Income on Related Hedged Item	Location of Gain (Loss) Recognized in Income on Derivative and Related Hedged Item
Fair value hedges:				
Foreign exchange contracts	$ 7	Fixed rate debt	$ (6)	Interest expense

Three months ended March 31, 2009

	Amount of Gain (Loss) Recognized in OCI on Derivative (Effective Portion)	Location of Gain (Loss) Reclassified from OCI into Income (Effective Portion)	Amount of Gain (Loss) Reclassified from OCI into Income (Effective Portion)
Interest rate contracts	$ 3	Investment income	$ 10
Foreign exchange contracts	(13)	Other general expenses and interest expense	(7)
Total	$ (10)		$ 3
Foreign net investment hedges:			
Foreign exchange contracts	$ (4)	N/A	$ —

The amount of gain (loss) recognized in income on the ineffective portion of derivatives for the first three months of 2010 and 2009 was negligible.

In the first quarter of both 2010 and 2009, Aon recorded a loss of $1 million in Other general expenses for foreign exchange derivatives not designated or qualifying as hedges.

15. Fair Value and Financial Instruments

Accounting standards establish a three tier fair value hierarchy which prioritizes the inputs used in measuring fair values as follows:

- Level 1 — observable inputs such as quoted prices for identical assets in active markets;
- Level 2 — inputs other than quoted prices for identical assets in active markets, that are observable either directly or indirectly; and
- Level 3 — unobservable inputs in which there is little or no market data which requires the use of valuation techniques and the development of assumptions.

The following methods and assumptions are used to estimate the fair values of the Company's financial instruments:

Money market funds and highly liquid debt securities are carried at cost and amortized cost, respectively, as an approximation of fair value. Based on market convention, the Company considers cost a practical and expedient measure of fair value.

Fixed-maturity securities are carried at fair value, which is based on quoted market prices or on estimated values if they are not actively traded. In some cases where a market price is available, the Company will make use of acceptable expedients (such as matrix pricing) to estimate fair value.

Derivatives are carried at fair value, based upon industry standard valuation techniques that use, where possible, current market-based or independently sourced pricing inputs, such as interest rates, currency exchange rates, or implied volatilities.

Guarantees are carried at fair value, which is based on discounted estimated future cash flows using published historical cumulative default rates and discount rates commensurate with the underlying exposure.

The following table presents, for each of the fair-value hierarchy levels, the Company's assets and liabilities that are measured at fair value on a recurring basis at March 31, 2010 (in millions):

	Balance at March 31, 2010	Fair Value Measurements Using Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets:				
Money market funds and highly liquid debt securities (1)	$ 2,295	$ 2,158	$ 137	$ —
Fixed maturity securities				
Corporate bonds	11	—	—	11
Government bonds	3	—	3	—
Derivatives				
Interest rate contracts	26	—	26	—
Foreign exchange contracts	151	—	151	—
Liabilities:				
Derivatives				
Foreign exchange contracts	101	—	101	—
Guarantees	4	—	—	4

(1) Includes $2,158 million of money market funds and $137 million of highly liquid debt securities that are classified as Fiduciary assets, Short-term investments or Cash equivalents in the Condensed Consolidated Statements of Financial Position, depending on their nature and initial maturity. See Note 8 for additional information regarding the Company's investments.

The following table presents the changes in the Level 3 fair-value category for the three months ended March 31, 2010 (in millions):

	Fair Value Measurements Using Level 3 Inputs Other Investments	Guarantees
Balance at December 31, 2009	$ 100	$ (4)
Total gains (losses):		
Included in earnings	—	—
Included in other comprehensive income	(1)	—
Purchases and sales	(1)	—
Transfers (1)	(87)	—
Balance at March 31, 2010	$ 11	$ (4)

(1) Transfers represent the removal of the investment in PEPS I preferred stock as a result of consolidating PEPS I on January 1, 2010. See Note 9 for further information.

There are no realized or unrealized gains or losses related to assets and liabilities measured at fair value using level three inputs included in income for the three months ended March 31, 2010.

The following table discloses the Company's financial instruments where the carrying amounts and fair values differ (in millions):

	March 31, 2010		December 31, 2009	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Long-term debt	$ 2,013	$ 2,138	$ 1,998	$ 2,086

The fair value of debt is based on quoted market prices or estimates using discounted cash flow analyses based on current borrowing rates for similar types of borrowing arrangements.

16. Commitments and Contingencies

Legal

Aon and its subsidiaries are subject to numerous claims, tax assessments, lawsuits and proceedings that arise in the ordinary course of business, which frequently include errors and omissions ("E&O") claims. The damages claimed in these matters are or may be substantial, including, in many instances, claims for punitive, treble or extraordinary damages. Aon has historically purchased E&O insurance and other insurance to provide protection against certain losses that arise in such matters. Aon has exhausted or materially depleted its coverage under some of the policies that protect the Company and, consequently, is self-insured or materially self-insured for some historical claims. Accruals for these exposures, and related insurance receivables, when applicable, have been provided to the extent that losses are deemed probable and are reasonably estimable. These accruals and receivables are adjusted from time to time as developments warrant. Amounts related to settlement provisions are recorded in Other general expenses in the Condensed Consolidated Statements of Income.

At the time of the 2004-05 investigation of the insurance industry by the Attorney General of New York ("NYAG") and other regulators, purported classes of clients filed civil litigation against Aon and other companies under a variety of legal theories, including state tort, contract, fiduciary duty, antitrust and statutory theories and federal antitrust and Racketeer Influenced and Corrupt Organizations Act ("RICO") theories. The federal actions were consolidated in the U.S. District Court for the District of New Jersey, and a state court collective action was filed in California. In the New Jersey actions, the Court dismissed plaintiffs' federal antitrust and RICO claims in separate orders in August and October 2007, respectively. Plaintiffs have appealed these dismissals. Aon believes it has meritorious defenses in all of these cases and intends to vigorously defend itself against these claims. The outcome of these lawsuits, and any losses or other payments that may occur as a result, cannot be predicted at this time.

Also at the time of the NYAG investigation, putative classes filed actions against Aon in the U.S. District Court for the Northern District of Illinois under the federal securities laws and ERISA. Plaintiffs in the federal securities class action originally submitted purported expert reports estimating a range of alleged damages of $353 million to $490 million, and plaintiffs in the ERISA class actions originally submitted revised purported expert reports estimating a range of alleged damages of $74 million to $349 million. To protect against the uncertain outcome of litigation and to contain exposure to the Company, Aon settled the securities suit for $30 million in 2009 and has reached an agreement in principle to settle the ERISA suit for $1.8 million. On November 24, 2009, the Court entered a final order approving the securities settlement and dismissing the securities suit. The proposed ERISA settlement is subject to notice and court approval.

Following inquiries from regulators, the Company commenced an internal review of its compliance with certain U.S. and non-U.S. anti-corruption laws, including the U.S. Foreign Corrupt Practices Act ("FCPA"). In January 2009, Aon Limited, Aon's principal U.K. brokerage subsidiary, entered into a settlement agreement with the FSA to pay a £5.25 million fine arising from its failure to exercise reasonable care to establish and maintain effective systems and controls to counter the risks of bribery arising from the use of overseas firms and individuals who helped it win business. The U.S. Securities and Exchange Commission ("SEC") and the U.S. Department of Justice ("DOJ") continue to investigate these matters. Aon is fully cooperating with these investigations and has agreed with the U.S. agencies to toll any applicable statute of limitations pending completion of the investigations. Based on current information, the Company is unable to predict at this time when the SEC and DOJ matters will be concluded, or what regulatory or other outcomes may result.

A putative class action, *Buckner v. Resource Life*, is pending in state court in Columbus, Georgia against a former subsidiary of Aon, Resource Life Insurance Company. The complaint alleges that Resource Life, which wrote policies insuring repayment of auto loans, was obligated to identify and return unearned premiums to policyholders whose loans terminated before the end of their scheduled terms. In connection with the sale of Resource Life in 2006, Aon agreed to indemnify Resource Life's buyer in certain respects relating to this action. Aon believes that Resource Life has meritorious defenses, and Resource Life is vigorously defending this action. In October 2009, the court certified a nationwide class of policyholders whose loans terminated before the end of their scheduled terms and who Resource Life cannot prove received a refund of unearned premium. Resource Life has taken an appeal from that decision, which is set for argument on June 30, 2010. Also in October 2009, Aon filed a lawsuit in Illinois state court seeking a declaratory judgment with respect to the rights and obligations of Aon and Resource Life under the indemnity agreement. The outcome of the actions, and the amount of any losses or other payments that may result, cannot be predicted at this time.

From time to time, Aon's clients may bring claims and take legal action pertaining to the performance of fiduciary responsibilities. Whether client claims and legal action related to the Company's performance of fiduciary responsibilities are founded or unfounded, if such claims and legal actions are resolved in a manner unfavorable to the Company, they may adversely affect Aon's financial results and materially impair the market perception of the Company and that of its products and services.

Although the ultimate outcome of all matters referred to above cannot be ascertained, and liabilities in indeterminate amounts may be imposed on Aon or its subsidiaries, on the basis of present information, amounts already provided, availability of insurance coverages and legal advice received, it is the opinion of management that the disposition or ultimate determination of such claims will not have a material adverse effect on the consolidated financial position of Aon. However, it is possible that future results of operations or cash flows for any particular quarterly or annual period could be materially affected by an unfavorable resolution of these matters.

Guarantees and Indemnifications

Aon provides a variety of guarantees and indemnifications to its customers and others. The maximum potential amount of future payments represents the notional amounts that could become payable under the guarantees and indemnifications if there were a total default by the guaranteed parties, without consideration of possible recoveries under recourse provisions or other methods. These amounts may bear no relationship to the expected future payments, if any, for these guarantees and indemnifications. Any anticipated amounts payable which are deemed to be probable and estimable are accrued in Aon's consolidated financial statements.

Commitments associated with Aon's limited partnership securitization are disclosed in Note 9. Guarantees associated with the collection of the principal amount of the premium finance notes sold to the buyer of the Company's U.S. premium finance business are disclosed in Note 5.

Aon has total letters of credit ("LOCs") outstanding for $151 million at March 31, 2010. These letters of credit are for the benefit of Virginia Surety Company ("VSC") related to a non-performance risk of reinsurers of

VSC's worker's compensation business in California, a LOC that secures deductible retentions for our own workers compensation program, and LOCs to cover the beneficiaries related to our Canadian pension plan scheme, secure one of our U.S. pension plans, and to cover contingent payments for taxes and other business obligations to third parties. Aon has also issued various other guarantees for miscellaneous purposes at its international subsidiaries. Amounts are accrued in the consolidated financial statements to the extent the guarantees are probable and estimable.

Aon has certain contractual contingent guarantees for premium payments owed by clients to certain insurance companies. Costs associated with these guarantees, to the extent estimable and probable, are provided in Aon's allowance for doubtful accounts. The maximum exposure with respect to such contractual contingent guarantees was approximately $6 million at March 31, 2010.

Aon expects that as prudent business interests dictate, additional guarantees and indemnifications may be issued from time to time.

17. Segment Information

Aon classifies its businesses into two operating segments: Risk and Insurance Brokerage Services and Consulting. Unallocated income and expenses, when combined with the operating segments and after the elimination of intersegment revenues and expenses, total to the amounts in the Condensed Consolidated Financial Statements.

Operating segments have been determined using a management approach, which is consistent with the basis and manner in which Aon's chief operating decision maker uses financial information for the purposes of allocating resources and evaluating performance. Aon evaluates performance based on stand-alone operating segment operating income and generally accounts for intersegment revenue as if the revenue were from third parties and at what management believes are current market prices.

The Risk and Insurance Brokerage Services business acts as an advisor and insurance broker, helping clients manage their risks, as well as negotiating and placing insurance risk with insurance carriers through our global distribution network.

The Consulting business provides advice and services to clients related to health and benefits, retirement, compensation, strategic human capital, and human resource outsourcing.

Aon's total revenue is as follows (in millions):

	Three months ended March 31, 2010	Three months ended March 31, 2009
Risk and Insurance Brokerage Services	$ 1,587	$ 1,543
Consulting	322	309
Intersegment elimination	(5)	(6)
Total revenue	$ 1,904	$ 1,846

Commissions, fees and other revenue by product are as follows (in millions):

	Three months ended March 31, 2010	2009
Retail brokerage	$ 1,186	$ 1,124
Reinsurance brokerage	388	395
Total Risk and Insurance Brokerage Services Segment	1,574	1,519
Consulting services	275	263
Outsourcing	47	45
Total Consulting Segment	322	308
Intersegment elimination	(5)	(6)
Total commissions, fees and other revenue	$ 1,891	$ 1,821

Fiduciary investment income by segment is as follows (in millions):

	Three months ended March 31, 2010	2009
Risk and Insurance Brokerage Services	$ 13	$ 24
Consulting	—	1
Total fiduciary investment income	$ 13	$ 25

A reconciliation of segment operating income to total income from continuing operations before income taxes is as follows (in millions):

	Three months ended March 31, 2010	2009
Risk and Insurance Brokerage Services	$ 257	$ 323
Consulting	49	70
Unallocated expenses	(33)	(27)
Total operating income	273	366
Interest income	1	7
Interest expense	(34)	(29)
Other income (expense)	7	(1)
Income from continuing operations before income taxes	$ 247	$ 343

Revenues are generally attributed to geographic areas based on the location of the resources producing the revenues. Intercompany revenues are eliminated in computing consolidated revenues. Consolidated revenue by geographic area is as follows (in millions):

	Three months ended March 31, 2010	2009
United States	$ 643	$ 650
Americas other than U.S.	198	172
United Kingdom	274	292
Europe, Middle East and Africa	650	613
Asia Pacific	139	119
Total	$ 1,904	$ 1,846

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

EXECUTIVE SUMMARY OF FIRST QUARTER 2010 FINANCIAL RESULTS

The challenging global recession continues to provide significant headwinds for our business. We continue to operate in a soft insurance pricing market, as property and casualty rates continue to decline. In addition to pricing declines, volume continues to be negatively impacted by the current economic environment, which places pressure on our business in three primary ways:

- declining insurable risks due to decreasing asset values, including property values, shipment volumes, payroll and number of active employees,
- client cost-driven behavior, where clients are actively looking to reduce spending in order to meet budget reductions, and increase risk retention, as a result of prioritizing their total spending, and
- sector specific weakness, including financial services, construction, private equity, and mergers and acquisitions, all of which have been particularly impacted by the current recession.

We have made commitments to shareholders to focus on three key metrics — grow organically, expand operating margins, and increase earnings per share. The following is our measure of performance against these three metrics for the first quarter of 2010:

- Organic revenue, as defined under the caption "Review of Consolidated Results — General" below, declined 3% as the current economic conditions continued to provide challenges, despite strong retention rates and new business growth in a number of geographies and product lines throughout the world.

- Achieved an adjusted operating margin, as defined under the caption "Review of Consolidated Results — General" below, of 18.3% for Aon overall, 20.5% for the Risk and Insurance Brokerage Services segment, and 17.4% for the Consulting segment. Strong operational performance offset a decline in organic revenue and low fiduciary investment income.

- Achieved adjusted dilutive earnings per share from continuing operations, as defined under the caption "Review of Consolidated Results — General" below, of $0.83. Despite a difficult business environment, we achieved strong operational performance and effective capital management.

Additionally, the following is a summary of our first quarter 2010 financial results:

- Revenue increased $58 million or 3% to $1.9 billion, as the positive effect of foreign currency translation was partially offset by a decline in organic revenue and a $12 million decrease in fiduciary investment income due to the decline in global interest rates.

- Operating expenses of $1.6 billion were 10%, or $151 million above last year, principally reflecting a net pension curtailment gain recognized in 2009 of $83 million associated with the decision to cease crediting future benefits relating to salary and service in our U.S. defined benefit pension plan, unfavorable foreign currency translation and $33 million in higher restructuring charges, which more than offset restructuring and other operational expense savings.

- Our consolidated operating margin from continuing operations for the year declined from 19.8% in first quarter 2009 to 14.3% in first quarter 2010. The decrease was principally driven by the pension curtailment gain recognized last year and higher restructuring costs recognized in 2010.

- Net income from continuing operations attributable to Aon stockholders decreased 23% or $52 million from first quarter 2009 to $178 million.

- Diluted earnings per share from continuing operations attributable to Aon's stockholders decreased 20% to $0.63 per share in first quarter 2010, from $0.79 per share in first quarter 2009.

REVIEW OF CONSOLIDATED RESULTS

General

In our discussion of operating results, we sometimes refer to supplemental information derived from consolidated financial information specifically related to organic revenue growth, adjusted operating margin, adjusted diluted earnings per share, and the impact of foreign exchange rate fluctuations on operating results.

Organic Revenue Growth
We use supplemental information related to organic revenue growth to help us and our investors evaluate business growth from existing operations. Organic revenue growth excludes the impact of foreign exchange rate changes, acquisitions, divestitures, transfers between business units, reimbursable expenses, and unusual items. Supplemental information related to organic growth represents a measure not in accordance with U.S. generally accepted accounting principles ("GAAP"), and should be viewed in addition to, not instead of, our Condensed Consolidated Statements of Income. Industry peers provide similar supplemental information about their revenue performance, although they may not make identical adjustments. Reconciliation of this non-GAAP measure to the reported Commissions, fees and other revenue growth percentages has been provided in the "Review by Segment" caption, below.

Adjusted Operating Margins
We use adjusted operating margin as a measure of core operating performance of our Risk and Insurance Brokerage Services and Consulting businesses. Adjusted operating margin excludes the impact of restructuring charges. This supplemental information related to adjusted operating margin represents a measure not in accordance with U.S. GAAP, and should be viewed in addition to, not instead of, our Condensed Consolidated Statements of Income. A reconciliation of this non-GAAP measure to the reported operating margin for the three months ended March 31, 2010 is as follows (in millions):

Three Months Ended March 31, 2010	Total Aon (1)	Risk and Insurance Brokerage Services	Consulting
Revenue - U.S. GAAP	$ 1,904	$ 1,587	$ 322
Operating income - U.S. GAAP	$ 273	$ 257	$ 49
Restructuring charges	76	69	7
Operating income - as adjusted	$ 349	$ 326	$ 56
Operating margins - U.S. GAAP	14.3%	16.2%	15.2%
Operating margins - as adjusted	18.3%	20.5%	17.4%

(1) Includes elimination of intersegment revenue and expenses.

Adjusted Diluted Earnings per Share
We use adjusted diluted earnings per share as a measure of Aon's core operating performance. Adjusted diluted earnings per share excludes the impact of restructuring charges and related income taxes. This supplemental information related to adjusted diluted earnings per share represents a measure not in accordance with U.S. GAAP, and should be viewed in addition to, not instead of, our Condensed Consolidated Statements of Income.

A reconciliation of this non-GAAP measure to the reported diluted earnings per share for the three months ended March 31, 2010 is as follows (in millions except per share data):

Three Months Ended March 31, 2010	U.S. GAAP	Adjustments	As Adjusted
Operating Income	$ 273	$ 76	$ 349
Interest income	1	—	1
Interest expense	(34)	—	(34)
Other income (expense)	7	—	7
Income from continuing operations before income taxes	247	76	323
Income taxes	61	19	80
Income from continuing operations	186	57	243
Less: Net income attributable to the noncontrolling interests	8	—	8
Income from continuing operations attributable to Aon stockholders	$ 178	$ 57	$ 235
Diluted earnings per share from continuing operations	$ 0.63	$ 0.20	$ 0.83
Weighted average common shares outstanding - diluted	283.4	283.4	283.4

Impact of Foreign Exchange Rate Fluctuations

Because we conduct business in more than 120 countries, foreign exchange rate fluctuations have a significant impact on our business. In comparison to the U.S. dollar, foreign exchange rate movements may be significant and may distort true period-to-period comparisons of changes in revenue or pretax income. Therefore, to give financial statement users more meaningful information about our operations, we have provided a discussion of the impact of foreign currency exchange rates on our financial results. The methodology used to calculate this impact isolates the impact of the change in currencies between periods by translating last year’s revenue, expenses and net income at this year’s foreign exchange rates.

Summary of Results

The condensed consolidated results of continuing operations follow (in millions):

	Three months ended March 31, 2010	Three months ended March 31, 2009
Revenue:		
Commissions, fees and other	$ 1,891	$ 1,821
Fiduciary investment income	13	25
Total revenue	1,904	1,846
Expenses:		
Compensation and benefits	1,163	1,014
Other general expenses	468	466
Total operating expenses	1,631	1,480
Operating income	273	366
Interest income	1	7
Interest expense	(34)	(29)
Other income (expense)	7	(1)
Income from continuing operations before income taxes	247	343
Income taxes	61	108
Income from continuing operations	186	235
Income from discontinued operations	—	50
Net income	186	285
Less: Net income attributable to noncontrolling interests	8	5
Net income attributable to Aon stockholders	$ 178	$ 280

Consolidated Results for First Quarter 2010 Compared to First Quarter 2009

Revenue
Total revenue increased by $58 million, or 3%, in 2010 compared to 2009. This increase reflects a $44 million, or 3%, increase in the Risk and Insurance Brokerage Services segment and a $13 million, or 4%, increase in the Consulting segment. The 3% increase in the Risk and Insurance Brokerage Services segment was primarily driven by a 6% favorable impact from foreign currency translation and a 1% increase from acquisitions, primarily Allied North America, net of dispositions, partially offset by a 3% organic revenue decline in commissions and fee revenue reflecting the weak economic conditions globally, and an $11 million decline in fiduciary investment income due to the decline in global interest rates. The 4% increase in the Consulting segment was driven by a 6% positive impact of foreign currency translation, partially offset by a 1% decline in organic revenue reflecting the impact of the economic downturn.

Compensation and Benefits
Compensation and benefits increased by $149 million or 15% over 2009. This increase primarily reflects a $114 million, or 14%, increase in the Risk and Insurance Brokerage Services segment and a $34 million, or 21%, increase in increase in the Consulting segment. The overall increase from last year was driven by the pension curtailment gain recognized in 2009 of $83 million associated with the decision to cease crediting future benefits relating to salary and service in our U.S. defined benefit pension plan, unfavorable foreign currency translation, and higher restructuring costs, which more than offset restructuring savings and other operational improvements.

Other General Expenses
Other general expenses were $468 million, a $2 million increase from last year. There was a decrease of $4 million, or 1%, in the Risk and Insurance Brokerage Services segment, which mostly offset a $6 million increase in unallocated expenses. The Consulting segment expenses were comparable to 2009. The overall increase was driven by unfavorable foreign exchange and higher restructuring charges, which were mainly offset by restructuring savings and operational expense management.

Interest Income
Interest income represents income earned on operating cash balances and other income-producing investments. It does not include interest earned on funds held on behalf of clients. Interest income was $1 million in 2010, a decrease of $6 million from 2009, driven primarily by lower cash balances and the consolidation of our PEPS I investment.

Interest Expense
Interest expense, which represents the cost of our worldwide debt obligations, increased $5 million from last year due primarily to higher interest rates as a result of our third quarter 2009 issuance of €500 million ($671 million at March 31, 2010 exchange rates) of long-term debt at an interest rate of 6.25%.

Other Income (Expense)
Other income was $7 million in 2010, primarily due to gains on sales of businesses in the Risk and Insurance Brokerage Services segment of $4 million. In 2009, we recorded an expense of $1 million, primarily due to losses on sales of businesses.

Income from Continuing Operations before Income Taxes
Income from continuing operations before income taxes was $247 million, a 28% decrease from $343 million in 2009. The decline was driven by the pension curtailment gain recognized last year as well as higher restructuring charges, which more than offset restructuring savings and favorable foreign currency translation.

Income Taxes
The effective tax rate on income from continuing operations was 24.9% and 31.5% for the first quarter 2010 and 2009, respectively. The 2010 rate is favorably impacted by deferred tax adjustments. The 2009 rate was negatively impacted by a noncash deferred tax expense on the U.S. pension curtailment gain, which had a tax rate of 40%. The underlying tax rate for continuing operations is expected to be approximately 28% for full year 2010.

Income from Continuing Operations
Income from continuing operations decreased to $186 million ($0.63 diluted net income per share) from $235 million ($0.79 diluted net income per share) in 2009. Currency fluctuations positively impacted income from continuing operations in 2010 by $0.04 per diluted share when the 2009 Condensed Consolidated Statement of Income is translated using 2010 foreign exchange rates.

Discontinued Operations
Income from discontinued operations decreased from $50 million in 2009 ($0.17 diluted net income per share) to $0 million in 2010. The 2009 results include a $43 million after-tax gain on the sale of AIS, and a curtailment gain on the post-retirement benefit plan related to the CICA disposal.

Restructuring Initiatives

Aon Benfield Restructuring Plan
We announced a global restructuring plan ("Aon Benfield Plan") in conjunction with our 2008 acquisition of Benfield. The restructuring plan is intended to integrate and streamline operations across the combined Aon Benfield organization. The Aon Benfield Plan includes an estimated 700 job eliminations. As of March 31, 2010, approximately 575 jobs have been eliminated under this Plan. Additionally, duplicate space and assets will be abandoned. We currently estimate the Plan will result in cumulative costs totaling approximately $155 million, of which $55 million was recorded as part of the purchase price allocation, $64 million has been recorded in earnings and we estimate an additional $36 million will be recorded in future earnings. Expenses include workforce reduction, lease consolidation costs, asset impairments, as well as other expenses necessary to implement the restructuring initiative. We recorded $9 million of restructuring and related charges in the first three months of both 2010 and 2009. Total payments of $85 million have been made under the Aon Benfield Plan to date.

All costs associated with the Aon Benfield Plan are included in the Risk and Insurance Brokerage Services segment. Costs related to the restructuring are included in Compensation and benefits and Other general expenses in the Condensed Consolidated Statements of Income. We expect these restructuring activities and related expenses to affect continuing operations into 2011.

The restructuring plan, before any potential reinvestment of savings, is expected to deliver cumulative cost savings of approximately $90 to $100 million in 2010 and $122 million in 2011. We estimate that we realized approximately $22 million of cost savings in first quarter 2010. The actual savings, total costs and timing of the restructuring plan may vary from those estimated due to changes in the scope, underlying assumptions of the plan, and foreign exchange rates.

The following is a summary of the restructuring and related expenses by type that have been incurred and are estimated to be incurred through the end of the restructuring initiative related to the Aon Benfield Plan (in millions):

	Actual				Estimated Total Cost for Restructuring Period (1)
	Purchase Price Allocation	2009	First Quarter 2010	Total to Date	
Workforce reduction	$ 32	$ 38	$ 5	$ 75	$ 93
Lease consolidation	22	14	3	39	55
Asset impairments	—	2	—	2	4
Other costs associated with restructuring (2)	1	1	1	3	3
Total restructuring and related expenses	$ 55	$ 55	$ 9	$ 119	$ 155

(1) Actual costs, when incurred, will vary due to changes in the assumptions built into this plan. Significant assumptions likely to change when plans are finalized and implemented include, but are not limited to, changes in severance calculations, changes in the assumptions underlying sublease loss calculations due to changing market conditions, and changes in the overall analysis that might cause us to add or cancel component initiatives.

(2) Other costs associated with restructuring initiatives, including moving costs and consulting and legal fees, are recognized when incurred.

2007 Restructuring Plan
In 2007, we announced a global restructuring plan intended to create a more streamlined organization and reduce future expense growth to better serve clients ("2007 Plan"). The 2007 Plan includes an estimated 4,600 job eliminations. As of March 31, 2010, approximately 3,775 positions have been eliminated. We have closed or

consolidated several offices resulting in sublease losses or lease buy-outs. We currently estimate that the 2007 Plan will result in cumulative pretax charges totaling approximately $750 million. Expenses include workforce reduction, lease consolidation costs, asset impairments, as well as other expenses necessary to implement the restructuring initiative. Costs related to the restructuring are included in Compensation and benefits and Other general expenses in the Condensed Consolidated Statements of Income. We expect the restructuring activities and related expenses to affect continuing operations through the first half of 2010. We estimate that we realized approximately $110 million of cost savings in first quarter 2010. We anticipate that these initiatives will lead to annualized cost savings, before any potential reinvestment of savings, of approximately $536 million by the end of 2010. However, there can be no assurances that we will achieve the targeted savings.

The following is a summary of the restructuring and related expenses by type that have been incurred and are estimated to be incurred through the end of the restructuring initiative related to the 2007 Plan (in millions):

	Actual					Estimated Total Cost for Restructuring Period (1)
	2007	2008	2009	First Quarter 2010	Total to Date	
Workforce reduction	$ 17	$ 166	$ 251	$ 57	$ 491	$ 510
Lease consolidation	22	38	78	6	144	149
Asset impairments	4	18	15	1	38	39
Other costs associated with restructuring (2)	3	29	13	3	48	52
Total restructuring and related expenses	$ 46	$ 251	$ 357	$ 67	$ 721	$ 750

(1) Actual costs, when incurred, will vary due to changes in the assumptions built into this plan. Significant assumptions likely to change when plans are finalized and implemented include, but are not limited to, changes in severance calculations, changes in the assumptions underlying sublease loss calculations due to changing market conditions, and changes in the overall analysis that might cause us to add or cancel component initiatives.

(2) Other costs associated with restructuring initiatives, including moving costs and consulting and legal fees, are recognized when incurred.

Workforce reductions are a cash expense, and we may recognize the expense before making payments to the individuals. Asset impairments are non-cash expenses. Lease consolidation accruals reflect the present value of our future cash outflows. Other costs associated with restructuring are cash expenses, which are expensed in the period in which they are incurred. Unpaid liabilities relating to workforce reductions and other costs associated with restructuring are included in Accounts payable and accrued liabilities on our Condensed Consolidated Statements of Financial Position. Liabilities relating to lease consolidations are included in Other non-current liabilities.

The following table summarizes actual restructuring and related expenses by segment that have been incurred and are estimated to be incurred through the end of the restructuring initiative, related to the 2007 Plan (in millions):

	Actual					Estimated Total Cost for Restructuring Period
	2007	2008	2009	First Quarter 2010	Total to Date	
Risk and Insurance Brokerage Services	$ 41	$ 234	$ 322	$ 60	$ 657	$ 683
Consulting	5	17	35	7	64	67
Total restructuring and related expenses	$ 46	$ 251	$ 357	$ 67	$ 721	$ 750

LIQUIDITY AND FINANCIAL CONDITION

Liquidity

Executive Summary
Our balance sheet and strong cash flow provide us with financial flexibility to create long-term value for our shareholders. Aon's liquidity needs are primarily for operating expenses, acquisitions, share repurchases, restructuring, funding pension obligations and paying dividends to shareholders.

Liquidity is derived from the cash flows from our businesses and from financing activities. Cash on our balance sheets includes funds available for general corporate purposes. Funds held on behalf of clients in a fiduciary capacity are segregated and shown together with uncollected insurance premiums in Fiduciary assets in the Condensed Consolidated Statement of Financial Position, with a corresponding offset in Fiduciary liabilities. The Company is permitted to earn income on these funds; thus for cash flow presentation, the activity in the funds has been reclassified out of operating cash flows and into investing cash flows. Fiduciary funds cannot be used for general corporate purposes, and should not be considered as a source of liquidity for Aon.

We use various financial measures to assist in capital deployment decision-making, including net cash provided by operations, free cash flow, net debt-to-capital and return on capital. We believe these measures are useful to investors in assessing our financial performance.

Cash Flow

Summary cash flow table

(millions)	Three months ended March 31 2010	2009
Cash provided by operating activities		
Net income, adjusted for non-cash items	$ 292	$ 307
Change in assets and liabilities, excluding funds held on behalf of clients	(224)	(266)
Cash provided by operating activities before changes in funds held on behalf of clients	68	41
Change in funds held on behalf of clients	396	512
	464	553
Cash provided by (used for) investing activities		
Cash provided by (used for) investing activities before changes in funds held on behalf of clients	73	(124)
Change in funds held on behalf of clients	(396)	(512)
	(323)	(636)
Cash provided by financing activities	17	13
Effect of exchange rate changes on cash and cash equivalents	47	(11)
Net increase (decrease) in cash and cash equivalents	$ 205	$ (81)

Operating Activities
Net cash provided by operating activities in first quarter 2010 decreased $89 million compared with 2009, due primarily to the change in funds held on behalf of clients. Excluding the change in funds held on behalf of clients, cash provided from operating activities increased $27 million to $68 million compared to $41 million in 2009. The primary contributors to the increase in cash flow from operations, before the change in funds held on behalf of clients in 2010, were net income (adjusted for non-cash items) of $292 million, a $65 million increase in income taxes payable, and a $45 million decrease in accounts receivable, partially offset by a $274 million decrease in

accounts payable and accrued liabilities, which declined due mainly to incentive compensation payments. Pension contributions for the quarter ended March 31, 2010 were $81 million. In 2010 we currently expect to contribute approximately $356 million to our pension plans, with the majority attributed to non-U.S. pension plans, which are subject to changes in foreign exchange rates.

We expect cash generated by operations for 2010 to be sufficient to service debt and contractual obligations, fund cash requirements of our restructuring programs, finance capital expenditures, continue acquisition of shares under our share repurchase program, and continue paying dividends to our shareholders. Although 2010 cash from operations is expected to be sufficient to service these obligations, we have the ability to borrow under our credit facilities to accommodate timing differences in cash flows. We have committed credit facilities of approximately $1.3 billion, of which $75 million was drawn upon at March 31, 2010. We can access these facilities on a same-day basis. Additionally, we believe we could access capital markets for debt financing for longer-term funding, under current market conditions, if needed.

Investing Activities
Cash provided by investing activities, excluding the change in funds held on behalf of clients, was $73 million in 2010, primarily comprised of $153 million in sales, net of purchases, of investments, partially offset by $47 million for business acquisitions representing eight acquisitions, the largest being the JP Morgan Compensation and Benefit Strategies Division of JP Morgan Retirement Plan Services LLC, and capital expenditures of $33 million.

Cash used for investing activities, excluding the change in funds held on behalf of clients, was $124 million in 2009, primarily comprised of $198 million in purchases, net of sales, of investments; acquisitions of $33 million; and $21 million in capital expenditures, partially offset by $128 million in proceeds from the sale of operations, which consisted primarily of our AIS subsidiary.

Financing Activities
Cash provided by financing activities in 2010 was $17 million. This was primarily driven by the issuance of $75 million of short-term debt and proceeds from the exercise of stock options and the issuance of shares purchased through the employee stock purchase programs of $35 million, partially offset by $50 million for repurchases of shares and $41 million in cash dividends to shareholders.

Cash provided by financing activities in 2009 was $13 million. This was primarily comprised of $55 million of proceeds from the exercise of stock options, offset by cash dividends of $41 million.

Cash and Investments
At March 31, 2010, our cash and cash equivalents and short-term investments were $734 million, an increase of $95 million from December 31, 2009. Of the total balance recorded at March 31, 2010, $186 million was restricted as to its use and was primarily comprised of $105 million held in relation to a $350 million catastrophe bond offering placed by Aon as part of its reinsurance business, which settled on April 1, 2010, with all of the cash being returned to the Company on that date, and $52 million held to settle the outstanding long-term debt related to our PEPS I investment. At March 31, 2010, $328 million of cash and cash equivalents and short-term investments were held in the U.S. and $406 million was held by our subsidiaries in other countries. Due to differences in tax rates, the repatriation of funds from certain countries into the U.S. could have an unfavorable tax impact.

In our capacity as an insurance broker or agent, we collect premiums from insureds and, after deducting our commission, remit the premiums to the respective insurance underwriter. We also collect claims or refunds from underwriters on behalf of insureds. Unremitted insurance premiums and claims are held by us in a fiduciary capacity. The levels of fiduciary assets and liabilities can fluctuate significantly, depending on when we collect the premiums, claims and refunds, make payments to underwriters and insureds, and foreign currency movements. Fiduciary assets, because of their nature, are required to be invested in very liquid securities with highly-rated, credit-worthy financial institutions. In our Condensed Consolidated Statements of Financial Position, the amount we report for fiduciary assets and fiduciary liabilities are equal. Our fiduciary assets included cash and investments of $3.6 billion and fiduciary receivables of $7.5 billion at March 31, 2010. While we earn investment income on the fiduciary assets held in cash and investments, the cash and investments are not owned by us, and cannot be used for general corporate purposes.

As disclosed in Note 15, "Fair Value and Financial Instruments," of the Notes to the Condensed Consolidated Financial Statements, the majority of our investments carried at fair value are money market funds. Money market funds are carried at cost as an approximation of fair value. Based on market convention, we consider cost a practical and expedient measure of fair value. These money market funds are held throughout the world with various financial institutions. We do not believe that there are any market liquidity issues affecting the fair value of these investments.

As of March 31, 2010, our investments in money market funds and highly liquid debt instruments had a fair value of $2.3 billion and are reported as cash and cash equivalents, Short-term investments or Fiduciary assets in the Condensed Consolidated Statements of Financial Position depending on their nature and initial maturity.

The following table summarizes our fiduciary assets and non-fiduciary cash and investments as of March 31, 2010 (in millions):

	Balance Sheet Classification			
Asset Type	**Cash and Cash Equivalents**	**Short-term Investments**	**Fiduciary Assets**	**Total**
Certificates of deposit, bank deposits or time deposits	$ 397	$ —	$ 1,641	$ 2,038
Money market funds	—	311	1,847	2,158
Highly liquid debt instruments	25	—	112	137
Other investments due within one year	—	1	—	1
Cash and investments	422	312	3,600	4,334
Fiduciary receivables	—	—	7,489	7,489
Total	$ 422	$ 312	$ 11,089	$ 11,823

Share Repurchase Program

Under our current share repurchase program which began in 2005, our Board of Directors has authorized us to repurchase up to $4.6 billion of our outstanding common stock. Shares may be repurchased through the open market or in privately negotiated transactions from time to time, based on prevailing market conditions, and will be funded from available cash. Any repurchased shares will be available for employee stock plans and for other corporate purposes. In first quarter 2010, we repurchased 1.2 million shares at a cost of $50 million. Since the inception of our current share repurchase program, we have repurchased a total of 107.1 million shares for an aggregate cost of $4.4 billion. As of March 31, 2010, we were authorized to purchase up to $215 million of additional shares under the current share repurchase program. The timing and amount of future purchases will be based on market and other conditions.

In January 2010, our Board of Directors authorized a new share repurchase program under which up to $2 billion of common stock may be repurchased from time to time depending on market conditions or other factors through open market or privately negotiated transactions. Repurchases will commence under the new share repurchase program upon conclusion of the existing program.

For information regarding share repurchases made during the first quarter of 2010, see Part II, Item 2 — "Unregistered Sales of Equity Securities and Use of Proceeds" below.

Shelf Registration Statement
On June 8, 2009, we filed a registration statement with the SEC, registering the offer and sale from time to time of an indeterminate amount of, among other securities, debt, preferred stock, common stock and convertible securities. We have not issued any securities under this registration statement. The availability of the potential liquidity under this shelf registration statement is dependent on investor demand, market conditions and other factors. There can be no assurance regarding when, or if, we will issue any securities under the registration statement.

Credit Facilities
At March 31, 2010, we have a three-year unsecured revolving credit facility in the U.S. for $400 million. Sixteen banks are participating in the facility, which is for general corporate purposes, including commercial paper support. Additionally, at March 31, 2010, we have a five-year €650 million ($872 million at March 31, 2010 exchange rates) multi-currency foreign credit facility ("Euro credit facility") available, which expires in October 2010. At March 31, 2010, $75 million was outstanding under the Euro credit facility.

For both our U.S. and Euro facilities, we are required to maintain a ratio of consolidated EBITDA (earnings before interest, taxes, depreciation and amortization) to consolidated interest expense of 4 to 1 and a ratio of consolidated debt to EBITDA of not greater than 3 to 1. We were in compliance with all covenants as of March 31, 2010.

Rating Agency Ratings
The major rating agencies' ratings of our debt at May 4, 2010 appear in the table below.

	Ratings		
	Senior Long-term Debt	Commercial Paper	Outlook
Standard & Poor's	BBB+	A-2	Stable
Moody's Investor Services	Baa2	P-2	Stable
Fitch, Inc.	BBB+	F-2	Stable

There were no changes in our ratings or outlook during first quarter 2010.

A downgrade in the credit ratings of our senior debt and commercial paper would increase our borrowing costs, reduce or eliminate our access to capital, reduce our financial flexibility, and increase our commercial paper interest rates or possibly restrict our access to the commercial paper market altogether. Although we have committed backup lines, we cannot ensure that our financial position will not be adversely impacted if we were unable to access the commercial paper market.

Letters of Credit
We have outstanding letters of credit ("LOCs") totaling $151 million at March 31, 2010. These letters of credit are for the benefit of Virginia Surety Company ("VSC") related to a non-performance risk of reinsurers of VSC's worker's compensation business in California, a LOC that secures deductible retentions for our own workers compensation program, and LOCs to cover the beneficiaries related to our Canadian pension plan scheme, secure one of our U.S. pension plans, and to cover contingent payments for taxes and other business obligations to third parties.

Adequacy of Liquidity Sources
We believe that cash flows from operations and available credit facilities will be sufficient to meet our liquidity needs, including capital expenditures and anticipated working capital requirements, for the foreseeable future. Our cash flows from operations, borrowing availability and overall liquidity are subject to risks and uncertainties. See "Information Concerning Forward-Looking Statements" below.

Financial Condition
At March 31, 2010, net assets of $5.5 billion, representing total assets minus total liabilities, were $26 million higher than the balance at December 31, 2009. Working capital increased $143 million to $1.5 billion.

Borrowings
Total debt at March 31, 2010 was $2.1 billion, an increase of $89 million from December 31, 2009, due principally to $75 million of borrowings under our Euro Credit facility. Our total debt as a percentage of total capital attributable to Aon shareholders was 28.0% and 27.2% at March 31, 2010 and December 31, 2009, respectively.

Equity
Equity at March 31, 2010 was $5.5 billion, an increase of $26 million from December 31, 2009. Net income of $186 million and stock-based compensation of $66 million in 2010 were mostly offset by an increase in accumulated other comprehensive loss, share repurchases of $50 million, and $41 million of dividends to shareholders.

Accumulated other comprehensive loss increased $196 million since December 31, 2009, primarily reflecting the following:

- a decline in net foreign currency translation adjustments of $141 million, which was attributable to the strengthening of the U.S. dollar against foreign currencies,
- reclassification of $44 million to Retained earnings due to the adoption, effective January 1, 2010, of new accounting guidance which resulted in the consolidation of PEPS I, and
- net derivative losses of $24 million.

REVIEW BY SEGMENT

General
We serve clients through the following segments:

- **Risk and Insurance Brokerage Services -** we act as an advisor and insurance broker, helping clients manage their risks, as well as negotiating and placing insurance risk with insurance carriers through our global distribution network.
- **Consulting** - we provide advice and services to clients related to health and benefits, retirement, compensation, strategic human capital, and human resource outsourcing.

Risk and Insurance Brokerage Services

(in millions)	Three Months Ended March 31, 2010	2009
Revenue	$ 1,587	$ 1,543
Operating income	257	323
Operating margin	16.2%	20.9%

During first quarter 2010 we continued to see a soft market, which began in 2007, in our retail brokerage product line. In a "soft market," premium rates flatten or decrease, along with commission revenues, due to increased competition for market share among insurance carriers or increased underwriting capacity. Changes in premiums have a direct and potentially material impact on the insurance brokerage industry, as commission revenues are generally based on a percentage of the premiums paid by insureds. Compared to 2009, prices continued to decrease. In our reinsurance brokerage product line, pricing overall during first quarter 2010 was slightly higher compared to last year.

Additionally, beginning in late 2008 and continuing into the first quarter of 2010, we faced difficult conditions as a result of unprecedented disruptions in the global economy. The continuing global recession has reduced our customers' demand for our retail brokerage and reinsurance brokerage products, which have hurt our operational results. In addition, overall capacity in the industry could decrease if a significant insurer either fails or withdraws from writing insurance coverages that we offer our clients. This failure could reduce our revenues and profitability, since we would no longer have access to certain lines and types of insurance.

Risk and Insurance Brokerage Services generated approximately 83% of our consolidated total revenues in first quarter 2010. Revenues are generated primarily through fees paid by clients, commissions and fees paid by insurance and reinsurance companies, and investment income on funds held on behalf of clients. Our revenues vary from quarter to quarter throughout the year as a result of the timing of our clients' policy renewals, the net effect of new and lost business, the timing of services provided to our clients, and the income we earn on investments, which is heavily influenced by short-term interest rates.

We operate in a highly competitive industry and compete with many retail insurance brokerage and agency firms, as well as with individual brokers, agents, and direct writers of insurance coverage. Specifically, we address the highly specialized product development and risk management needs of commercial enterprises, professional groups, insurance companies, governments, healthcare providers, and non-profit groups, among others; provide affinity products for professional liability, life, disability income, and personal lines for individuals, associations, and businesses; provide reinsurance services to insurance and reinsurance companies and other risk assumption entities by acting as brokers or intermediaries on all classes of reinsurance; provide investment banking products and services, including mergers and acquisitions and other financial advisory services, capital raising, contingent capital financing, insurance-linked securitizations and derivative applications; provide managing underwriting to independent agents and brokers as well as corporate clients; provide actuarial, loss prevention, and administrative services to businesses and consumers; and manage captive insurance companies.

Revenue
Risk and Insurance Brokerage Services commissions, fees and other revenue for first quarter 2010 and 2009, and the reconciliation of organic revenue growth to reported commissions, fees and other revenue growth for first quarter 2010, were as follows (in millions):

Three months ended March 31,	2010	2009	Percent Change	Less: Currency Impact	Less: Acquisitions, Divestitures, & Other	Organic Revenue Growth
Retail brokerage:						
Americas	$ 487	$ 477	2%	3%	4%	(5)%
United Kingdom	121	116	4	6	—	(2)
Europe, Middle East & Africa	477	447	7	7	2	(2)
Asia Pacific	101	84	20	20	(1)	1
Total retail brokerage	1,186	1,124	6	6	3	(3)
Reinsurance brokerage	388	395	(2)	4	(2)	(4)
Total	$ 1,574	$ 1,519	4%	6%	1%	(3)%

In 2010, commissions, fees and other revenue increased $55 million or 4% from 2009 driven by the impact of favorable foreign exchange translation and an increase from acquisitions, primarily Allied North America, net of dispositions, partially offset by a decline in organic revenue of 3%.

The 5% decline in **Americas** organic revenue reflects an unfavorable timing impact for certain renewal business, along with soft pricing, lower exposure units, and lower construction demand in the U.S., partially offset by solid growth in Latin America.

United Kingdom commissions, fees and other revenue increased 4% driven by favorable foreign currency translation. Organic revenue declined 2%, reflecting weak market conditions, partially offset by strong growth in our captives business.

Europe, Middle East & Africa commissions, fees and other revenue increased 7% driven primarily by favorable foreign exchange rates. The 2% organic decline was principally due to weak economic conditions and lower exposure units in Continental Europe and Ireland, partially offset by modest growth in emerging markets.

Asia Pacific commissions, fees and other revenue increased 20%, due to the positive impact of foreign currency translation. Organic revenue growth was 1%, reflecting strong growth in emerging markets partially offset by soft market conditions in Australia.

Reinsurance commissions, fees and other revenue decreased 2%, as organic revenue declined 4% due primarily to higher cedant retentions globally in treaty placements and lower facultative and capital market transactions, partially offset by new business growth in the Americas for treaty placements.

Operating Income
Operating income decreased $66 million or 20% from 2009 to $257 million in 2010. In 2010, operating margins in this segment were 16.2%, down 470 basis points from 20.9% in 2009. Contributing to the decreased operating income and margins were a decline in organic revenue, a pension curtailment gain of $58 million in 2009, increased restructuring charges of $29 million, and lower fiduciary investment income of $11 million, which more than offset restructuring savings and $10 million of Benfield integration costs incurred last year.

Consulting

(in millions)	Three Months Ended March 31, 2010	2009
Revenue	$ 322	$ 309
Operating income	49	70
Operating margin	15.2%	22.7%

Our Consulting segment generated 17% of our consolidated total revenues in first quarter 2010 and provides a broad range of human capital consulting services, as follows:

Consulting Services:

1. *Health and Benefits* advises clients about how to structure, fund, and administer employee benefit programs that attract, retain, and motivate employees. Benefits consulting includes health and welfare, executive benefits, workforce strategies and productivity, absence management, benefits administration, data-driven health, compliance, employee commitment, investment advisory and elective benefits services.
2. *Retirement* specializes in global actuarial services, defined contribution consulting, investment consulting, tax and ERISA consulting, and pension administration.
3. *Compensation* focuses on compensatory advisory/counsel including: compensation planning design, executive reward strategies, salary survey and benchmarking, market share studies and sales force effectiveness, with special expertise in the financial services and technology industries.
4. *Strategic Human Capital* delivers advice to complex global organizations on talent, change and organizational effectiveness issues, including talent strategy and acquisition, executive on-boarding, performance management, leadership assessment and development, communication strategy, workforce training and change management.

Outsourcing offers employment processing, performance improvement, benefits administration and other employment-related services.

Beginning in late 2008 and continuing into the first quarter 2010, the prolonged economic downturn is adversely impacting our clients' financial condition and the levels of business activities in the industries and geographies where we operate. While we believe that the majority of our practices are well positioned to manage through this time, these challenges are reducing demand for some of our services and depressing the price of those services, which is having an adverse effect on our new business and results of operations.

Revenue

Consulting commissions, fees and other revenue for first quarter 2010 were $322 million, an increase of $14 million from first quarter 2009. Organic revenue declined 1% in 2010. A reconciliation of organic revenue growth to reported commissions, fees and other revenue growth for first quarter 2010 was as follows (in millions):

Three months ended March 31,	2010	2009	Percent Change	Less: Currency Impact	Less: Acquisitions, Divestitures, & Other	Organic Revenue Growth
Consulting services	$ 275	$ 263	5%	6%	—%	(1)%
Outsourcing	47	45	4	7	1	(4)
Total	$ 322	$ 308	5%	6%	—%	(1)%

Consulting services increased $12 million or 5%, reflecting favorable foreign exchange, partially offset by lower organic revenue of 1%, primarily reflecting the impact of weak economic conditions in our health and benefits and retirement consulting businesses, partially offset by strong growth in global compensation consulting.

Outsourcing revenue increased $2 million, or 4%, driven by favorable foreign exchange, partially offset by a 4% decline in organic revenue due primarily to lower payroll counts impacting certain employee benefits and retirement outsourcing contracts.

Operating Income

Operating income was $49 million, a decrease of $21 million, or 30%, from 2009. This decrease was driven by the $21 million prior year gain from the pension curtailment. A 1% organic revenue decline and higher restructuring costs offset savings related to the 2007 restructuring plan and other cost saving initiatives. Operating margin for this segment for 2010 was 15.2%, a decrease of 750 basis points from 22.7% in 2009.

Unallocated Income and Expenses

A reconciliation of our operating income to income from continuing operations before income taxes is as follows (in millions):

	Three months ended March 31, 2010	Three months ended March 31, 2009
Operating income:		
Risk and Insurance Brokerage Services	$ 257	$ 323
Consulting	49	70
Unallocated expenses	(33)	(27)
Operating income	273	366
Interest income	1	7
Interest expense	(34)	(29)
Other income (expense)	7	(1)
Income from continuing operations before income taxes	$ 247	$ 343

Unallocated expenses include corporate governance costs not allocated to the operating segments. These expenses increased by $6 million in 2010 from $27 million in 2009, driven by higher performance-based compensation costs.

Interest income was $1 million in 2010, a decrease of $6 million from 2009, driven primarily by lower cash balances and the consolidation of our PEPS I investment.

Interest expense, increased $5 million due primarily to higher interest rates as a result of our third quarter 2009 issuance of €500 million ($671 million at March 31, 2010 exchange rates) of long-term debt at an interest rate of 6.25%.

Other income (expense) was $7 million of income in 2010, primarily due to gains on sales of businesses in the Risk and Insurance Brokerage Services segment of $4 million. In 2009, we recorded an expense of $1 million, primarily due to losses on sales of businesses.

CRITICAL ACCOUNTING POLICIES

There have been no changes in our critical accounting policies, which include restructuring, pensions, goodwill and other intangible assets, contingencies, share-based payments, and income taxes, as discussed in our 2009 Annual Report on Form 10-K.

NEW ACCOUNTING PRONOUNCEMENTS

Note 2 “Accounting Principles and Practices” of the Notes to the Condensed Consolidated Financial Statements contains a discussion of recently issued accounting pronouncements and their impact or future potential impact on our financial results, if determinable.

INFORMATION CONCERNING FORWARD-LOOKING STATEMENTS

This report contains certain statements related to future results, or states our intentions, beliefs and expectations or predictions for the future which are forward-looking statements as that term is defined in the Private Securities Litigation Reform Act of 1995. Forward-looking statements relate to expectations or forecasts of future events. They use words such as “anticipate,” “believe,” “estimate,” “expect,” “forecast,” “project,” “intend,” “plan,” “potential,” and other similar terms, and future or conditional tense verbs like “could,” “may,” “might,” “should,” “will” and “would.” You can also identify forward-looking statements by the fact that they do not relate strictly to historical or current facts. For example, we may use forward-looking statements when addressing topics such as: market and industry conditions, including competitive and pricing trends; changes in our business strategies and methods of generating revenue; the development and performance of our services and products; changes in the composition or level of our revenues; our cost structure and the outcome of cost-saving or restructuring initiatives; the outcome of contingencies; dividend policy; the expected impact of acquisitions and dispositions; pension obligations; cash flow and liquidity; future actions by regulators; and the impact of changes in accounting rules. These forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from either historical or anticipated results depending on a variety of factors. Potential factors that could impact results include:

- general economic conditions in different countries in which we do business around the world;
- changes in global equity and fixed income markets that could affect the return on invested assets;
- fluctuations in exchange and interest rates that could impact revenue and expense;
- rating agency actions that could affect our ability to borrow funds;
- changes in the funding status of our various defined benefit pension plans and the impact of any increased pension funding resulting from those changes;

- changes in the competitive environment;
- our ability to implement restructuring initiatives and other initiatives intended to yield cost savings and the ability to achieve those cost savings;
- the impact on risk and insurance services commission revenues of changes in the availability of, and the premium insurance carriers charge for, insurance and reinsurance products, including the impact on premium rates and market capacity attributable to catastrophic events;
- the outcome of inquiries from regulators and investigations related to compliance with the U.S. Foreign Corrupt Practices Act and non-U.S. anti-corruption laws;
- the impact of investigations brought by U.S. state attorneys general, U.S. state insurance regulators, U.S. federal prosecutors, U.S. federal regulators, and regulatory authorities in the U.K. and other countries;
- the impact of class actions and individual lawsuits including client class actions, securities class actions, derivative actions and ERISA class actions;
- the cost of resolution of other contingent liabilities and loss contingencies, including potential liabilities arising from errors and omissions claims against us;
- the extent to which we retain existing clients and attract new business, and our ability to incentivize and retain key employees;
- the extent to which we manage certain risks created in connection with the various services, including fiduciary and advisory services, among others, that we currently provide, or will provide in the future, to clients;
- the impact of, and potential challenges in complying with, legislation and regulation in the jurisdictions in which we operate, particularly given the global scope of our businesses and the possibility of conflicting regulatory requirements across jurisdictions in which we do business; and
- our ability to realize the anticipated benefits of the Benfield merger.

Any or all of our forward-looking statements may turn out to be inaccurate, and there are no guarantees about our performance. The factors identified above are not exhaustive. Aon and its subsidiaries operate in a dynamic business environment in which new risks may emerge frequently. Accordingly, readers should not place undue reliance on forward-looking statements, which speak only as of the dates on which they are made. We are under no obligation (and expressly disclaim any obligation) to update or alter any forward-looking statement that we may make from time to time, whether as a result of new information, future events or otherwise.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are exposed to potential fluctuations in earnings, cash flows and the fair value of certain of our assets and liabilities due to changes in interest and foreign exchange rates. To manage the risk from these exposures, we enter into a variety of derivative instruments. We do not enter into derivatives or financial instruments for trading purposes.

We are subject to foreign exchange rate risk from translating the financial statements of our foreign subsidiaries into U.S. dollars. Our primary exposures are to the British pound, the Euro, the Canadian dollar, and the Australian dollar. We use over-the-counter ("OTC") options and forward contracts to reduce the impact of foreign currency fluctuations on the translation of our foreign operations' financial statements.

Additionally, some of our foreign brokerage subsidiaries receive revenues in currencies that differ from their functional currencies. Our U.K. subsidiary earns a portion of its revenue in U.S. dollars and Euros but most of its expenses are incurred in pounds sterling. Our policy is to convert into pounds sterling sufficient U.S. dollar and Euro revenue to fund the subsidiary's pound sterling expenses using OTC options and forward exchange contracts. At March 31, 2010, we have hedged approximately 44% and 48% of our U.K. subsidiaries' expected U.S. dollar and Euro transaction exposures for the next twelve months, respectively. We do not generally hedge these exposures beyond three years.

The translated value of revenue and expense from our international brokerage operations are subject to fluctuations in foreign exchange rates. First quarter 2010 diluted earnings per share were positively impacted by approximately $0.04 related to translation gains.

We also use forward contracts to offset foreign exchange risk associated with foreign denominated inter-company notes.

Our income is affected by changes in international and domestic short-term interest rates. We monitor our net exposure to short-term interest rates and, as appropriate, hedge our exposure with various derivative financial instruments. This activity primarily relates to brokerage funds held on behalf of clients in the U.S. and on the continent of Europe. A decrease in global short-term interest rates adversely affects our income.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of disclosure controls and procedures. We have conducted an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act") as of the end of the period covered by this quarterly report of March 31, 2010. Based on this evaluation, our chief executive officer and chief financial officer concluded as of March 31, 2010 that our disclosure controls and procedures were effective such that the information relating to Aon, including our consolidated subsidiaries, required to be disclosed in our Securities and Exchange Commission ("SEC") reports is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms, and is accumulated and communicated to Aon's management, including our chief executive officer and chief financial officer, as appropriate to allow timely decisions regarding required disclosure.

Changes in internal control over financial reporting. During the first quarter 2010, the Company commenced a review and subsequent project to replace and upgrade certain core financial systems. These financial system enhancements and related processes are expected to result in modifications to our internal controls principally in Europe, Middle East and Africa and Latin America, supporting financial transaction processing and reporting. The implementation of these changes to software and systems is expected to be executed in phases throughout 2010 and 2011. Other than the changes above, no changes in Aon's internal control over financial reporting (as defined in Rule 13a — 15(F) of the Exchange Act) occurred during the quarter ended March 31, 2010 that have materially affected, or are reasonably likely to materially affect, the Registrant's internal control over financial reporting.

PART II

OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

See Note 16 (Commitments and Contingencies) to the Condensed Consolidated Financial Statements contained in Part I, Item 1, which is incorporated by reference herein.

ITEM 1A. RISK FACTORS

The risk factors set forth in Part I, Item 1A. Risk Factors to the 2009 Form 10-K of Aon Corporation ("Aon," "we," "us" or "our") have been updated as set forth below to reflect certain risks associated with existing and potential lines of business. These updated risk factors set forth below supersede those contained in our 2009 Form 10-K and readers should consider them in addition to the other information contained in this report as our business, financial condition or results of operations could be adversely affected if any of these risks actually occur.

The following are certain risks related to our business specifically and the insurance industry generally that could adversely affect our business, financial condition and results of operations. These risks are not presented in order of importance or probability of occurrence.

Our results may fluctuate due to many factors, including cyclical or permanent changes in the insurance and reinsurance industries.

Our results have historically been subject to significant fluctuations arising from uncertainties and changes in the insurance industry. A significant portion of our Risk and Insurance Brokerage Services revenue consists of commissions paid to us out of the premiums that insurers and reinsurers charge our clients for coverage. We have no control over premium rates, and our revenues and profitability are subject to change to the extent that premium rates fluctuate or trend in a particular direction. The potential for changes in premium rates is significant, due to pricing cyclicality in the commercial insurance and reinsurance markets.

In addition to movements in premium rates, our ability to generate premium-based commission revenue may be challenged by the growing availability of alternative methods for clients to meet their risk-protection needs. This trend includes a greater willingness on the part of corporations to "self-insure", the use of so-called "captive" insurers, and the advent of capital markets-based solutions to traditional insurance and reinsurance needs.

Our results may be adversely affected by changes in the mode of compensation in the insurance industry.

Since the Attorney General of New York ("NYAG") brought charges against one of our competitors in 2004, there has been uncertainty concerning then longstanding methods of compensating insurance brokers. Soon after the NYAG brought those charges, Aon and certain other large insurance brokers announced that they would terminate contingent commission arrangements with underwriters and, during the period 2005 through 2008, Aon and three other large insurance brokers entered into agreements with a number of state attorneys general and insurance regulators in which they covenanted to refrain from taking contingent commissions. Most other insurance brokers, however, continued to enter into contingent commission arrangements, and regulators have not taken action consistently to end or prohibit such arrangements. In July 2008, New York regulators held hearings on potential rules relating to insurance producer compensation and disclosures. As a result of those hearings and public comments, New York regulators promulgated Regulation No. 194 in February 2010, which is expected to be effective January 1, 2011. Regulation No. 194 does not prohibit producers from accepting contingent commissions as compensation from insurers, but does obligate all insurance producers to abide by certain minimally prescribed uniform standards of compensation disclosure. Effective as of February 11, 2010, we entered into an amended and restated agreement (the “Amended Settlement Agreement”) with the Attorneys General of the States of New York, Illinois and Connecticut, the Director of the Division of Insurance, Illinois Department of Insurance, and the Superintendent of Insurance of the State of New York, which supersedes and replaces the earlier agreement with those regulators. The Amended Settlement Agreement requires us, among other things, to provide, throughout the United States, compensation disclosure that complies, at a minimum, with the requirements of Regulation 194 or the provisions of the original settlement agreement with those regulators. The Amended Settlement Agreement also requires compliance with any rules, regulations or guidance issued by the attorneys general or insurance departments of Illinois, Connecticut and any other states in which we conduct business. The Amended Settlement Agreement does not prohibit us from accepting contingent compensation. Notwithstanding the Amended Settlement Agreement, we remain bound by: (1) the Settlement Agreement entered into in 2008 between Aon and the Florida Department of Financial Services, the Florida Department of Legal Affairs, Office of the Attorney General, and the Florida Office of Insurance Regulation; and (2) the Agreement entered in 2006 (which remains in effect as to the substantial majority of states originally party to the agreement) between certain insurance regulator members of the National Association of Insurance Commissioners of 29 states, the District of Columbia, and Guam and Aon, both of which prohibit us from accepting or requesting of any insurer contingent compensation and impose certain business reforms.

Our results may be adversely affected by the impact that disruptions in the credit and financial markets have on our customers and the insurance industry.

Beginning in late 2008 and continuing into the first quarter of 2010, we faced difficult conditions as a result of unprecedented disruptions in the global economy. Continued volatility and deterioration in the credit markets may reduce our customers’ demand for our brokerage and reinsurance services and products, including increasing their levels of self-insurance. Other clients may be significantly impacted by credit pressures or other financial difficulties which could result in their insolvency. These events could negatively impact our results of operations and financial condition. In addition, the potential for a significant insurer to fail or withdraw from writing certain insurance coverages that we offer our clients could negatively impact overall capacity in the industry, which could then reduce placement of certain lines and types of insurance and reduce our revenues and profitability. The potential for an insurer to fail could also result in errors and omissions claims against us by clients.

The current economic downturn has also created significant uncertainty in the industries in which our consulting operations participate. A severe and/or prolonged economic downturn could hurt our clients’ financial condition and the levels of business activities in the industries and geographies where we operate. These challenges may reduce demand for some of our services or depress pricing of those services and have an adverse effect on our business and results of operations.

We face significant competitive pressures in each of our businesses.

We believe that competition in our brokerage lines of business is based on service, product features, price, commission structure, financial strength and name recognition. In particular, we compete with a large number of national, regional and local insurance companies and other financial services providers and brokers.

We encounter strong competition for both clients and professional talent in our insurance brokerage and risk management services operations from other insurance brokerage firms that also operate on a nationwide or worldwide basis, from a large number of regional and local firms throughout the world, from insurance and reinsurance companies that market and service their insurance products without the assistance of brokers or agents and from other businesses, including commercial and investment banks, accounting firms and consultants that provide risk related services and products. Our consulting operations compete with independent consulting firms and consulting organizations affiliated with accounting, information systems, technology and financial services firms around the world.

We may not realize all of the expected benefits from our restructuring plans.

We announced a global restructuring plan (the “Aon Benfield Plan”) in connection with our merger with Benfield in 2008. The restructuring plan is intended to integrate and streamline operations across the combined Aon Benfield organization. The Aon Benfield Plan includes an estimated 700 job eliminations, the closing or consolidation of several offices, asset impairments and other expenses necessary to implement these initiatives. We estimate that the Aon Benfield Plan will result in cumulative costs totaling approximately $155 million, of which $55 million of these costs were recorded as part of the purchase price allocation and $100 million of which have been or will be charged to earnings. We anticipate that our annualized savings from the Aon Benfield Plan will be approximately $122 million in 2011. We cannot assure that we will achieve the targeted savings.

In 2007, we announced a global restructuring plan intended to create a more streamlined organization and to reduce future expense growth to better serve clients (the “2007 Plan”). As a result, we have adopted restructuring initiatives that are expected to result in the elimination of an estimated 4,600 employee positions, the closing or consolidation of various offices, asset impairments and other expenses necessary to implement these initiatives. We estimate that the 2007 Plan will result in cumulative pretax charges of $750 million. We anticipate that our annualized savings from the 2007 Plan will be approximately $536 million by the end of 2010. We cannot assure that we will achieve the targeted savings.

Changes in interest rates and deterioration of credit quality could reduce the value of our cash balances and investment portfolios and adversely affect our financial condition or results.

Operating funds available for corporate use and funds held on behalf of clients and insurers were $734 million and $3.6 billion, respectively, at March 31, 2010. These funds are reported in Cash, Short-term investments, and Fiduciary assets. We also carry an investment portfolio of other long-term investments. As of March 31, 2010, these long-term investments had a carrying value of $308 million. Changes in interest rates and counterparty credit quality, including default, could reduce the value of these funds and investments, thereby adversely affecting our financial condition or results. For example, changes in domestic and international interest rates directly affect our income from cash balances and short-term investments. Similarly, general economic conditions, stock market conditions and other factors beyond our control affect the value of our long-term investments. We monitor our portfolio for other-than-temporary impairments in carrying value. For securities judged to have an other-than-temporary impairment, we write down the value of those securities and recognize a realized loss through the Condensed Consolidated Statement of Income.

Our pension obligations could adversely affect our stockholders’ equity, net income, cash flow and liquidity.

To the extent that the present value of the pension obligations associated with our major plans continue to exceed the value of the assets supporting those obligations, our financial position and results of operations may be adversely affected. In certain previous years, there have been declines in interest rates. As a result of lower interest rates and investment returns, the present value of plan liabilities increased faster than the value of plan assets, resulting in significantly higher unfunded positions in several of our major pension plans.

We currently plan on contributing approximately $356 million to our major pension plans in 2010, although we may elect to contribute more. Total cash contributions to these pension plans in 2009 were $437 million, which was an increase of $260 million from 2008.

The magnitude of our worldwide pension plans means that our pension expense is comparatively sensitive to various market factors. These factors include equity and bond market returns, the assumed interest rates we use to discount our pension liabilities, foreign exchange rates, rates of inflation, mortality assumptions, potential regulatory and legal changes and counterparty exposure from various investments and derivative contracts, including annuities. Variations in any of these factors could cause significant fluctuation in our financial position and results of operations from year to year.

The periodic revision of pension assumptions can materially change the present value of future benefits, and therefore the funded status of the plans and resulting periodic pension expense. Changes in our pension benefit obligations and the related net periodic costs or credits may occur in the future due to any variance of actual results from our assumptions. As a result, there can be no assurance that we will not experience future decreases in stockholders' equity, net income, cash flow and liquidity or that we will not be required to make additional cash contributions in the future beyond those that have been estimated.

We are subject to a number of contingencies and legal proceedings which, if determined unfavorably to us, would adversely affect our financial results.

We are subject to numerous claims, tax assessments, lawsuits and proceedings that arise in the ordinary course of business, which frequently include errors and omissions ("E&O") claims. The damages claimed in these matters are or may be substantial, including, in many instances, claims for punitive, treble or extraordinary damages. We have historically purchased E&O insurance and other insurance to provide protection against certain losses that arise in such matters. However, we have exhausted or materially depleted our coverage under some of the policies that protect us and, consequently, are self-insured or materially self-insured for some historical claims. Accruals for these exposures, and related insurance receivables, when applicable, have been provided to the extent that losses are deemed probable and are reasonably estimable. These accruals and receivables are adjusted from time to time as developments warrant. Amounts related to settlement provisions are recorded in Other general expenses in the Condensed Consolidated Statements of Income.

At the time of the 2004-05 investigation of the insurance industry by the NYAG and other regulators, purported classes of clients filed civil litigation against us and other companies under a variety of legal theories, including state tort, contract, fiduciary duty, antitrust and statutory theories and federal antitrust and Racketeer Influenced and Corrupt Organizations Act ("RICO") theories. The federal actions were consolidated in the U.S. District Court for the District of New Jersey, and a state court collective action was filed in California. In the New Jersey actions, the Court dismissed plaintiffs' federal antitrust and RICO claims in separate orders in August and October 2007, respectively. Plaintiffs have appealed these dismissals. We believe we have meritorious defenses in all of these cases and intend to vigorously defend ourselves against these claims. The outcome of these lawsuits, and any losses or other payments that may occur as a result, cannot be predicted at this time.

Also at the time of the NYAG investigation, putative classes filed actions against us in the U.S. District Court for the Northern District of Illinois under the federal securities laws and ERISA. Plaintiffs in the federal securities class action originally submitted purported expert reports estimating a range of alleged damages of $353 million to $490 million, and plaintiffs in the ERISA class actions originally submitted revised purported expert reports estimating a range of alleged damages of $74 million to $349 million. To protect against the uncertain outcome of litigation and to contain exposure to us, we settled the securities suit for $30 million in 2009 and have reached an agreement in principle to settle the ERISA suit for $1.8 million. On November 24, 2009, the Court entered a final order approving the securities settlement and dismissing the securities suit. The proposed ERISA settlement is subject to notice and court approval.

Following inquiries from regulators, we commenced an internal review of our compliance with certain U.S. and non-U.S. anti-corruption laws, including the U.S. Foreign Corrupt Practices Act ("FCPA"). In January 2009, Aon Limited, our principal U.K. brokerage subsidiary, entered into a settlement agreement with the FSA to pay a £5.25 million fine arising from its failure to exercise reasonable care to establish and maintain effective systems and controls to counter the risks of bribery arising from the use of overseas firms and individuals who helped it win business. The SEC and the U.S. Department of Justice ("DOJ") continue to investigate these matters. We are fully cooperating with these investigations and have agreed with the U.S. agencies to toll any applicable statute of limitations pending completion of the investigations. Based on current information, we are unable to predict at this time when the SEC and DOJ matters will be concluded, or what regulatory or other outcomes may result.

A putative class action, *Buckner v. Resource Life*, is pending in state court in Columbus, Georgia against a former subsidiary of ours, Resource Life Insurance Company. The complaint alleges that Resource Life, which wrote policies insuring repayment of auto loans, was obligated to identify and return unearned premiums to policyholders whose loans terminated before the end of their scheduled terms. In connection with the sale of Resource Life in 2006, we agreed to indemnify Resource Life's buyer in certain respects relating to this action. We believe that Resource Life has meritorious defenses, and Resource Life is vigorously defending this action. In October 2009, the court certified a nationwide class of policyholders whose loans terminated before the end of their scheduled terms and who Resource Life cannot prove received a refund of unearned premium. Resource Life has taken an appeal from that decision, which is set for argument on June 30, 2010. Also in October 2009, we filed a lawsuit in Illinois state court seeking a declaratory judgment with respect to our and Resource Life's rights and obligations under the indemnity agreement. The outcome of the actions, and the amount of any losses or other payments that may result, cannot be predicted at this time.

From time to time, our clients may bring claims and take legal action pertaining to the performance of fiduciary responsibilities. Whether client claims and legal action related to our performance of fiduciary responsibilities are founded or unfounded, if such claims and legal actions are resolved in a manner unfavorable to us, they may adversely affect our financial results and materially impair our market perception and that of our products and services.

Although the ultimate outcome of all matters referred to above cannot be ascertained, and liabilities in indeterminate amounts may be imposed on us, on the basis of present information, amounts already provided, availability of insurance coverages and legal advice received, it is the opinion of management that the disposition or ultimate determination of such claims will not have a material adverse effect on our consolidated financial position. However, it is possible that future results of operations or cash flows for any particular quarterly or annual period could be materially affected by an unfavorable resolution of these matters.

In addition to the matters referred to above, we provide a variety of guarantees and indemnifications to our customers and others. The maximum potential amount of future payments represents the notional amounts that could become payable under the guarantees and indemnifications if there were a total default by the guaranteed parties, without consideration of possible recoveries under recourse provisions or other methods. These amounts may bear no relationship to the expected future payments, if any, for these guarantees and indemnifications. Any anticipated amounts payable which are deemed to be probable and estimable are accrued in our consolidated financial statements.

We have total letters of credit ("LOC") outstanding for approximately $151 million at March 31, 2010. These letters of credit are for the benefit of Virginia Surety Company ("VSC") related to a non-performance risk of reinsurers of VSC's worker's compensation business in California, a LOC that secures deductible retentions for our own workers compensation program, and LOCs to cover the beneficiaries related to our Canadian pension plan scheme, secure one of our U.S. pension plans, and to cover contingent payments for taxes and other business obligations to third parties.

We are subject to E&O claims against us.

We assist our clients with various matters, including the placement of insurance coverage or employee benefit plans and the handling of related claims. E&O claims against us may allege our potential liability for all or part of the amounts in question. E&O claims could include, for example, the failure of our employees or sub agents, whether negligently or intentionally, to place coverage correctly or notify carriers of claims on behalf of clients or to provide insurance carriers with complete and accurate information relating to the risks being insured. It is not always possible to prevent and detect errors and omissions, and the precautions we take may not be effective in all cases. In addition, E&O claims may seek damages, including punitive damages, in amounts that could, if awarded, be significant and, in addition to potential liability for monetary damages, could harm our reputation or divert management resources away from operating our business. In recent years, we have assumed increasing levels of self-insurance for potential E&O exposures. We use case level reviews by inside and outside counsel to establish loss reserves in accordance with applicable accounting standards. These reserves are reviewed quarterly and adjusted as developments warrant. Nevertheless, given the unpredictability of E&O claims and of litigation, it is possible that an adverse outcome in a particular matter could have a material adverse effect on our results of operations or cash flows in a particular quarterly or annual period.

Our success depends, in part, on our ability to attract and retain experienced and qualified personnel.

Our future success depends on our ability to attract and retain experienced personnel, including brokers and other professional personnel. Competition for such experienced professional personnel is intense. If we cannot hire and retain talented personnel, our business, operating results and financial condition could be adversely affected.

Our businesses are subject to extensive governmental regulation which could reduce our profitability, limit our growth, or increase competition.

Our businesses are subject to extensive federal, state and foreign governmental regulation and supervision, which could reduce our profitability or limit our growth by increasing the costs of regulatory compliance, limiting or restricting the products or services we sell or the methods by which we sell our products and services, or subjecting our businesses to the possibility of regulatory actions or proceedings. With respect to our Risk and Insurance Brokerage Services business, this supervision generally includes the licensing of insurance brokers and agents and third party administrators and the regulation of the handling and investment of client funds held in a fiduciary capacity. Our continuing ability to provide insurance brokering and third party administration in the jurisdictions in which we currently operate depends on our compliance with the rules and regulations promulgated from time to time by the regulatory authorities in each of these jurisdictions. Also, we can be affected indirectly by the governmental regulation and supervision of other insurance companies. For instance, if we are providing managing general underwriting services for an insurer, we may have to contend with regulations affecting our client. Further, regulation affecting the insurance companies with whom our brokers place business can affect how we conduct those operations.

Although the federal government does not directly regulate the insurance industry, federal legislation and administrative policies in several areas, including employee benefit plan regulation, Medicare, age, race, disability and sex discrimination, investment company regulation, financial services regulation, securities laws and federal taxation, and the FCPA, do affect the insurance industry generally. For instance, several laws and regulations adopted by the federal government, including the Gramm Leach Bliley Act and the Health Insurance Portability and Accountability Act of 1996, have created additional administrative and compliance requirements for us.

With respect to our international operations, we are subject to various regulations relating to, among other things, licensing, currency, policy language and terms, reserves and the amount of local investment. These various regulations also add to our cost of doing business through increased compliance expenses and increased training and employee expenses. Furthermore, the loss of a license in a particular jurisdiction could restrict or eliminate our ability to conduct business in that jurisdiction.

In all jurisdictions the applicable laws and regulations are subject to amendment or interpretation by regulatory authorities. Generally, such authorities are vested with relatively broad discretion to grant, renew and revoke licenses and approvals and to implement regulations. Accordingly, we may be precluded or temporarily suspended from carrying on some or all of our activities or otherwise fined or penalized in a given jurisdiction. No assurances can be given that our business can continue to be conducted in any given jurisdiction as it has been conducted in the past.

In addition, new legislative or industry developments could create an increase in competition that could adversely affect us. These developments include:

- the selling of insurance by insurance companies directly to insureds;
- changes in our business compensation model as a result of regulatory actions or changes;
- the establishment of programs in which state-sponsored entities provide property insurance in catastrophe prone areas or other alternative types of coverage;
- changes in regulations relating to health and welfare plans, defined contribution plans or defined benefit plans; or
- additional regulations promulgated by the FSA in the U.K., or other regulatory bodies in jurisdictions in which we operate.

Competition resulting from these developments could cause the supply of, and demand for, our products and services to change, which could adversely affect our results of operations and financial condition.

Our significant global operations expose us to various international risks that could adversely affect our business.

A significant portion of our operations are conducted outside the U.S. Accordingly, we are subject to legal, economic and market risks associated with operating in foreign countries, including:

- the general economic and political conditions existing in those countries;
- devaluations and fluctuations in currency exchange rates;
- imposition of limitations on conversion of foreign currencies or remittance of dividends and other payments by foreign subsidiaries;
- imposition or increase of withholding and other taxes on remittances and other payments by subsidiaries;
- difficulties in staffing and managing our foreign offices, and the increased travel, infrastructure and legal and compliance costs associated with multiple international locations;
- hyperinflation in certain foreign countries;
- imposition or increase of investment and other restrictions by foreign governments;
- longer payment cycles;
- greater difficulties in accounts receivable collection; and
- the requirement of complying with a wide variety of foreign laws.

We are exposed to fluctuations in currency exchange rates that could negatively impact our financial results and cash flows.

Because a significant portion of our business is conducted outside the United States, we face exposure to adverse movements in foreign currency exchange rates. These exposures may change over time and they could have a material adverse impact on our financial results and cash flows. Our four largest exposures in order of sensitivity are the Euro, British Pound, Australian Dollar and Canadian Dollar. As slightly more than half of our pretax income is non-U.S. Dollar denominated, a weaker U.S. Dollar versus the Euro, Australian Dollar and Canadian Dollar, would produce more profitable results in our consolidated financial statements. Offsetting our normal translation exposure is our transactional exposure between the U.S. Dollar revenue and British Pound expense. In the U.K., part of our revenue is denominated in U.S. Dollars, although our operating expenses are denominated in British Pounds. Therefore, a stronger U.S. Dollar versus the British Pound would produce more profitable results in our consolidated financial statements. Additionally, we have exposures to emerging market currencies, which can have extreme currency volatility. An increase in the value of the U.S. Dollar relative to foreign currencies could increase the real cost to our customers in foreign markets where we receive our revenue in U.S. Dollars, and a weakened U.S. Dollar could potentially affect demand for our services.

Although we use various derivative financial instruments to help protect against adverse transaction and translation effects due to exchange rate fluctuations, we cannot eliminate such risks, and significant changes in exchange rates may adversely affect our results.

Each of our business lines may be adversely affected by an overall decline in economic activity.

The demand for property and casualty insurance generally rises as the overall level of economic activity increases and generally falls as such activity decreases, affecting both the commissions and fees generated by our brokerage and consulting businesses. The economic activity that impacts property and casualty insurance is described as exposure units, and is most closely correlated with employment levels, corporate revenue and asset values. A growing number of insolvencies associated with an economic downturn, especially insolvencies in the insurance industry, could adversely affect our brokerage business through the loss of clients or by hampering our ability to place insurance and reinsurance business. Moreover, the results of our consulting business are generally affected by the level of business activity of our clients, which in turn is affected by the level of economic activity in the industries and markets these clients serve. As our clients become adversely affected by declining business conditions, they may choose to delay or forgo consulting engagements with us.

We have debt outstanding that could adversely affect our financial flexibility.

As of March 31, 2010, we had total consolidated debt outstanding of approximately $2.1 billion. The level of debt outstanding could adversely affect our financial flexibility. We also bear risk at the time debt matures. If at the time of maturity we do not have sufficient operating cash or credit lines to repay the borrowing and are unable to borrow from a third party in an amount sufficient to repay the maturing debt, then an event of default would occur.

We have two primary committed credit facilities outstanding, one for our U.S. operations, the other for our European operations. The U.S. facility totals $400 million and matures in December 2012. It is intended as a back-up against commercial paper or to address capital needs in times of extreme liquidity pressure. At March 31, 2010, we had no borrowings under this facility. The Euro facility totals €650 million ($872 million at March 31, 2010 exchange rates) and matures in October 2010. It is intended as a revolving working capital line for our European operations. At March 31, 2010, we had borrowed $75 million under this facility. Both facilities require certain representations and warranties to be made before drawing and both have the same financial covenants. The representations and warrants are standard for agreements of this type and include such things as: compliance with laws and contracts, timely filing of taxes, and insurance licenses in good standing. For both facilities, we are required to maintain a ratio of consolidated EBITDA (earnings before interest, taxes, depreciation and amortization) to consolidated interest expense of at least 4 to 1 and a ratio of consolidated debt to EBITDA of no greater than 3 to 1. At March 31, 2010, we could make all representations and warranties and were within our financial covenants.

A decline in the credit ratings of our senior debt and commercial paper may adversely affect our borrowing costs, access to capital, and financial flexibility.

A downgrade in the credit ratings of our senior debt and commercial paper could increase our borrowing costs, reduce or eliminate our access to capital, and reduce our financial flexibility. Our senior debt ratings at March 31, 2010 were BBB+ (Standard & Poor's and Fitch, Inc.) and Baa2 (Moody's Investor Services).

A downgrade would increase our commercial paper interest rates or may result in our inability to access the commercial paper market altogether. We cannot assume that our financial position would not be adversely affected if we were unable to access the commercial paper market.

Changes in our accounting estimates and assumptions could negatively affect our financial position and results of operations.

We prepare our financial statements in accordance with U.S. GAAP. These accounting principles require us to make estimates and assumptions that affect the reported amounts of assets and liabilities, and the disclosure of contingent assets and liabilities at the date of our financial statements. We are also required to make certain judgments that affect the reported amounts of revenues and expenses during each reporting period. We periodically evaluate our estimates and assumptions including those relating to restructuring, pensions, goodwill and other intangible assets, contingencies, share-based payments and income taxes. We base our estimates on historical experience and various assumptions that we believe to be reasonable based on specific circumstances. Actual results could differ from these estimates, and changes in accounting standards could have an adverse impact on our future financial position and results of operations.

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

Our principal assets are the shares of capital stock of our subsidiaries. We have to rely on dividends from these subsidiaries to meet our obligations for paying principal and interest on outstanding debt obligations and for paying dividends to stockholders and corporate expenses. While our principal subsidiaries currently are not limited by material contractual restrictions on their abilities to pay cash dividends or to make other distributions with respect to their capital stock to us, certain of our subsidiaries are subject to regulatory requirements of the jurisdictions in which they operate. These regulatory restrictions may limit the amounts that these subsidiaries can pay in dividends or advance to us. No assurance can be given that there will not be further regulatory actions restricting the ability of our subsidiaries to pay dividends. In addition, due to differences in tax rates, repatriation of funds from certain countries into the U.S. could have unfavorable tax ramifications for us.

The occurrence of natural or man made disasters could adversely affect our financial condition and results of operations.

We are exposed to various risks arising out of natural disasters, including earthquakes, hurricanes, fires, floods and tornadoes, and pandemic health events such as H1N1 influenza, as well as man-made disasters, including acts of terrorism and military actions. The continued threat of terrorism and ongoing military actions may cause significant volatility in global financial markets, and a natural or man-made disaster could trigger an economic downturn in the areas directly or indirectly affected by the disaster. These consequences could, among other things, result in a decline in business and increased claims from those areas. Disasters also could disrupt public and private infrastructure, including communications and financial services, which could disrupt our normal business operations.

A natural or man-made disaster also could disrupt the operations of our counterparties or result in increased prices for the products and services they provide to us. In addition, a disaster could adversely affect the value of the assets in our investment portfolio if it affects companies' ability to pay principal or interest on their securities. Finally, a natural or man-made disaster could increase the incidence or severity of E&O claims against us.

Through our merger with Benfield, we acquired equity interests in Juniperus Insurance Opportunities Fund Limited ("Juniperus") and Juniperus Capital Holdings Limited ("JCHL"). Juniperus invests its equity in a limited liability company that is expected to invest in excess of 70% of its assets in collateralized reinsurance transactions through collateralized swaps with a reinsurance company, and the remaining assets in instruments such as catastrophe bonds, industry loss warrants and insurer or reinsurer sidecar debt and equity arrangements. JCHL provides investment management and related services to Juniperus. If a disaster such as wind, earthquakes or other named catastrophe occurs, we could lose some or all of our equity investment in Juniperus of approximately $70 million.

As part of the Benfield merger, we acquired Benfield's equity stake in certain Florida-domiciled homeowner insurance companies. We maintain ongoing agreements to provide modelling, actuarial, and consulting services to these insurance companies. These firms' financial results could be adversely affected if assumptions used in establishing their underwriting reserves differ from actual experience. Reserve estimates represent informed judgments based on currently available data, as well as estimates of future trends in claims severity, frequency, judicial theories of liability and other factors. Many of these factors are not quantifiable in advance and both internal and external events, such as changes in claims handling procedures, inflation, judicial and legal developments and legislative changes, can cause estimates to vary. Additionally, a natural disaster occurring in Florida could increase the incidence or severity of E&O claims relating to these existing service agreements.

Our inability to successfully recover should we experience a disaster or other business continuity problem could cause material financial loss, loss of human capital, regulatory actions, reputational harm or legal liability.

Should we experience a local or regional disaster or other business continuity problem, such as an earthquake, hurricane, terrorist attack, pandemic, security breach, power loss, telecommunications failure or other natural or man-made disaster, our continued success will depend, in part, on the availability of our personnel, our office facilities, and the proper functioning of our computer, telecommunication and other related systems and operations. In such an event, our operational size, the multiple locations from which we operate, and our existing back-up systems would provide us with an important advantage. Nevertheless, we could still experience near-term operational challenges with regard to particular areas of our operations, such as key executive officers or personnel.

Our operations are dependent upon our ability to protect our technology infrastructure against damage from business continuity events that could have a significant disruptive effect on our operations. We could potentially lose client data or experience material adverse interruptions to our operations or delivery of services to our clients in a disaster recovery scenario.

We regularly assess and take steps to improve upon our existing business continuity plans and key management succession. However, a disaster on a significant scale or affecting certain of our key operating areas within or across regions, or our inability to successfully recover should we experience a disaster or other business continuity problem, could materially interrupt our business operations and cause material financial loss, loss of human capital, regulatory actions, reputational harm, damaged client relationships or legal liability.

Improper disclosure of personal data could result in legal liability or harm our reputation.

One of our significant responsibilities is to maintain the security and privacy of our clients' confidential and proprietary information and the personal data of their employees and retirement and other benefit plan participants. We maintain policies, procedures and technological safeguards designed to protect the security and privacy of this information. Nonetheless, we cannot entirely eliminate the risk of improper access to or disclosure of personally identifiable information. Such disclosure could harm our reputation and subject us to liability under our contracts and laws that protect personal data, resulting in increased costs or loss of revenue.

Further, data privacy is subject to frequently changing rules and regulations, which sometimes conflict among the various jurisdictions and countries in which we provide services. Our failure to adhere to or successfully implement processes in response to changing regulatory requirements in this area could result in legal liability or impairment to our reputation in the marketplace.

In connection with the implementation of our corporate strategy, we face certain risks associated with the acquisition or disposition of businesses, and the implementation of new lines of business.

In pursuing our corporate strategy, we may acquire other businesses, or dispose of or exit businesses we currently own. The success of this strategy is dependent upon our ability to identify appropriate acquisition and disposition targets, negotiate transactions on favorable terms and ultimately complete such transactions. If acquisitions are made, there can be no assurance that we will realize the anticipated benefits of such acquisitions, including revenue growth, operational efficiencies or expected synergies. In addition, we may not be able to integrate acquisitions successfully into our existing business, and we could incur or assume unknown or unanticipated liabilities or contingencies, which may impact our results of operations. If we dispose of or otherwise exit certain businesses, there can be no assurance that we will not incur certain disposition related charges, or that we will be able to reduce overhead related to the divested assets.

From time to time, we may implement new lines of business or offer new products and services within existing lines of business. We have a number of current initiatives involving new businesses, new products and new services. There are substantial risks and uncertainties associated with these efforts, including the investment of significant time and resources, the possibility that these efforts will be unprofitable, and the risk of additional liabilities associated with these efforts. Failure to successfully manage these risks in the development and implementation of new lines of business and new products and services could have a material adverse effect on our business, financial condition or results of operations. External factors, such as compliance with regulations, competitive alternatives and shifting market preferences may also impact the successful implementation of a new line of business. In addition, we can provide no assurance that the implementation of new lines of business will be successful.

The global nature of our business and the resolution of tax disputes could create volatility in our effective tax rate, could expose us to greater than anticipated tax liabilities and could cause us to adjust previously recognized tax assets and liabilities.

We are subject to income taxes in the U.S. and many foreign jurisdictions. As a result, our effective tax rate from period to period can be affected by many factors, including changes in tax legislation, our global mix of earnings, the tax characteristics of our income, the timing and recognition of goodwill impairments, the transfer pricing of revenues and costs, acquisitions and dispositions, and the portion of the income of foreign subsidiaries that we expect to remit to the U.S. Significant judgment is required in determining our worldwide provision for income taxes. It is complex to comply with a wide variety of foreign laws and regulations administered by foreign governmental agencies, some of which may conflict with the U.S. or other foreign law. Our determination of our tax liability is always subject to review by applicable tax authorities. Favorable resolution of such matters would typically be recognized as a reduction in our effective tax rate in the year of resolution. Conversely, unfavorable resolution of any particular issue could increase the effective tax rate and may require the use of cash in the year of resolution. Such an adverse outcome could have a negative effect on our operating results and financial condition. Although we believe our estimates are reasonable, the ultimate tax outcome may differ from the amounts recorded in our financial statements and may materially affect our financial results in the period or periods for which such determination is made. While historically we have not experienced significant adjustments to previously recognized tax assets and liabilities as a result of finalizing tax returns, there can be no assurance that significant adjustments will not arise.

The anticipated benefits from the merger with Benfield may not be realized.

The success of the merger with Benfield will depend, in part, on our ability to realize the anticipated benefits from combining the businesses of Aon and Benfield including, among other things, synergies, cost savings, operating efficiencies and the integration of information, purchasing, accounting, finance, sales, billing, payroll and regulatory compliance systems. Although we expect to achieve the anticipated benefits of the merger, no assurance can be given that we will successfully combine the businesses of Aon and Benfield and that these anticipated benefits will actually be achieved because achieving such benefits is subject to a number of uncertainties. Additionally, the elimination of duplicative costs may not be possible or may take longer than anticipated, and the benefits from the merger may be offset by costs incurred or delays in integrating Benfield with Aon. If we are not able to achieve these objectives, the anticipated benefits and cost savings of the merger may not be realized fully or at all, or may take longer to realize than expected. If we fail to realize all or some of the benefits we anticipate from the acquisition or if we fail to realize those benefits in the anticipated time period, our results of operations may be adversely affected.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

(a) None.
(b) None.
(c) Issuer Purchases of Equity Securities.

The following information relates to the repurchase of equity securities by Aon or any affiliated purchaser during each month within the first quarter of 2010:

Period	Total Number of Shares Purchased	Average Price Paid per Share (1)	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs (1) (2)
1/1/10 — 1/31/10	—	$ —	—	$ 2,264,754,079
2/1/10 — 2/28/10	1,230,000	40.63	1,230,000	$ 2,214,779,013
3/1/10 — 3/31/10	—	—	—	$ 2,214,779,013
Total	1,230,000	$ 40.63	1,230,000	

(1) Does not include commissions paid to repurchase shares.

(2) In the fourth quarter of 2007, our Board of Directors increased the authorized share repurchase program to $4.6 billion. Shares may be repurchased through the open market or in privately negotiated transactions. Through March 31, 2010, we repurchased 107.1 million shares of common stock at an average price (excluding commissions) of $40.95 per share for an aggregate purchase price of $4.4 billion since inception of this stock repurchase program, and the remaining authorized amount for stock repurchase under this program is $215 million, with no termination date. In January 2010, our Board of Directors authorized a new share repurchase program under which up to $2 billion of common stock may be repurchased from time to time depending on market conditions or other factors through open market or privately negotiated transactions. Repurchases will commence under the new share repurchase program upon conclusion of the existing program.

ITEM 6. EXHIBITS

Exhibits — The exhibits filed with this report are listed on the attached Exhibit Index.

SIGNATURE

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.

	Aon Corporation (Registrant)
May 4, 2010	By: /s/ Laurel Meissner LAUREL MEISSNER SENIOR VICE PRESIDENT AND GLOBAL CONTROLLER (Principal Accounting Officer and duly authorized officer of Registrant)

Exhibit Index

Exhibit Number	Description of Exhibit
10.1	Amended and Restated Agreement among the Attorney General of the State of New York, the Superintendent of Insurance of the State of New York, the Attorney General of the State of Connecticut, the Illinois Attorney General, the Director of the Illinois Department of Insurance, and Aon Corporation and its subsidiaries and affiliates effective as of February 11, 2010 — incorporated by reference to Exhibit 10.1 to Aon's Current Report on Form 8-K filed with the Securities and Exchange Commission on February 17, 2010.
10.2#	Employment Agreement dated as of January 22, 2010 between Aon Corporation and Baljit Dail.
10.3#	Aon Corporation Leadership Performance Program for 2010-2012.
10.4#	Aon Corporation Executive Committee Incentive Plan (amended and restated effective January 1, 2010).
12.1	Statement regarding Computation of Ratio of Earnings to Fixed Charges
12.2	Statement regarding Computation of Ratio of Earnings to Fixed Charges and Preferred Stock Dividends
31.1	Certification of CEO
31.2	Certification of CFO
32.1	Certification of CEO Pursuant to section 1350 of Title 18 of the United States Code
32.2	Certification of CFO Pursuant to section 1350 of Title 18 of the United States Code
101	Interactive Data Files. The following materials are filed electronically with this Quarterly Report on Form 10-Q: 101.INS XBRL Report Instance Document 101.SCH XBRL Taxonomy Extension Schema Document 101.CAL XBRL Taxonomy Calculation Linkbase Document 101.DEF XBRL Taxonomy Definition Linkbase Document 101.PRE XBRL Taxonomy Presentation Linkbase Document 101.LAB XBRL Taxonomy Calculation Linkbase Document

# Indicates a management contract or compensatory plan or arrangement.

Exhibit 10.2

EMPLOYMENT AGREEMENT

This Employment Agreement (this "Agreement") is dated and effective as of January 22, 2010 (the "Effective Date") between Aon Corporation, a Delaware corporation (the "Company"), and Baljit Dail (the "Executive").

WHEREAS, the Company desires to continue to employ the Executive, and the Executive desires to continue to serve and to be employed by the Company, upon the terms and subject to the conditions set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein, the parties hereby agree as follows:

1. Employment Term; Title; Responsibilities; Outside Activities.

(a) **Employment Term; Title.** The Company, directly and through its subsidiaries Aon Consulting Worldwide, Inc. and Aon Benfield, has employed the Executive in various roles since November 1, 2006 pursuant to the Employment Agreement between the Executive and Aon Corporation dated as of such date (the "2006 Employment Agreement"). The Company will continue to employ the Executive under the current titles of Chief Executive Officer — Aon Consulting Worldwide, Inc. and Chief Operating Officer — Aon Benfield, or in a comparable senior executive capacity for an extended term (the "Term of Employment") beginning on the Effective Date and ending on April 30, 2013, unless renewed pursuant to Section 3 hereof, or terminated during the Term of Employment as fully set forth in Section 3. For purposes of this Agreement, a "comparable senior executive capacity" means a level 1A position with the Company.

(b) **Responsibilities.** The Executive will report to the Chairman of Aon Consulting Worldwide, Inc. (the "ACW Chairman") and the Chief Executive Officer of Aon Benfield (the "AB CEO"), but it will not be a breach of this Agreement if the reporting structure is changed by the Company; provided, however, that should the Executive no longer serve in a comparable senior executive capacity, as defined in Section 1(a) above, the Executive will have Good Reason to terminate his employment pursuant to sub-section (a) of the definition of Good Reason set forth in Section 3(b)(ii), and receive the termination benefits set out in Section 3 (b)(ii) for termination by the Executive with Good Reason. The Executive will have the authority and responsibility typically associated with a similar global executive position at a publicly-traded company. The Executive will also perform such other duties (not inconsistent with the Executive's titles) on behalf of the Company and its subsidiaries as may from time to time be authorized or directed by the ACW Chairman or AB CEO.

(c) **Outside Activities.** The Executive may engage in charitable, civic or community activities and, with the prior approval of the ACW Chairman or AB CEO, may serve as a director of any other business corporation, provided that (i) such activities or service do not interfere with the Executive's duties hereunder or violate the terms of any of the covenants contained in Sections 6, 7 or 8 hereof and (ii) such other business corporation provides the Executive with director and officer insurance coverage which, in the opinion of the Company, is adequate under the circumstances.

2. Compensation during Term of Employment.

(a) **Base Salary.** During the Term of Employment, the Company will pay to the Executive a base salary at the rate of $800,000 per year ("Base Salary"), payable semi-monthly in accordance with the Company's executive payroll policy. Such Base Salary will be reviewed annually on the Company's regular executive salary review schedule, and will be subject to increase (but not decrease) at the discretion of the Company's Chief Executive Officer ("CEO") and the Organization and Compensation Committee of the Company's Board of Directors (the "Compensation Committee"), which increased amount will be thereafter the Executive's "Base Salary" for all purposes hereunder.

(b) **Annual Incentive Compensation.** The Executive will be eligible to participate in the annual incentive compensation program for the Company's senior executives in accordance with the provisions of such program, as amended from time to time. For performance during calendar year 2009 and later years, the Executive's target bonus will be 100% of the Executive's Base Salary in effect at the end of such year and the maximum bonus will be 300% of the Executive's Base Salary. The Executive acknowledges and agrees that the annual incentive compensation awards earned hereunder will be subject to payment pursuant to and in accordance with the Aon Incentive Stock Program, payable in a combination of cash and restricted stock units of Aon Corporation common stock ("RSUs"), if applicable.

(c) **Long-Term Incentive Compensation.** The Executive will be eligible to participate in the long-term incentive compensation programs for the Company's senior executives in accordance with the provisions of such programs, as amended from time to time.

(d) **Employee Benefits.** During the course of employment, the Executive will be entitled to participate in the Company's employee benefit plans generally available to senior executives of the Company. Nothing in this Agreement will require the Company to establish, maintain or continue any of the benefits already in existence or hereafter adopted for executives of the Company and nothing in this Agreement will restrict the right of the Company to amend, modify or terminate such programs.

(e) **Vacation Time.** The Executive will be entitled to paid vacation time in accordance with usual Company policies and procedures. The Company will not pay the Executive any additional compensation for any vacation time not used by the Executive except as required by law.

(f) **Expense Reimbursement.** In accordance with Company policies and procedures and on prescribed Company forms, the Company will reimburse the Executive for all proper expenses incurred by the Executive in the performance of his duties hereunder.

3. <u>Renewal; Termination</u>.

(a) **Renewal.** This Agreement may be renewed upon (i) the issuance by the Company of a notice of renewal ("Notice of Renewal") to the Executive at least six (6) months prior to the end date of the Term of Employment or any renewal period thereof and (ii) the written acceptance of the Notice of Renewal by the Executive within (60) days thereafter.

(b) **Termination.**

(i) **Death or Disability.** This Agreement will be terminated immediately upon the death or total disability of the Executive (as defined under the Aon Long Term Disability Plan or its successor plan) or in the event that the Executive becomes otherwise disabled through any illness, injury, accident or condition of either a physical or psychological nature so as to be unable to perform substantially all of the Executive's duties and responsibilities for one hundred eighty (180) consecutive calendar days; provided, however, in addition to the other amounts expressly provided herein, (A) in the event of the Executive's death during the Term of Employment the Company will pay to the Executive's estate an amount equal to the Base Salary for the remainder of the full term in accordance with the Company's normal payroll schedule, reduced by the amount of any benefit paid under any individual or group life insurance policy maintained by the Company for the benefit of the Executive, and (B) in the event of the Executive's total disability (i) an amount equal to the Base Salary will be paid for the remainder of the full term in accordance with the Company's normal payroll schedule, reduced by the amount of any benefit payable under any disability insurance policy maintained by the Company for the benefit of the Executive, plus (ii) a pro rata bonus for the year in which such termination of employment occurs equal to the total value of the bonus (i.e. cash portion plus RSU portion) paid to the Executive for the year prior to the year of termination multiplied by the ratio of the number of days the Executive was employed during the year of termination divided by 365.

(ii) **Without Cause or for Good Reason.** This Agreement may be terminated by the Company without cause on no less than three hundred sixty-five (365) days advance notice by the Company or by the Executive without cause on no less than forty-five (45) days, but no more than 365 days, advance notice to the Company or by the Executive for Good Reason. The notice from either party will specify the effective date of the Executive's employment termination (the "Termination Date"). If terminated without cause by the Company or for Good Reason by the Executive, the Company will pay to the Executive all accrued but unpaid Base

Salary and benefits as of the date such notice of termination is delivered (the "Notice Date"). In addition, if this Agreement is terminated without cause by the Company or for Good Reason by the Executive, so long as the Executive continues to abide by the provisions of Sections 4(b), 4(c) and 6 herein notwithstanding any expiration of the period specified therein, the Company will continue to pay to the Executive an amount equal to the Base Salary as and when it would be paid to its executives generally through the Termination Date. On the Termination Date, the Company will provide the Executive with a cash payment equal to the Executive's annual Base Salary as of the Notice Date.

As used herein, "Good Reason" will mean any of the following which remains uncured by the Company for twenty (20) days after the Notice Date: (a) a substantial adverse alteration in the then-current responsibilities of the Executive in a manner not contemplated under Section 1 hereof; (b) any material breach of this Agreement by the Company, including any purported termination of the Executive's employment which breaches this Agreement; (c) a change by the Company in the location at which the Executive is required to perform his principal duties hereunder to offices that are not located in the Chicago greater metropolitan area; or (d) the failure of the Company to obtain from any successor or transferee of the Company or its subsidiaries an express written and unconditional assumption of the Company's obligations under this Agreement.

Notwithstanding anything to the contrary in this Section 3(b)(ii), the Company may require the Executive to leave Company premises immediately on the Notice Date. Such a requirement will not relieve the Company of its obligations herein, including its obligation to continue Base Salary and benefits through the Termination Date.

In the event the Executive terminates this Agreement without cause or Good Reason, the Company will only be required to pay or provide to the Executive all accrued but unpaid Base Salary and benefits as of the date of such termination.

(iii) **For Cause.** The Company may at any time during the initial Term of Employment and during any renewals thereof, terminate this Agreement for "cause", effective immediately by written notice of termination given to the Executive setting forth the basis for such termination. For the purposes of this Agreement, "cause" will mean the Executive's: (A) performing an act of dishonesty, fraud, theft, embezzlement, or misappropriation involving the Executive's employment with the Company, or breach of the duty of loyalty to the Company; (B) performing an act of race, sex, national origin, religion, disability, or age-based discrimination, or sexual harassment, which after investigation, counsel to the Company reasonably concludes will result in liability being imposed on the Company and/or the Executive; (C) material violation of the Company's written policies and procedures including, but not limited to, the Aon Code of Business Conduct and the Aon Code of Ethics; (D) material non-compliance with the terms of this Agreement, including but not limited to Sections 4 and 6; or (E) admission or conviction of, or a plea of nolo contendere, to a felony or any crime involving moral turpitude or misrepresentation.

In the event of a termination for "cause," the Company will only be required to pay or provide to the Executive all accrued but unpaid Base Salary and benefits as of the date of such termination.

(iv) As of the effective date of termination, the Executive agrees that the Secretary of the Company may, as an irrevocable proxy and in the Executive's name and stead, execute all documents and things which the Company deems necessary and desirable to effect the Executive's resignation as an officer or director of the Company and its subsidiaries and affiliates.

(v) Upon the effective date of termination, or other expiration of this Agreement, the obligations of the parties under this Agreement, other than the Executive's obligations under Sections 3(c), 4, 5, 6, and 8(e) and the Company's obligations under Section 3(b), will cease; provided further that any other provision which contemplates performance or observance by either or both parties subsequent to any termination of this Agreement will survive any termination of this Agreement and continue in full force and effect.

(vi) Any agreement herein by the Company to continue to pay Base Salary or any other benefits after the termination of employment will be reduced by any benefits provided by the Aon Severance Plan.

(vii) For purposes of this Agreement, the terms "retirement," "termination of employment," "terminated," "termination," "this Agreement will be terminated" and variations thereof, as used in this Agreement, are intended to mean a termination of employment that constitutes a "separation from service" under Section 409A of the Internal Revenue Code of 1986, as amended ("Code Section 409A").

(c) The Executive agrees that, prior to the commencement of any new employment in the insurance, employee benefits, or human resources outsourcing business, the Executive will furnish the prospective new employer with a copy of this Agreement. The Executive also agrees that the Company may advise any prospective new employer of the Executive of the existence and terms of this Agreement and furnish the prospective new employer with a copy of this Agreement.

4. **Noncompetition; Nonsolicitation.**

(a) **General.** The Executive acknowledges that in the course of his employment with the Company, and any predecessor company or affiliated company, the Executive has and will become familiar with trade secrets and other confidential information concerning the Company and its subsidiaries and that the Executive's services will be of special, unique and extraordinary value to the Company and its affiliates.

(b) **Noncompetition.** Subject to the exceptions set forth in Section 4(d) below, the Executive agrees that during the Term of Employment and for a period of two years beginning on the effective date of the Executive's termination of employment (the "Noncompetition Period") the Executive will not in any manner, directly or indirectly, through any person, firm or corporation, alone or as a member of a partnership or as an officer, director, stockholder, investor or employee of or consultant to any other corporation or enterprise or otherwise, engage or be engaged, or assist any other person, firm, corporation or enterprise in engaging or being engaged, in any business, in which the Executive was involved or had knowledge, being conducted by, or contemplated by, the Company or any of its subsidiaries as of the termination of the Executive's employment in any geographic area in which the Company or any of its subsidiaries is then conducting such business.

(c) **Nonsolicitation.** The Executive further agrees that during the Noncompetition Period the Executive will not in any manner, directly or indirectly, induce or attempt to induce any employee of the Company or any of its subsidiaries to terminate or abandon his employment with the Company for any purpose whatsoever.

(d) **Exceptions.** Section 4(b) shall not apply if, after termination of employment, the Executive is employed by Deloitte or a substantially similar consulting firm, provided that the Executive will not personally sell or direct the solicitation of, or personally provide or directly supervise the provision of, employee benefits consulting, human capital or human resources outsourcing services to any clients or customers of the Company or any of its subsidiaries; however, Section 4(b) will apply if the Executive is employed by Mercer Consulting or one of its affiliates or any other similar consulting firm which is predominantly in the business of employee benefits consulting, human capital or human resources outsourcing services. Nothing in this Section 4 will prohibit the Executive from being (i) a stockholder in a mutual fund or a diversified investment company or (ii) a passive owner of not more than two percent of the outstanding stock of any class of a corporation, any securities of which are publicly traded, so long as the Executive has no active participation in the business of such corporation.

(e) **Reformation.** If, at any time of enforcement of this Section 4, a court holds that the restrictions stated herein are unreasonable under circumstances then existing, the parties hereto agree that the maximum period, scope or geographical area reasonable under such circumstances will be substituted for the stated period, scope or area and that the court will be allowed to revise the restrictions contained herein to cover the maximum period, scope and area permitted by law. This Agreement will not authorize a court to increase or broaden any of the restrictions in this Section 4.

(f) **Consideration; Breach.** The Company and the Executive agree that the payments to be made, and the benefits to be provided, by the Company to the Executive pursuant to Section 3 hereof will be made and provided in consideration of the Executive's agreements contained in Section 4 hereof. In the event that the Company determines that the Executive has committed a material breach of any provision of Section 4 hereof, on written notice to the Executive setting forth the basis for such determination, the Company will be entitled immediately to terminate making all remaining payments and providing all remaining benefits pursuant to Section 3 hereof and upon such termination the Company will have no further liability to the Executive under this Agreement; provided, however, that if a court of law determines that no such material breach occurred, the Company will be obligated to make such payments in a timely manner.

5. Company's Right to Injunctive Relief.

The Executive acknowledges that the Executive's services to the Company are of a unique character which gives them a special value to the Company, the loss of which cannot reasonably or adequately be compensated in damages in an action at law, and that a breach of Section 4 or 6 of this Agreement will result in irreparable and continuing harm to the Company and that therefore, in addition to any other remedy which the Company may have at law or in equity, the Company will be entitled to injunctive relief for a breach of this Agreement by the Executive.

6. Trade Secrets and Confidential Information; Inventions.

(a) **Trade Secrets and Confidential Information.** The Executive acknowledges that the Company's business depends to a significant degree upon the possession of information which is not generally known to others, and that the profitability of the business of the Company requires that this information remain proprietary to the Company.

The Executive will not, except as required in the course of employment by the Company, disclose or use during or subsequent to the course of employment, any trade secrets or confidential or proprietary information relating to the business of the Company of which the Executive becomes aware by reason of being employed by the Company or to which the Executive gains access during his employment by the Company and which has not been publicly disclosed (other than by the Executive in breach of this provision). Such information includes client and customer lists, data, records, computer programs, manuals, processes, methods and intangible rights which are either developed by the Executive during the course of employment or to which the Executive has access. All records and equipment and other materials relating in any way to any confidential information relating to clients or to the business of the Company or Aon Group will be and remain the sole property of the Company during and after the end of employment.

Upon termination of employment, the Executive will promptly return to the Company all materials and all copies or tangible embodiments of materials involving any confidential information in the Executive's possession or control.

(b) **Inventions.** The Executive hereby assigns to the Company his entire right, title and interest in and to all discoveries and improvements, patentable or otherwise, trade secrets and ideas writings and copyrightable material, which may be conceived by the Executive or developed or acquired by the Executive during the Term of Employment, which may pertain directly or indirectly to the business of the Company or any of its affiliates, parent companies, or subsidiaries. The Executive agrees to disclose fully all such developments to the Company upon its request, which disclosure will be made in writing promptly following any such request. The Executive will upon the Company's request, execute, acknowledge and deliver to the Company all instruments and do all other acts which are necessary or desirable to enable the Company or any of its affiliates, parent companies, or subsidiaries to file and prosecute applications for, and to acquire, maintain and enforce, all patents, trademarks, and copyrights in all countries.

7. Mergers and Consolidations; Assignability.

The rights and obligations under this Agreement will inure to the benefit of and be binding upon the Company and its successors and assigns so long as any assignee, successor or transferee of the Company or its subsidiaries has provided an express written and unconditional assumption of the Company's obligations under this Agreement. By way of explanation, and without limiting the generality of the foregoing sentence, if the Company or Aon Consulting Worldwide, Inc. or any entity resulting from any merger or consolidation referred to in this Section 7 is merged with or consolidated into any other entity or entities, or if substantially all of the assets of the Company or Aon Consulting Worldwide, Inc. or any such entity are sold or otherwise transferred to another entity, the provisions of this Agreement will be binding upon and will inure to the benefit of the continuing entity in or the entity resulting from such merger or consolidation or the entity to which such assets are sold or transferred. This Agreement will not be assignable by the Executive, but in the event of the Executive's death it will be binding upon and inure to the benefit of the Executive's legal representatives to the extent required to effectuate its terms.

8. Miscellaneous.

(a) **Integration; Amendment; Counterparts.** Except as is otherwise provided herein, this Agreement contains all of the terms and conditions agreed upon by the parties relating to the subject matter of this Agreement and supersedes all prior and contemporaneous agreements, negotiations, correspondence, undertakings and communications of the parties, whether oral or written, respecting the subject matter of this Agreement.

This Agreement may not be amended, altered or modified without the prior written consent of both parties and such instrument must acknowledge that it is an amendment or modification of this Agreement.

This Agreement may be executed in two counterparts, each of which will be deemed an original and both of which together will constitute one and the same instrument.

(b) **Waiver.** Waiver of any term or condition of this Agreement by any party will not be construed as a waiver of a subsequent breach or failure of the same term or condition, or a waiver of any other term or condition of this Agreement. Any waiver must be in writing.

(c) **Captions.** The captions in this Agreement are not part of its provisions, are merely for reference and have no force or effect. If any caption is inconsistent with any provision of this Agreement, such provision will govern.

(d) **Governing Law.** The validity, interpretation, construction, performance, enforcement and remedies of, or relating to, this Agreement, and the rights and obligations of the parties hereunder, will be governed by and construed in accordance with the substantive laws of the State of Illinois, without regard to the conflict of law principles, rules or statutes of any jurisdiction.

(e) **Agreement To Be Available In Future Proceedings.** During the period of employment, and after employment termination, the Executive agrees, subject to the advice of legal counsel, to voluntarily make himself available to the Company and its legal counsel, at the Company's request, without the necessity of obtaining a subpoena or court order, in the Company's investigation, preparation, prosecution and/or defense of any actual or potential legal proceeding, regulatory action, or internal matter. Subject to the advice of legal counsel, the Executive agrees to provide any information reasonably within the Executive's recollection. The Company will provide the Executive an hourly rate of $480 as compensation for time expended under this section, and will reimburse the Executive for reasonable out-of-pocket expenses actually incurred as a result of such requests, or, at the Company's option, will arrange to advance the Executive's expenses or incur such expenses directly. Payment or reimbursement of the Executive's expenses will be made promptly and in no event later than December 31 of the year following the year in which such expenses were incurred, and the amount of such expenses eligible for payment or reimbursement, or in-kind benefits provided, in any year will not affect the amount of such expenses eligible for payment or reimbursement, or in-kind benefits to be provided, in any other year. Additionally, any right to expense reimbursement or in-kind benefits will not be subject to liquidation or exchange for another benefit.

(f) **Severability.** Whenever possible, each provision of this Agreement will be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement is held by a court of competent jurisdiction to be prohibited or unenforceable for any reason, such provision will be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of this Agreement.

(g) **Notice.** All notices given hereunder will be in writing and will be sent by registered or certified mail or delivered by hand and, if intended for the Company, will be addressed to it or delivered to it at its principal office for the attention of the Secretary of the Company. If intended for the Executive, notices will be delivered personally or will be addressed (if sent by mail) to the Executive's then current residence address as shown on the Company's records, or to such other address as the Executive directs in a notice to the Company. All notices will be deemed to be given on the date received at the address of the addressee or, if delivered personally, on the date delivered.

(h) **Prohibition on Acceleration of Payments.** The time or schedule of any payment or amount scheduled to be paid pursuant to the terms of this Agreement, including but not limited to any restricted stock unit or other equity-based award, payment or amount that provides for the 'deferral of compensation' (as such term is described under Code Section 409A), may not be accelerated except as otherwise permitted under Code Section 409A and the guidance and Treasury regulations issued thereunder.

(i) **Code Section 409A.** The parties intend that this Agreement and the benefits provided hereunder be interpreted and construed to comply with Code Section 409A to the extent applicable thereto. The time and form of payment of incentive compensation, disability benefits, severance payments, expense reimbursements and payments of in-kind benefits described herein will be made in accordance with the applicable sections of this Agreement, provided that with respect to termination of employment for reasons other than death, the payment at such time can be characterized as a "short-term deferral" for purposes of Code Section 409A or as otherwise exempt from the provisions of Code Section 409A, or if any portion of the payment cannot be so characterized, and the Executive is a "specified employee" under Code Section 409A, such portion of the payment will be delayed until the earlier to occur of the Executive's death or the date that is six months and one day following the Executive's termination of employment (the "Delay Period"). Upon the expiration of the Delay Period, all payments and benefits delayed pursuant to this section will be paid or reimbursed to the Executive in a lump sum, and any remaining payments due under this Agreement will be payable at the same time and in the same form as such amounts would have been paid. Further, if the Executive is a "specified employee" and if any equity-based awards granted to the Executive by the Company, pursuant to this Agreement or otherwise, continue to vest upon the Executive's termination of employment, and are deemed a "deferral of compensation" (as such term is described under Code Section 409A), the equity-based awards will not be settled or released until the expiration of the Delay Period. For purposes of applying the provisions of Code Section 409A, each separately identifiable amount to which the Executive is entitled will be treated as a separate payment. In addition, the disability benefits and severance payments will be treated as a series of separate payments.

Although the Company intends to administer the Agreement so that it will comply with the requirements of Code Section 409A, the Company does not represent or warrant that the Agreement will comply with Code Section 409A or any other provision of federal, state, local, or non-United States law. Provided that the Company administers this Agreement in a manner consistent with the terms of this Agreement, neither the Company, its subsidiaries, nor their respective directors, officers, employees or advisers will be liable to the Executive (or any other individual claiming a benefit through the Executive) for any tax, interest, or penalties the Executive may owe as a result of compensation paid under the Agreement, and the Company and its subsidiaries will have no obligation to indemnify or otherwise protect the Executive from the obligation to pay any taxes pursuant to Code Section 409A.

The provisions of this Agreement will be construed in a manner in favor of complying with any applicable requirements of Code Section 409A to avoid taxation under Code Section 409A. If any compensation or benefits provided by this Agreement result in the application of Code Section 409A, the Company will modify this Agreement in the least restrictive manner necessary in order to comply with the provisions of Code Section 409A, other applicable provisions of the Code and/or any rules, regulations or other regulatory guidance issued under such statutory provisions and, in each case, without material diminution in the value of the payments or benefits to the Executive.

9. **Mediation.** In the event a dispute arises in connection with this Agreement, the Company and the Executive agree to submit the dispute to non-binding mediation to be paid for by the Company, which shall select the mediator.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

AON CORPORATION

By: /s/ Jeremy G.O. Farmer

Its: Senior Vice President

I have read the above Agreement and understand and agree to be bound by its terms.

/s/ Baljit Dail
Baljit Dail

Exhibit 10.3

AON CORPORATION
LEADERSHIP PERFORMANCE PROGRAM
For 2010-2012

Overview

The Program has been adopted by the Committee as a sub-plan to the Stock Plan, effective as of January 1, 2010. The Program is the fifth layer of multi-year performance programs implemented by the Company. Earlier programs covered the following performance periods: January 1, 2006 through December 31, 2008; January 1, 2007 through December 31, 2009; January 1, 2008 through December 31, 2010; and January 1, 2009 through December 31, 2011, respectively.

Performance Cycle

The Program covers a multi-year performance cycle that begins on January 1, 2010 and ends on December 31, 2012 ("Performance Cycle").

Eligibility

As recommended by the CEO and approved by the Committee, key members of the Company's senior leadership team are eligible to participate in the Program. The CEO is also eligible to participate in the Program as approved by the Committee.

Participation

The Committee will approve in writing no later than May 31, 2010 the identity of the participants eligible to participate in the Program and each participant's Award, denominated as described herein either in total number of LPP units or US dollars. Those participants so identified by May 31, 2010 shall be eligible to participate in the full Performance Cycle, retroactive to January 1, 2010.

If a participant is no longer considered a member of the Company's senior leadership team, but the participant's employment with the Company has not terminated, the participant's Award under the Program shall be unaffected by the change in status.

Award Components — Performance Share Units

At the outset of participation in the Program, each participant will receive 100% of his or her Award "value" as target Performance Share Units of the Company's common stock. If the Award is denominated by the Committee in US dollars, the number of such target units will be derived by dividing the Award by the Fair Market Value of a share of the Company's common stock on the Grant Date.

Rules Applicable to Performance Share Units

1. The Performance Share Units will be earned and will vest as of the Settlement Date, subject to the satisfaction of the performance criteria set forth herein.
2. The payout resulting from the vesting of the Performance Share Units will be determined based on the Company's cumulative adjusted Earnings per Share over the Performance Cycle as compared to the target Earnings per Share.
3. Payouts will range from 0% to 200% of the targeted number of Performance Share Units awarded.
4. The Performance Share Units will pay out in shares of the Company's common stock issued under, and subject to, the limitations of the Stock Plan or such other shareholder-approved Company equity-based incentive plan as designated by the

Committee, provided that the pay out in shares shall take place in the calendar year following the end of the Performance Cycle.

5. The Company shall have the right to satisfy all federal, state and local withholding tax requirements with respect to the award earned by reducing the number of earned shares by the number of shares determined by dividing the amount of withholding required by the Fair Market Value of a share of the Company's common stock on the Settlement Date.
6. The Performance Share Units are not transferable and may not be sold, assigned, pledged, hypothecated or otherwise encumbered.
7. Until the Settlement Date, the participant will not be treated as a stockholder as to those shares of the Company's common stock relating to the Performance Share Units. No cash payments will be provided for dividend equivalents or other distributions.
8. The participant will be granted a Performance Award Certificate at the outset of his or her participation in the Program. The certificate will set forth the target number of Performance Share Units granted to the participant. The participant must sign and return to the Company the certificate to indicate that he or she agrees to be bound by the provisions of the Program, including the restrictive covenants described herein. Failure to return a signed certificate to the Company will result in forfeiture of the Performance Share Units.
9. If a participant's employment with the Company terminates before the last day of the Performance Cycle, the following rules will apply to the vesting of the Performance Share Units:

Reason for Employment Termination	**Impact on Vesting of Performance Share Units**
Retirement or termination by Company without Cause	Performance Share Units will vest pro rata through the date of termination or Retirement, and the vested Performance Share Units will pay out in accordance with rule 4 above. The Committee's determination regarding the vested portion and payout will occur after the close of the Performance Cycle. The number of units earned will be calculated based on the actual achievement of the target cumulative earnings per share for the performance period, and then the result will be prorated as of the last full calendar quarter preceding the participant's termination or Retirement date.
Death or Total and Permanent Disability	Performance Share Units will become immediately vested at the greater of the target award level or the number of units that would have been earned based on the actual cumulative earnings per share during the period of the Performance Cycle in which the participant was employed by the Company, and the vested Performance Share Units will pay out in accordance with rule 4 above.
Voluntary Resignation	Performance Share Units will be forfeited in their entirety.
Termination by Company for Cause	Performance Share Units will be forfeited in their entirety.
Termination due to Change in Control	If a successor to the Company assumes and continues this Program substantially in its current form after a Change in Control, the Performance Share Units will be subject to the following rules: (1) if the participant's employment is terminated by the Company without Cause after the Change in Control but prior to the end of the Performance Cycle, the participant will

Reason for Employment Termination	Impact on Vesting of Performance Share Units
	become immediately vested in the greater of the target Performance Share Units or the number of units that would be earned based on the proportion of achievement of the target cumulative earnings per share as of the last full calendar quarter preceding the participant's termination date, and the vested Performance Share Units will pay out in accordance with rule 4 above; and (2) if the participant's employment is terminated by the Company for Cause, by the participant in a voluntary resignation, or by reason of the participant's death or Total and Permanent Disability, or if the participant's employment is continued through the end of the Performance Cycle, the rules of the Program shall continue to apply to the Performance Share Units as if the Change in Control had not occurred. If the successor to the Company does not assume and continue this Program substantially in its current form, the Performance Share Units shall become immediately vested at the greater of the target Performance Share Units or the number of units that would have been earned based on the proportion of achievement of the target cumulative earnings per share as of the last full calendar quarter preceding the effective date of the Change in Control, and the vested Performance Share Units will pay out in accordance with rule 4 above.

10. The time and form of payment of Performance Share Units shall be made in accordance with rule 4 above, provided that with respect to any payment upon the participant's "separation from service" (as such term is defined under Section 409A of the Internal Revenue Code of 1986, as amended (the "Code")), the payment at such time can be characterized as a "short-term deferral" for purposes of Code Section 409A or as otherwise exempt from the provisions of Code Section 409A, or if any portion of the payment cannot be so characterized, and the participant is a "specified employee" under Code Section 409A, such portion of the payment shall be delayed until the earlier to occur of the participant's death or the date that is six months and one day following the participant's termination of employment (the "Delay Period"). Upon the expiration of the Delay Period, all payments delayed pursuant to this section shall be paid to the participant in accordance with rule 4 above. For purposes of the Program, the terms "retirement," "termination of employment," "terminated," "termination," and variations thereof, as used in this Program, are intended to mean a termination of employment that constitutes a "separation from service" under Code Section 409A.

11. The time or schedule of any payout of Performance Share Units pursuant to the terms of the Program may not be accelerated except as otherwise permitted under Code Section 409A and the guidance and Treasury regulations issued thereunder.

Performance Measure for Performance Share Units

The performance measure for the Performance Share Units will be cumulative adjusted Earnings per Share for the Performance Cycle, for which the Committee has established a target of $9.67.

Following the end of the Performance Cycle, the Committee will determine in its sole discretion the payout, which determination shall be final and binding. Performance Share Units will be subject to complete forfeiture if the Company's performance for the Performance Cycle does not meet or exceed a minimum cumulative adjusted Earnings per Share of $9.25, and the payout for performance at or above that level will be calculated as follows:

2010-2012 Cumulative Adjusted EPS	% of Targeted Units Earned
$9.25	50%
$9.67	100%
$10.15	150%
$10.82 or higher	200%

The Performance Share Units will pay out linearly between each set of data points.

Adjustments to Performance Measures or Results

The Committee will make appropriate adjustments to the target Earnings per Share or the Company's actual results on account of: change in accounting policy; gain/loss on disposition of assets or business; charge for goodwill impairment; extraordinary legal/regulatory settlements; extraordinary market conditions; significant currency fluctuations; effects of natural or man-made disasters (e.g. Word Trade Center); hyperinflation (e.g. >15%); change in statutory tax rates/regulations; charges from Board-approved restructuring programs; results of discontinued operations held for sale after sale closing; other extraordinary, unusual or infrequently occurring items — as defined by GAAP. The form and manner of any such adjustment shall be at the sole discretion of the Committee. By way of example, the following events will not require adjustment: change in accounting estimate; gained/lost pre-tax income from sold/acquired businesses that represent less than 5% of total pre-tax income; inflation; general tax developments; litigation costs; effects of repaying or issuing debt; effects of share buyback/issue; effects of pension plan funding; changes in benefit/incentive plans; or normal currency/interest rate fluctuations.

Restrictive Covenants

The Company is in the business of providing insurance brokerage, reinsurance brokerage, benefits consulting, compensation consulting, human resources consulting, managing underwriting and related services including accounting, claims management and handling, contract wording, information systems and actuarial services. An essential element of its business is the development and maintenance of personal contacts and relationships with clients. Because of these contacts and relationships, it is common for the Company's clients to develop identification with the employee who services its insurance needs, rather than with the Company itself. The personal identification of clients of the Company with a Company employee creates potential for the employee's appropriation of the benefits of the relationships developed with clients on behalf of and at the expense of the Company. Since the Company would suffer irreparable harm if the employee left its employ and solicited the insurance or other related business of clients of the Company, it is reasonable to protect the Company against solicitation activities by the employee for a limited period of time after the employee leaves the Company so that the Company may renew or restore its business relationship with its clients. Therefore, as consideration for participation in this Program, each participant will be bound by the following restrictive covenants:

Covenant Not to Solicit
The employee agrees and covenants that, except with the prior written consent of the Company, the employee will not for a period of two years after the end of the employment compete directly or indirectly in any way with the business of the Company. For the purposes of this covenant, "compete directly or indirectly in any way with the business of the Company" means to enter into or attempt to enter into (on the employee's own behalf or on behalf of any other person or entity) any business relationship of the same type or kind as the business relationship which exists

between the Company and its clients or customers, in which the employee was involved or had knowledge, to provide services related to the business of the Company for any individual, partnership, corporation, association or other entity who or which was a client or customer for whom the employee was the producer or on whose account the Employee worked or became familiar during the 24 months prior to the end of employment.

Covenant Not to Hire
The employee also agrees not to induce or attempt to induce, or to cause any person or other entity to induce or attempt to induce, any person who is an employee of the Company to leave the employ of the Company during the term of the covenant set forth above.

If the Company determines that a participant has breached any of the covenants, his or her stock options and Performance Share Units will be immediately forfeited. In the event any of the restrictive covenants set forth herein is deemed unenforceable, such as against a non-US employee, the employee agrees that the maximum period, scope or geographic area reasonable under such circumstances shall be substituted for the stated period, scope or area and that the court shall be allowed to revise the restrictions accordingly.

Administration

It is expressly understood that the Committee has the discretionary authority to administer, construe, and make all determinations necessary or appropriate to the administration of the Program, all of which will be binding upon the participant. The Committee may delegate its authority to one or more of its members, or to one or more members of the Company's senior management team, to offer participation in this Program to eligible individuals; provided, however, that the Committee shall not delegate its authority with respect to the participation of any officer of the Company who is subject to Section 16 of the Securities Exchange Act of 1934, as amended. The Company shall, as necessary, adopt conforming amendments to this Program as are necessary to comply with Code Section 409A.

General Provisions

All obligations of the Company under this Program with respect to payout of Awards, and the corresponding rights granted thereunder, shall be binding on any successor to the Company, whether the existence of such successor is the result of a direct or indirect purchase, merger, consolidation or other acquisition of all or substantially all of the business and/or assets of the Company.

This Program constitutes a legal document which governs all matters involved with its interpretation and administration and superseded any writing or representation inconsistent with its terms.

Reservation and Retention of Company Rights

The selection of any employee for participation in this Program will not give that participant any right to be retained in the employ of the Company. No employee will at any time have a right to be selected for participation in a future performance-based incentive program despite having been selected for participation in this Program or a previous program.

Stock Plan Controls

Except as specifically provided in this Program, in the event of any inconsistency between this Program and the Stock Plan, the Stock Plan will control, but only to the extent such Stock Plan provisions do not violate the provisions of Code Section 409A.

Code Section 409A

The Company intends that this Program and the Awards granted hereunder be interpreted and construed to comply with Code Section 409A to the extent applicable thereto. Notwithstanding any provision of the Program to the contrary, the Program shall be interpreted and construed consistent with this intent, provided that the Company shall not be required to assume any increased economic burden in connection therewith. Although the Committee intends to administer the Program so that it will comply with the requirements of Code Section 409A, neither the Company nor the Committee represents or warrants that the Program will comply with Code Section 409A or any other provision of federal, state, local, or non-United States law. Neither the Company, its subsidiaries, nor their respective directors, officers, employees or advisers shall be liable to any participant (or any other individual claiming a benefit through any participant) for any tax, interest, or penalties any participant may owe as a result of compensation paid under the Program, and the Company and its subsidiaries shall have no obligation to indemnify or otherwise protect the participant from the obligation to pay any taxes pursuant to Code Section 409A.

Definitions

CEO: the Company's Chief Executive Officer.

Cause: as determined in the sole discretion of the Committee, means the participant: (A) performing an act of dishonesty, fraud, theft, embezzlement or misappropriation involving the participant's employment with the Company, or breach of the duty of loyalty to the Company; (B) performing an act of race, sex, national origin, religion, disability, or age-based discrimination which, after investigation, counsel to the Company reasonably concludes will result in liability being imposed on the Company and/or the participant; (C) material violation of Company policies and procedures including, but not limited to, the Aon Code of Business Conduct and the Aon Code of Ethics; or (D) performing an act resulting in a criminal felony charge (or equivalent offense in a non-US jurisdiction) brought against the participant or a criminal conviction of the participant (other than a conviction of a minor traffic violation).

Change in Control: means the first to occur of the following: (1) the acquisition by any individual, entity or group (a "Person"), including any "person" within the meaning of Section 13(d)(3) or 14(d)(2) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of 30% or more of either (i) the then outstanding shares of common stock of the Company (the "Outstanding Common Stock") or (ii) the combined voting power of the then outstanding securities of the Company entitled to vote generally in the election of directors (the "Outstanding Voting Securities"); excluding, however, the following: (A) any acquisition directly from the Company (excluding any acquisition resulting from the exercise of an exercise, conversion or exchange privilege unless the security being so exercised, converted or exchanged was acquired directly from the Company), (B) any acquisition by the Company, (C) any acquisition by an employee benefit plan (or related trust) sponsored or maintained by the Company or any corporation controlled by the Company, or (D) any acquisition by any corporation pursuant to a transaction which complies with clauses (i), (ii) and (iii) of subsection (3) of this Section 1(c); provided further, that for purposes of clause (B), if any Person (other than the Company or any employee benefit plan (or related trust) sponsored or maintained by the Company or any corporation controlled by the Company) shall become the beneficial owner of 30% or more of the Outstanding Common Stock or 30% or more of the Outstanding Voting Securities by reason of an acquisition by the Company, and such Person shall, after such acquisition by the Company, become the beneficial owner of any additional shares of the Outstanding Common Stock or any additional Outstanding Voting Securities and such beneficial ownership is publicly announced, such additional beneficial ownership shall constitute a Change in Control;

(2) individuals who, as of the date hereof, constitute the Board (the "Incumbent Board") cease for any reason to constitute at least a majority of such Board; provided that any individual who becomes a director of the Company subsequent to the date hereof whose election, or nomination for election by the Company's stockholders, was approved by the vote of at least a majority of the directors then comprising the Incumbent Board shall be deemed a member of the Incumbent Board; and provided further, that any individual who was initially elected as a director of the Company as a result of an actual or threatened solicitation by a Person other than the Board for the purpose of opposing a solicitation by any other Person with respect to the election or removal of directors, or any other actual or threatened solicitation of proxies or consents by or on behalf of any Person other than the Board shall not be deemed a member of the Incumbent Board;

(3) the consummation of a reorganization, merger or consolidation or sale or other disposition of all or substantially all of the assets of the Company (a "Corporate Transaction"); excluding, however, a Corporate Transaction pursuant to which (i) all or substantially all of the individuals or entities who are the beneficial owners, respectively, of the Outstanding Common Stock and the Outstanding Voting Securities immediately prior to such Corporate Transaction will beneficially own, directly or indirectly, more than 60% of, respectively, the outstanding shares of common stock, and the combined voting power of the outstanding securities entitled to vote generally in the election of directors, as the case may be, of the corporation resulting from such Corporate Transaction (including, without limitation, a corporation which as a result of such transaction owns the Company or all or substantially all of the Company's assets either directly or indirectly) in substantially the same proportions relative to each other as their ownership, immediately prior to such Corporate Transaction, of the Outstanding Common Stock and the Outstanding Voting Securities, as the case may be, (ii) no Person (other than: the Company; any employee benefit plan (or related trust) sponsored or maintained by the Company or any corporation controlled by the Company; the corporation resulting from such Corporate Transaction; and any Person which beneficially owned, immediately prior to such Corporate Transaction, directly or indirectly, 30% or more of the Outstanding Common Stock or the Outstanding Voting Securities, as the case may be) will beneficially own, directly or indirectly, 30% or more of, respectively, the outstanding shares of common stock of the corporation resulting from such Corporate Transaction or the combined voting power of the outstanding securities of such corporation entitled to vote generally in the election of directors and (iii) individuals who were members of the Incumbent Board will constitute at least a majority of the members of the board of directors of the corporation resulting from such Corporate Transaction; or

(4) the consummation of a plan of complete liquidation or dissolution of the Company.

Committee: the Organization and Compensation Committee of the Company's board of directors.

Company: Aon Corporation, a Delaware corporation, and its subsidiaries.

Earnings per Share or EPS: the Company's earnings per share from continuing operations as reported each quarter. The Committee has the sole discretion to approve an adjustment to EPS, in accordance with the adjustment criteria set forth herein.

Fair Market Value: the per share value of the Company's common stock as determined by using the closing price of such stock as reported by the New York Stock Exchange on such date (or, if the New York Stock Exchange was not open for trading or the stock was not traded on that day, the next preceding day that the New York Stock Exchange was open for trading and the common stock of the Company was traded).

Grant Date: the date an Award to a participant is approved in writing by the Committee.

Program or LPP: the Leadership Performance Program, effective January 1,2010.

Retire or Retirement: a voluntary termination of employment at or after the participant's 55th birthday.

Settlement Date: the date that the Committee determines whether the performance criteria applicable to the Performance Share Units has been achieved or exceeded and determines the payout to participants. The Settlement Date shall occur as soon as practicable following the close of the Performance Cycle.

Settlement Date Value: the Fair Market Value of a share of the Company's common stock on the date the Committee determines the amount of the Performance Share Units earned.

Stock Plan: the 2001 Aon Stock Incentive Plan, as amended and re-approved by the Company's stockholders at the 2006 annual meeting of stockholders.

Total and Permanent Disability: for (a) US employees, entitlement to long-term disability benefits under the Company's program, as amended from time to time and (b) non-US employees, as established by applicable Company policy or as required by local law or regulations.

If a term is used but not defined, it has the meaning given such term in the Stock Plan.

Exhibit 10.4

Aon Corporation
Executive Committee Incentive Plan
(Amended and Restated Effective January 1, 2010)

Overview

Since 2001, Aon has maintained its Omnibus Incentive Plan to encourage the highest level of performance of its executives through the establishment of quantifiable performance goals. Awards granted under the Omnibus Incentive Plan are intended to qualify as deductible "performance-based" compensation pursuant to Section 162(m) of the Code.

This Plan was adopted by the Committee, originally effective January 1, 2008, and as amended and restated herein effective as of January 1, 2010, as a sub-plan to the Omnibus Incentive Plan to provide a discretionary framework regarding the funding of awards under the Omnibus Plan, and to provide certain terms and conditions relating to the form and timing of awards under the Omnibus Plan.

Performance Period

The Plan is based on successive calendar-year performance periods.

Eligibility

All members of Aon's Executive Committee are eligible to participate in the Plan if they: (a) are actively employed by Aon as of the last day of the calendar year; (b) are on an approved leave of absence as of the last day of the calendar year; or (c) terminated employment on account of death or Total and Permanent Disability during the calendar year. The Committee may modify the eligibility criteria as it deems necessary or appropriate.

Award Calculation

At the beginning of each calendar year, the Committee will approve a "target incentive award" for each participant as a percentage of his or her base salary. The Committee will also establish corporate performance metrics applicable to the funding of incentive awards under the Plan, and those metrics may include: (1) the achievement of a specified pre-tax income from ongoing operations; (2) the growth in pre-tax income from ongoing operations as compare to the prior year; (3) organic revenue growth; and/or (4) any other factors as determined by the Committee in its sole discretion. In addition, business unit, functional and individual performance metrics may be established and assigned weights to guide the Committee in its allocation of awards to participants.

After the close of the calendar year, awards to participants will be determined in the sole discretion of the Committee and paid to participants pursuant to and contingent upon satisfaction of all conditions under the Omnibus Incentive Plan. Awards will be funded in accordance with the corporate performance criteria adopted by the Committee. Awards will be allocated in the sole discretion of the Committee taking into account, among other facts, the participants' target incentive awards and achievement of the assigned metrics. Any resulting awards will be paid pursuant to the terms and conditions of the Omnibus Incentive Plan; provided, however, in no event will an Award be paid later than two and one-half months after the end of the calendar year to which such award relates. In no event may an award to a participant exceed the maximum set forth in the Omnibus Incentive Plan (i.e. $5 million). In no event may an award to a participant fail to qualify as deductible "performance-based" compensation under Section 162(m) of the Code.

Payout Process

After the awards are determined by the Committee, they will be paid out partly in cash and partly in restricted stock units of Aon common stock pursuant to the Stock Plan, unless Aon is contractually obligated to provide a participant's award fully in cash.

For 2010 and later calendar years, Awards exceeding $100,000 in value will be paid 65% in cash and 35% in restricted stock units.

The restricted stock units will be subject to the terms and conditions established by the Committee; provided, however, that they will vest in three equal installments on each of the first through third anniversaries of the date of grant. The Committee may modify the manner of distribution for an individual participant or one or more groups of participants as it deems necessary or appropriate.

A participant will have no right to an award until it is paid.

Administration

It is expressly understood that the Committee has the discretionary authority to administer, construe, and make all determinations necessary or appropriate to the administration of the Plan, all of which will be binding upon the participant. The Committee has the sole discretion to set the Target Award Percentage for each participant and to determine any final award payment taking into account factors it selects in its sole discretion including, but not limited to, the duration of a participant's employment with the Company during the year.

General Provisions

This Plan constitutes a legal document which governs all matters involved with its interpretation and administration and superseded any writing or representation inconsistent with its terms.

To the extent not preempted by federal law, this Plan will be construed in accordance with, and subject to, the laws of the state of Illinois without regard to any conflict of laws principles. Any legal action related to this Plan must be brought in a federal or state court located in Illinois.

All awards will be subject to applicable withholding taxes and other required deductions.

Participants may not assign, transfer, sell, pledge or otherwise alienate their award opportunities, other than by will or by the laws of descent and distribution. Any award payable on behalf of a deceased participant will be paid to the participant's estate.

Aon is not required to establish a separate account or fund or to make any other segregation of its assets in connection with awards that could become payable under this Plan. Participants will have rights with regard to earned but unpaid awards that are no greater than the rights of unsecured general creditors.

This Plan and the benefits provided hereunder are intended to comply with Section 409A of the Code and the guidance and Treasury Regulations issued thereunder to the extent applicable thereto. Notwithstanding any provision of the Plan to the contrary, the Plan shall be interpreted and construed consistent with this intent. Notwithstanding the foregoing, Aon shall not be required to assume any increased economic burden in connection therewith. Although Aon intends to administer the Plan so that it will comply with the requirements of Section 409A of the Code, Aon does not represent or warrant that the Plan will comply with Section 409A of the Code or any other provision of federal, state, local, or non-United States law. Neither Aon, nor any subsidiary, nor its or their respective directors, officers, employees or advisers shall be liable to any participant (or any other individual claiming a benefit through the participant) for any tax, interest, or penalties the participant might owe as a result of participation in the Plan, and neither Aon nor any subsidiary shall have any obligation to indemnify or otherwise protect any participant from the obligation to pay any taxes pursuant to Section 409A of the Code.

Reservation and Retention of Company Rights

Participation in this Plan will not give a participant any right to be retained in the employ of Aon. No employee will at any time have a right to be selected for participation in another performance-based incentive program, including any future program, on account of his or her participation in this Plan.

All awards under this Plan are gratuitous in nature and will not become part of any employment condition or contract.

The Committee reserves the right to amend or terminate this Plan, prospectively or retroactively, at any time and for any reason.

Omnibus Incentive Plan and Stock Plan Control

In the event of any inconsistency between this Plan and the Omnibus Incentive Plan or the Stock Plan, the Omnibus Incentive Plan or the Stock Plan, as applicable, will control unless otherwise specified herein.

Definitions

"*Aon*" means Aon Corporation, a Delaware corporation, and its operating subsidiaries and affiliates.

"*Code*" means the Internal Revenue Code of 1986, as amended.

"*Committee*" means the Organization and Compensation Committee of the Board of Directors of Aon.

"*Executive Committee"* means the committee comprised of senior members of Aon's management team as established from time to time.

"*Omnibus Incentive Plan*" means the 2001 Senior Officer Incentive Compensation Plan, as amended and restated effective January 1, 2006, or any successor plan.

"*Organic Revenue Growth*" means the growth in revenue exclusive of the impact of foreign exchange rate changes, acquisitions, divestitures, transfers between business units, investment income, reimbursable expenses, and unusual items.

"*Pre-tax income from ongoing operations"* means such term calculated according to GAAP and as adjusted for certain extraordinary or special items, in the form and manner determined in the sole discretion of the Committee and in compliance with IRS regulations, including, but not limited to: change in accounting policy; gain/loss on disposition of assets or business; charge for goodwill impairment; extraordinary legal/regulatory settlements; extraordinary market conditions; significant currency fluctuations; effects of nature or man-made disasters (e.g. World Trade Center); hyperinflation (e.g. >15%); change in statutory tax rates/regulations; charges from Board-approved restructuring programs; results of discontinued operations held for sale after sale closing; other extraordinary, unusual or infrequently occurring items — as defined by GAAP.

"*Stock Plan*" means the 2001 Aon Stock Incentive Plan, as amended and re-approved by Aon's stockholders at the 2006 annual meeting of stockholders, or any successor plan.

"Total and Permanent Disability" means (a) for US employees, entitlement to long-term disability benefits under Aon's program as amended from time to time, and (b) for non-US employees, as established by applicable company policy or as required by local law or regulations.

If a term is used but not defined, it has the meaning given such term in the Omnibus Incentive Plan.

Exhibit 12.1

Aon Corporation and Consolidated Subsidiaries
Combined With Unconsolidated Subsidiaries
Computation of Ratio of Earnings to Fixed Charges

(millions except ratios)	Three Months Ended March 31, 2010	Three Months Ended March 31, 2009	Years Ended December 31, 2009	2008	2007	2006	2005
Income from continuing operations before provision for income taxes and noncontrolling interests	$ 247	$ 343	$ 949	$ 879	$ 1,023	$ 738	$ 567
Less: Earnings from unconsolidated entities under the equity method of accounting	4	—	11	5	6	5	7
Add back fixed charges:							
Interest on indebtedness	34	29	122	126	138	129	125
Interest on uncertain tax positions	—	—	2	—	2	—	—
Portion of rents representative of interest factor	11	9	48	47	75	79	71
Income as adjusted	$ 288	$ 381	$ 1,110	$ 1,047	$ 1,232	$ 941	$ 756
Fixed charges:							
Interest on indebtedness	$ 34	$ 29	$ 122	$ 126	$ 138	$ 129	$ 125
Interest on uncertain tax positions	—	—	2	—	2	—	—
Portion of rents representative of interest factor	11	9	48	47	75	79	71
Total fixed charges	$ 45	$ 38	$ 172	$ 173	$ 215	$ 208	$ 196
Ratio of earnings to fixed charges	6.4	10.0	6.5	6.1	5.7	4.5	3.9

Exhibit 12.2

Aon Corporation and Consolidated Subsidiaries
Combined With Unconsolidated Subsidiaries
Computation of Ratio of Earnings to Combined Fixed Charges
and Preferred Stock Dividends

	Three Months Ended March 31,		Years Ended December 31,				
(millions except ratios)	2010	2009	2009	2008	2007	2006	2005
Income from continuing operations before provision for income taxes and noncontrolling interests	$ 247	$ 343	$ 949	$ 879	$ 1,023	$ 738	$ 567
Less: Earnings from unconsolidated entities under the equity method of accounting	4	—	11	5	6	5	7
Add back fixed charges:							
Interest on indebtedness	34	29	122	126	138	129	125
Interest on uncertain tax positions	—	—	2	—	2	—	—
Portion of rents representative of interest factor	11	9	48	47	75	79	71
Income as adjusted	$ 288	$ 381	$ 1,110	$ 1,047	$ 1,232	$ 941	$ 756
Fixed charges and preferred stock dividends:							
Interest on indebtedness	$ 34	$ 29	$ 122	$ 126	$ 138	$ 129	$ 125
Interest on uncertain tax positions	—	—	2	—	2	—	—
Preferred stock dividends	—	—	—	—	—	—	3
Interest and dividends	34	29	124	126	140	129	128
Portion of rents representative of interest factor	11	9	48	47	75	79	71
Total fixed charges and preferred stock dividends	$ 45	$ 38	$ 172	$ 173	$ 215	$ 208	$ 199
Ratio of earnings to combined fixed charges and preferred stock dividends	6.4	10.0	6.5	6.1	5.7	4.5	3.8

Exhibit 31.1

CERTIFICATIONS

I, Gregory C. Case, the Chief Executive Officer of Aon Corporation, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Aon Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 4, 2010

/s/ Gregory C. Case
Gregory C. Case
Chief Executive Officer

Exhibit 31.2

CERTIFICATIONS

I, Christa Davies, the Chief Financial Officer of Aon Corporation, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Aon Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 4, 2010

/s/ Christa Davies
Christa Davies
Chief Financial Officer

Exhibit 32.1

Certification Pursuant to Section 1350 of Chapter 63
of Title 18 of the United States Code

I, Gregory C. Case, the Chief Executive Officer of Aon Corporation (the "Company"), certify that (i) the Quarterly Report on Form 10-Q of the Company for the quarter ended March 31, 2010 (the "Report") fully complies with the requirements of Section 13 (a) or 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and (ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Gregory C. Case
Gregory C. Case
Chief Executive Officer
May 4, 2010

Exhibit 32.2

Certification Pursuant to Section 1350 of Chapter 63
of Title 18 of the United States Code

I, Christa Davies, the Chief Financial Officer of Aon Corporation (the "Company"), certify that (i) the Quarterly Report on Form 10-Q of the Company for the quarter ended March 31, 2010 (the "Report") fully complies with the requirements of Section 13 (a) or 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and (ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Christa Davies
Christa Davies
Chief Financial Officer
May 4, 2010

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aon-20100331_def.xml

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