



STATE OF NEW YORK  
INSURANCE DEPARTMENT  
25 BEAVER STREET  
NEW YORK, NEW YORK 10004

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In the Matter of

**WILLIS GROUP HOLDINGS LTD., WILLIS NORTH AMERICA, INC. , WILLIS OF NEW YORK, INC., WILLIS RE INC., WILLIS OF WISCONSIN, INC., WILLIS OF TEXAS, INC., WILLIS OF SEATTLE, INC., WILLIS OF TENNESSEE, INC., WILLIS OF NORTH CAROLINA, INC., WILLIS OF OHIO, INC., WILLIS OF OREGON, INC., WILLIS OF PENNSYLVANIA, INC., WILLIS OF MICHIGAN, INC., WILLIS OF MINNESOTA, INC., WILLIS OF NEW HAMPSHIRE, INC., WILLIS OF NEW JERSEY, INC., WILLIS OF MASSACHUSETTS, INC., WILLIS OF MARYLAND, INC., WILLIS OF LOUISIANA, INC., WILLIS OF KANSAS, INC., WILLIS OF ILLINOIS, INC., WILLIS INSURANCE SERVICES OF GEORGIA, INC. d.b.a. WILLIS INSURANCE BROKERAGE OF GEORGIA, WILLIS INSURANCE SERVICES OF CALIFORNIA, INC. d.b.a. WILLIS INSURANCE BROKERAGE OF CALIFORNIA, WILLIS OF ARIZONA, INC., WILLIS OF ALABAMA, INC., WILLIS LIFE INSURANCE AGENCY OF OHIO, INC., STEWART SMITH EAST, INC.,**

**STIPULATION**  
No. 2005- 0057-S

Respondents.

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**WHEREAS**, Willis of New York, Inc. is licensed as a broker under Section 2104 of the Insurance Law and as an excess line broker under Section 2105 of the Insurance Law and as an agent under Section 2103(a) and 2103(b) of the Insurance Law and as a reinsurance intermediary under Section 2106 of the Insurance Law; Willis Insurance Services of Georgia, Inc. d.b.a. Willis Insurance Brokerage of Georgia is licensed as an agent under Section 2103(b) of the Insurance Law; Willis Life Insurance Agency of Ohio, Inc. is licensed as an agent under Section 2103(a) of the Insurance Law; Willis of Alabama, Inc. is licensed as an agent under section 2103(a) of the Insurance Law; Willis of Arizona, Inc. is licensed as a broker under Section 2104 of the Insurance Law and as an excess line broker under Section 2105 of the Insurance Law and as an agent under Section 2103(a) and 2103(b) of the Insurance Law; Willis Insurance Services of

California, Inc. d.b.a. Willis Insurance Brokerage of California is licensed as a broker under Section 2104 of the Insurance Law and as an excess line broker under Section 2105 of the Insurance Law and as a life broker under Section 2104 (b)(1)(A) of the Insurance Law; Willis of Illinois, Inc. is licensed as a broker under Section 2104 of the Insurance Law and as an agent under Section 2103(a) of the Insurance Law; Willis of Kansas, Inc. is licensed as an agent under Section 2103(b) of the Insurance Law; Willis of Louisiana, Inc. is licensed as an agent under Section 2103(a) and 2103(b) of the Insurance Law; Willis of Maryland, Inc. is licensed as an agent under Section 2103(a) and 2103(b) of the Insurance Law and there is pending with this Department an application filed by Willis of Maryland, Inc. for a license to act as a broker under Section 2104 of the Insurance Law and as an excess line broker under Section 2105 of the Insurance Law; Willis of Massachusetts, Inc. is licensed as a broker under Section 2104 of the Insurance Law; Willis of New Jersey, Inc. is licensed as a broker under Section 2104 of the Insurance Law; Willis of New Hampshire, Inc. is licensed as a broker under Section 2104 of the Insurance Law and as an agent under Section 2103(a) and 2103(b) of the Insurance Law; Willis of Minnesota, Inc. is licensed as a broker under Section 2104 of the Insurance Law and as a life broker under Section 2104(b)(1)(A) of the Insurance Law; Willis of Michigan, Inc. is licensed as an agent under Section 2103(b) of the Insurance Law; Willis of Pennsylvania, Inc. is licensed as a broker under Section 2104 of the Insurance Law and as an excess line broker under Section 2105 of the Insurance Law and as an agent under Section 2103(a) and 2103(b) of the Insurance Law; Willis of Oregon, Inc. is licensed as a broker under Section 2104 of the Insurance Law; Willis of Ohio, Inc. is licensed as a broker under Section 2104 of the Insurance Law; Willis of North Carolina, Inc. is licensed as an agent under Section 2103(a) of the Insurance Law; Willis of Tennessee, Inc. is licensed as a broker under Section 2104 of the Insurance Law and as an agent under Section 2103(a) of the Insurance Law; Willis of Seattle, Inc. is licensed as a broker under Section 2104 of the Insurance Law; Willis of Texas, Inc. is licensed as an agent under Section 2103(b) of the Insurance Law; Willis of Wisconsin, Inc. is licensed as an agent under Section 2103(b) of the Insurance Law; Willis RE Inc. is licensed as a broker under Section 2104 of the Insurance Law and as an excess line broker under Section 2105 of the Insurance Law and as a reinsurance intermediary under Section 2106 of the Insurance Law; and Stewart Smith East, Inc. is licensed as a broker under Section 2104 of the Insurance Law and as an excess line broker under Section 2105 of the Insurance Law and as an agent under Section 2103(b) of the Insurance Law and as a reinsurance intermediary under Section 2106 of the Insurance Law;

**WHEREAS**, all of the foregoing Respondents are wholly owned subsidiaries of Respondent Willis Group Holdings Ltd., which is a Bermuda corporation; and

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

investigation of Willis related to its practices in the purchasing, renewal, placement or servicing of insurance for its clients (the "Superintendent's Investigation"); and

**WHEREAS**, the Attorney General's Investigation has been resolved pursuant to an Assurance of Discontinuance Pursuant to Executive Law § 63(15), dated April 7, 2005 (the "Assurance"), a copy of which is annexed hereto and incorporated herein; and

**WHEREAS**, the Attorney General's Investigation and the Superintendent's Investigation have resulted in certain findings of fact regarding the business practices of Willis, as set forth in paragraphs 1 through 22 of the Assurance; and

**WHEREAS**, based upon the aforementioned findings of fact, the Attorney General and the Superintendent have determined that Willis unlawfully deceived its clients by: (a) steering clients' insurance business to favored insurance companies; (b) unnecessarily running business through its wholly owned wholesaler, Stewart Smith; and (c) leveraging its retail brokerage business in order to obtain reinsurance brokerage business; and

**WHEREAS**, based upon the foregoing, Respondents may be charged with violations of the Insurance Law and/or Insurance Department Regulations; and

**WHEREAS**, Respondents have been advised and are aware of their statutory right to notice and a hearing on any such charges; and

**WHEREAS**, Willis is cooperating with the Attorney General's Investigation and the Superintendent's Investigation and has adopted and under the Assurance and this Stipulation will continue to implement a number of business reforms governing the conduct of Willis's employees; and

**WHEREAS**, the Superintendent finds the relief and agreements contained in the Assurance and this Stipulation appropriate and in the public interest; and

**WHEREAS**, Respondents desire to resolve any such possible charges by entering into a Stipulation on the terms and conditions hereinafter set forth in lieu of proceeding with a hearing in this matter; **NOW THEREFORE**,

**IT IS HEREBY STIPULATED AND AGREED** by and between the Respondents and the New York State Insurance Department ("Department"), subject to the approval of the Superintendent, as follows:

1. Respondents waive their right to further notice and hearing in this matter, and agree to fully comply with all of the terms and conditions of the Assurance.
2. Respondents agree to cooperate fully in all Department examinations of Respondents and in all Department investigations of current or former employees of Respondents or licensees of the Department.

3. Respondents acknowledge that this Stipulation may be used against them in any future Department proceeding if there is reason to believe the terms of the Assurance or this Stipulation have been violated by Respondents, or if the Department institutes disciplinary action against any Respondent for any reason other than the acts considered herein.

Dated: New York, NY  
April , 2005

NEW YORK STATE INSURANCE DEPARTMENT

By: \_\_\_\_\_  
Jon G. Rothblatt  
Principal Attorney

WILLIS GROUP HOLDINGS LTD, WILLIS NORTH AMERICA, INC., WILLIS OF NEW YORK, INC., WILLIS RE INC., WILLIS OF WISCONSIN, INC., WILLIS OF TEXAS, INC., WILLIS OF SEATTLE, INC., WILLIS OF TENNESSEE, INC., WILLIS OF NORTH CAROLINA, INC., WILLIS OF OHIO, INC., WILLIS OF OREGON, INC., WILLIS OF PENNSYLVANIA, INC., WILLIS OF MICHIGAN, INC., WILLIS OF MINNESOTA, INC., WILLIS OF NEW HAMPSHIRE, INC., WILLIS OF NEW JERSEY, INC., WILLIS OF MASSACHUSETTS, INC., WILLIS OF MARYLAND, INC., WILLIS OF LOUISIANA, INC., WILLIS OF KANSAS, INC., WILLIS OF ILLINOIS, INC., WILLIS INSURANCE SERVICES OF GEORGIA, INC. d.b.a. WILLIS INSURANCE BROKERAGE OF GEORGIA, WILLIS INSURANCE SERVICES OF CALIFORNIA, INC. d.b.a. WILLIS INSURANCE BROKERAGE OF CALIFORNIA, WILLIS OF ARIZONA, INC., WILLIS OF ALABAMA, INC., WILLIS LIFE INSURANCE AGENCY OF OHIO, INC., STEWART SMITH EAST, INC.,

By: \_\_\_\_\_  
Name:  
Title:

