

AON CORP
Form DEF 14A
April 12, 2006

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

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of
the Securities Exchange Act of 1934 (Amendment No.)

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
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- Soliciting Material Pursuant to §240.14a-12

AON CORPORATION

(Name of Registrant as Specified in Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

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Notice of Annual Meeting of
Stockholders,
Proxy Statement and
2005 Annual Financial Report

Aon Corporation

www.aon.com

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Executive Chairman

To Our Stockholders:

I have always taken great pride in Aon Corporation, but never more so than in the year 2005. The year began with uncertain markets as the investigation by the New York Attorney General and other government agencies proceeded, but the steps we have taken to provide greater transparency to our clients have brought us more closely in touch with their needs while better illustrating the true value of our counsel and services. Our people have responded to new business opportunities and processes with energy, efficiency and enthusiasm, and their integrity and client focus continue to be among Aon's finest assets.

In early April, we welcomed Gregory C. Case as Aon's new president and chief executive officer a decision in which our Board can take great pride. Greg and his leadership team have already made enormous contributions to Aon's next chapter. Our people have shown confidence in and support for our new leadership team, and there is a palpable increase in momentum, energy and enthusiasm throughout our organization.

Another great source of pride was Aon's response to natural disasters around the world including a hurricane season unmatched in its severity. Our Aon team responded to clients immediately, helping them to implement business recovery and continuity strategies, assess losses, file claims and negotiate with insurance companies. This work will continue for months if not years before every claim is satisfied. Negotiations can be extremely complex, but the people of Aon are known for their ability to persevere and to prevail, providing exemplary expertise and commitment to those we serve.

Thanks to the many contributions of Aon colleagues around the world and the leadership exhibited at every level of the organization in every geography we've reported very positive results for 2005. We are fundamentally a stronger firm today than we were only a year ago, with a bold operating plan to improve business performance and our competitive position.

I have never been more confident in our future nor more proud of the Aon team. My 47,000 colleagues are applying their tremendous knowledge and expertise every day to bring ever-more distinctive value to our clients and to our stockholders. I am deeply appreciative of their commitment and grateful for the opportunity to continue to serve our clients, our industry and our stockholders.

Patrick G. Ryan

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Aon Corporation 2005

President and Chief Executive Officer

To Our Stockholders:

The year 2005 was a year of transition for Aon, for our industry and for me personally. It has been my pleasure to serve as president and chief executive officer for this great organization for the past 12 months, and each day I am reminded of the wealth of opportunities we face as well as the impressive capabilities we have to address them.

We began 2005 with uncertainty as we transitioned to a new brokerage compensation model and more transparent ways of doing business with clients. Our colleagues in the United Kingdom, faced with a difficult environment, led the industry by securing broad agreement for a new transparency and compensation model. It may have been one of the most difficult years the industry has ever seen, but despite regulatory investigations and a catastrophic hurricane season, our business fared well. Many of the uncertainties have been resolved and, thanks to my Aon colleagues, we have completed 2005 with steady improvements in our business performance and a 51 percent increase in our stock price over the course of the year.

In November, Aon's Board authorized the repurchase of up to \$1 billion of the company's common stock. The authorization recognizes that Aon is well capitalized and that we expect to continue to generate cash in excess of what we need to run the business and invest for growth. We believe that a share repurchase program is an effective way to return excess capital to our stockholders.

In our brokerage segment

In our Americas operation, organic revenue trends gained momentum throughout the year, achieving 10 percent growth by the fourth quarter. The effort was led by new business development in all geographic regions and by outstanding performance in our affinity business — one of Aon's brightest stars and a business we will continue to grow and strengthen. France and Spain were superlative in our International arena, and we are also particularly proud of our colleagues in Japan for winning performance and a growing profit contribution. The European economy is strengthening, and our long-standing presence in this market puts us in a great position for growth in 2006.

Growth in reinsurance was challenging, affected by pricing and higher risk retention, although we did benefit from strong renewals and new business in our Americas reinsurance business in the fourth quarter. One highlight I would like to mention: Aon Re China Limited secured 100 percent placement of the first agricultural reinsurance contract in China. This historic deal opens up a new era in the nation's insurance industry for cooperation between local agricultural insurers and global reinsurance providers.

We are very encouraged by the trends within our brokerage segment. Despite a generally challenging revenue environment, over recent quarters we have been able to report higher earnings and higher margins due to the expense discipline that our organization has embraced. As we maintain that discipline, implement our restructuring plan, and capitalize on a number of meaningful growth opportunities, our brokerage businesses are well positioned for the future.

In Aon Consulting

It was a year of transition for Aon Consulting as well as Don Ingram announced his retirement after 35 years of dedicated service to Aon and its predecessor organizations. We are grateful to Don for his leadership and wish him a long and very happy retirement.

In July, we welcomed new CEO Andrew Appel, who is working with his team to focus on five growth platforms for our consulting business: global benefits, mid-market human resources outsourcing, global recruitment and employment process outsourcing, pension liability transfer, and global financial advisory and litigation consulting services. While U.S. employee benefits led to a much improved fourth quarter for Aon Consulting in 2005, we still have much work to do to improve our performance. That said, I believe Andrew and his team are charting a course that will lead to future success.

In insurance underwriting

Our underwriting segment has demonstrated good organic revenue growth. Combined Insurance Company had another great year with terrific sales performance for its supplemental health product. In November, we announced that we would explore strategic alternatives for our warranty, credit insurance and property & casualty businesses to determine if the potential of these businesses can be more fully realized under different ownership.

Writing the next chapter

We have outlined three key imperatives to move Aon forward over the long term: providing distinctive value to our clients, pursuing operational excellence, and attracting and retaining the top talent in our industry. We believe these imperatives will be the key factors in our success while providing a strong framework for us as we proceed.

Aon has a compelling and unique opportunity to provide truly distinctive value to our clients. Although many companies are global in size and scope, the needs they address are usually local in nature. Our new Global Large Corporate business unit is a great step in integrating and leveraging our global resources to provide solutions that meet the risks and requirements unique to each client's specific political, geographic and regulatory environment. The world's top 1,500 organizations spend over \$5 billion each year on risk management and global benefits, so there is significant opportunity. Aon's new Centers of Excellence are designed to improve our approach to those opportunities while providing clients with valuable information and services tailored to this segment's unique needs.

We will continue to focus on the middle market as well. Aon is the largest middle-market broker in the world - it is the bedrock of our franchise - and yet the growth potential is still tremendous. Local marketing drives sales, local service teams provide greater depth, but Aon has the advantage over regional brokers in that when specialty expertise is needed, we have it. Whether in property & casualty or health & welfare, Aon is poised to serve this fast-growing and attractive market.

Our work in pursuing operational excellence is closely linked to driving value for our clients. Operational excellence does not mean arbitrary or unfocused cost-cutting. It requires a sharp focus on the operational issues that drive and sustain value for our clients, colleagues and stockholders - investing in what is important and eliminating those expenses that add to our cost base with little or no value to our clients. There have been numerous day-to-day operating improvements and more systematic investment and control in areas such as information technology, real estate, purchasing and outsourcing. Further, we are leveraging technology applications across businesses and geographies, e.g., deploying our client-facing applications on a global basis.

A review of our businesses, operations and cost structures against the reality of today's competitive environment led to the restructuring plan we announced last summer, designed to improve

performance and achieve long-term growth. Major restructuring of U.K. insurance broking and risk management operations have realigned business more effectively around clients' needs in light of the structural changes in the London insurance market.

We are adding systems, service lines and people to ensure that Aon is positioned to win where we choose to compete.

In a service organization, the firm is only as strong as its talent, and Aon's talent base—those who tirelessly serve our clients and support our efforts—is a critical and impressive asset. Our Global Executive Program, developed with the Kellogg Graduate School of Management at Northwestern University, is receiving rave reviews from participants as we work to develop our existing talent. We are also moving forward with training such as the Catalyst programs in the Americas and the U.K. and rotational development programs for early-career associates.

In November, Tom Haak, one of our finest HR professionals, took on a first-of-its-kind role devoted solely to global talent management. And, talent management *is* a global endeavor at Aon. For example, Steve McGill, who joined us in spring 2005 as head of our Global Large Corporate segment, has relocated to the United States to become CEO of Aon Risk Services in the Americas. A global organization needs a global workforce, and steps like these ensure that the great talent we already have can develop, grow and contribute to all that we are trying to accomplish.

We have also made a number of significant additions to our talent this year including Ted Devine as head of strategy, Bill Pieroni as global chief information officer, Bobbie Gregg as global chief compliance officer and Phil Clement as global chief marketing officer. Ted Devine recently also took on chief operating officer responsibilities for Risk Services in the Americas. Corbette Doyle has moved from her position in Risk Services to become Aon's first global chief diversity officer. Doug Wendt has joined Combined Insurance as chief operating officer. Bal Dail has joined Aon Consulting as global chief operating officer, and Roelof Hendriks is the new vice chairman of Aon Holdings and regional leader for the Far East and Africa.

Going forward . . .

The world is becoming more complicated with new classes of risk emerging. Further, threats from terrorist activities will continue to haunt us, natural disasters will continue to strike and a worldwide flu pandemic may soon be wreaking havoc on clients' businesses as well as their health. Workforce productivity remains a challenge as organizations face a convergence of issues including escalating retiree and health care costs, continued pressure on budgets and greater need for efficient processes and solutions. To manage these risks and challenges in the context of changing regulatory environments, political uncertainties and fluctuating economies is where Aon excels and why our future is so promising.

Our leadership team will continue to pursue ways to deliver unsurpassed expertise and service while structuring our business to generate appropriate returns to our stockholders. Aon is an asset-rich institution with the best talent in the industry. We have thousands of established client relationships and global reach with a network that allows us to find the absolute best solutions for our clients. We believe that 2006 will be a watershed year for Aon as we strive to meet the challenges of a changing marketplace.

As I celebrate my first anniversary with Aon, I must tell you that I am delighted to be part of an organization comprised of thousands of consummate professionals who intensely care about doing the right thing for their clients and coworkers as well as for our stockholders. I owe a tremendous debt of gratitude to all of my colleagues who have provided guidance and insight. At the head of that list is our founder, Pat Ryan, who is a tireless supporter involved in the success and growth of Aon.

It's a great time to be Aon, and it seems only to be getting better. We still have much to accomplish, but I am gratified by what I have seen and by the progress we are making. It is my pleasure to be a part of this great company and this extraordinary team.

Gregory C. Case

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Aon Corporation 2005

AON CORPORATION

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

To the Holders of Common Stock of Aon Corporation:

The 2006 Annual Meeting of Stockholders of Aon Corporation will be held on Friday, May 19, 2006, at 10:00 A.M (local time), at the Indiana Room, Aon Center, 200 East Randolph Street, Chicago, Illinois 60601, for the following purposes:

1. To elect fourteen Directors to serve until our 2007 Annual Meeting of Stockholders. **Our Board of Directors unanimously recommends that you vote "FOR" the election of all nominees.**
2. To ratify the appointment of Ernst & Young LLP as our independent registered public accounting firm for the year 2006. **Our Board of Directors unanimously recommends that you vote "FOR" the ratification of the appointment of Ernst & Young LLP as our independent registered public accounting firm.**
3. To approve the material terms of the performance goals under, and an amendment to, the Senior Officer Incentive Compensation Plan. **Our Board of Directors unanimously recommends that you vote "FOR" the proposal to approve the material terms of the performance goals under, and the amendment to, the Senior Officer Incentive Compensation Plan.**
4. To approve the material terms of the performance goals under, and an amendment to, the Aon Stock Incentive Plan. **Our Board of Directors unanimously recommends that you vote "FOR" the proposal to approve the material terms of the performance goals under, and the amendment to, the Aon Stock Incentive Plan.**
5. To transact such other business as may properly come before the Annual Meeting or any adjournment or postponement thereof.

Only holders of common stock at the close of business on March 22, 2006 are entitled to notice of and to vote at the Annual Meeting and any adjournment or postponement thereof. A list of the stockholders entitled to vote at the Annual Meeting will be available for inspection, for any purpose germane to the Annual Meeting, both at the Annual Meeting and during normal business hours at our corporate offices for ten days prior to the Annual Meeting.

By Order of the Board of
Directors,

Kevann M. Cooke
*Senior Vice President and
Corporate Secretary*

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Chicago, Illinois
April 12, 2006

Your vote is important. Whether or not you plan to attend the Annual Meeting, please vote as promptly as possible by telephone, through the Internet or by completing and returning the enclosed proxy card.

Aon Corporation
200 East Randolph Street
Chicago, Illinois 60601

PROXY STATEMENT
ANNUAL MEETING OF STOCKHOLDERS MAY 19, 2006

Why did I receive these proxy materials?

We are providing this proxy statement in connection with the solicitation of proxies by the Board of Directors of Aon Corporation ("Aon," "we," "us" or "our"), a Delaware corporation, for use at the 2006 Annual Meeting of Stockholders to be held at the Indiana Room, Aon Center, 200 East Randolph Street, Chicago, Illinois 60601, at 10:00 a.m. (local time), on Friday, May 19, 2006, and at any adjournment or postponement thereof.

This proxy statement and the accompanying proxy card are first being mailed to stockholders on or about April 12, 2006.

What matters will be presented for consideration at the Annual Meeting?

Action will be taken at the Annual Meeting with respect to the following items:

1. Election of fourteen Directors to serve until our 2007 Annual Meeting of Stockholders.
2. Ratification of the appointment of Ernst & Young LLP as our independent registered public accounting firm for the year 2006.
3. Approval of the material terms of the performance goals under, and an amendment to, the Senior Officer Incentive Compensation Plan.
4. Approval of the material terms of the performance goals under, and an amendment to, the Aon Stock Incentive Plan.

Will any other matters be decided at the Annual Meeting?

At the date of this proxy statement, we did not know of any other matters to be raised at the Annual Meeting other than those described in this proxy statement. If any other matters are properly presented at the Annual Meeting for consideration, your signed proxy card gives authority to the persons named in your proxy card to vote on such matters in their discretion.

Who is entitled to vote at the Annual Meeting?

Holders of our common stock, par value \$1.00 per share (the "Common Stock") as of the close of business on March 22, 2006, are entitled to vote at the Annual Meeting. As of that date, there were 320,318,690 shares of Common Stock outstanding and entitled to vote. Each share of Common Stock is entitled to one vote on each matter properly brought before the Annual Meeting.

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What is the difference between holding shares of Common Stock as a stockholder of record and as a beneficial owner?

If your shares of Common Stock are registered directly in your name with Aon's transfer agent, Computershare Trust Company, N.A., you are considered, with respect to those shares of Common Stock, the stockholder of record, and these proxy materials are being sent directly to you by Aon.

If your shares of Common Stock are held in a stock brokerage account or by a bank or other nominee, you are considered the beneficial owner of shares held in street name, and these proxy materials are being forwarded to you by your broker, bank or other nominee who is considered, with respect to those shares, the stockholder of record. As the beneficial owner, you have the right to direct your broker, bank or other nominee how to vote your shares of Common Stock by using the voting instruction card included in the mailing or by following their instructions for voting by telephone or through the Internet.

How do I vote?

If you are a stockholder of record, you may vote using any of the following methods:

By telephone using the toll-free telephone number shown on your proxy card;

Through the Internet at www.computershare.com/expressvote;

By completing and signing your proxy card and returning it in the prepaid envelope provided;

By written ballot at the Annual Meeting.

Telephone and Internet voting facilities for stockholders of record will be available 24 hours a day. If you vote by telephone or through the Internet, your vote must be received by 11:59 p.m., Eastern Time, on Thursday, May 18, 2006, the day before the Annual Meeting. If you properly cast your vote by telephone, through the Internet or by executing and returning the enclosed proxy card, and your vote is not subsequently revoked, your Common Stock will be voted in accordance with your instructions. If you execute and return the enclosed proxy card but do not give instructions, your proxy will be voted as follows: FOR the election of all nominees for Director named below, FOR the ratification of the appointment of Ernst & Young LLP as our independent registered public accounting firm for the year 2006, FOR the approval of the material terms of the performance goals under, and the amendment to, the Senior Officer Incentive Compensation Plan, FOR the approval of the material terms of the performance goals under, and the amendment to, the Aon Stock Incentive Plan, and otherwise in accordance with the judgment of the person or persons voting the proxy on any other matter properly brought before the Annual Meeting.

If you are a beneficial owner, you should follow the voting directions provided by your broker, bank or other nominee. You may complete and mail a voting instruction card to your broker, bank or other nominee, or, in most cases, submit voting instructions by telephone or through the Internet to your broker, bank or other nominee.

We will distribute written ballots to anyone who wants to vote at the Annual Meeting. If you are a beneficial owner, you must obtain a legal proxy from your broker, bank or other nominee and present it to the inspectors of election with your ballot to be able to vote at the Annual Meeting.

What should I do if I receive more than one proxy card?

We have endeavored to consolidate all of your Common Stock on one proxy card; however, if you receive more than one proxy card, you should vote the Common Stock represented by each proxy card to ensure that all of your Common Stock is voted.

How is a quorum determined?

The presence of the holders of a majority of the shares of Common Stock issued and outstanding and entitled to vote at the Annual Meeting, present in person or represented by proxy, is necessary to constitute a quorum. Abstentions and broker non-votes will be counted as present and entitled to vote for purposes of determining a quorum at the Annual Meeting.

What is a broker non-vote?

A broker non-vote occurs when a nominee, such as a broker or bank, holding shares of Common Stock on behalf of a beneficial owner does not vote on a particular proposal because the nominee has not received instructions from the beneficial owner and does not have discretionary voting power with respect to that proposal.

What are the voting requirements to elect Directors and approve each of the proposals?

Except as otherwise required by applicable law or our Second Amended and Restated Certificate of Incorporation, as amended, any proposal properly presented at a meeting in which a quorum is present will be decided by the affirmative vote of the holders of a majority of the Common Stock present in person or represented by proxy and entitled to vote on the proposal at that meeting. Accordingly, the election of fourteen Directors, the ratification of the appointment of our independent registered public accounting firm, the approval of the material terms of the performance goals under, and the amendment to, the Senior Officer Incentive Compensation Plan and the approval of the material terms of the performance goals under, and the amendment to, the Aon Stock Incentive Plan, will be decided by the vote of the holders of a majority of the Common Stock present in person or represented by proxy and entitled to vote on these matters. For the election of Directors, a vote withheld for a nominee for Director will have the effect of a vote against that nominee. For the ratification of the appointment of our independent registered public accounting firm, the approval of the material terms of the performance goals under, and the amendment to, the Senior Officer Incentive Compensation Plan and the approval of the material terms of the performance goals under, and the amendment to, the Aon Stock Incentive Plan, a stockholder who submits a ballot or proxy is considered present and entitled to vote, so an abstention will have the effect of a vote against the proposal.

Under the rules of the New York Stock Exchange (the "NYSE"), if you are a beneficial owner, your broker, bank or other nominee has discretion to vote your shares of Common Stock on the election of Directors, the ratification of the appointment of our independent registered public accounting firm and the approval of the material terms of the performance goals under, and the amendment to, the Senior Officer Incentive Compensation Plan, even if it does not receive voting instructions from you. Your bank, broker or other nominee does not have discretion to vote on the approval of the material terms of the performance goals under, and the amendment to, the Aon Stock Incentive Plan. Without your voting instructions, a broker non-vote will occur. Broker non-votes are not considered entitled to vote and, therefore, will have no effect on the outcome of the vote.

Can I change my vote?

If you are a stockholder of record, you can change your vote or revoke your proxy at any time before the Annual Meeting by:

Entering a later-dated vote by telephone or through the Internet; or

Delivering a valid, later-dated proxy card;

Sending written notice to the Office of the Corporate Secretary of Aon; or

Voting by ballot in person at the Annual Meeting.

If you are a beneficial owner of shares of Common Stock, you may submit new voting instructions by contacting your broker, bank or other nominee. You may also vote in person at the Annual Meeting if you obtain a legal proxy as described above under "*How do I vote?*"

All shares of Common Stock that have been properly voted and not revoked will be voted at the Annual Meeting. Attending the Annual Meeting without taking further action will not automatically revoke your prior telephone or Internet vote or your proxy.

Will the Annual Meeting be webcast?

You may listen to the Annual Meeting on the World Wide Web by logging on to our website at www.aon.com and following the on-screen instructions. We have included our website address in this proxy statement for reference purposes only. The information contained on our website is not incorporated by reference into this proxy statement.

Who can attend the Annual Meeting?

Stockholders as of the close of business on March 22, 2006, which is the record date for voting, may attend the Annual Meeting.

What do I need to do to attend the Annual Meeting?

If you are a stockholder of record, you do not need to take any additional action in order to attend the Annual Meeting. If you are a beneficial owner of shares of Common Stock and would like to attend the Annual Meeting, you will need to bring an account statement or other acceptable evidence of ownership of your Common Stock as of the close of business on March 22, 2006, which is the record date for voting. Alternatively, you may contact the broker, bank or other nominee in whose name your Common Stock is registered and obtain a proxy to bring to the Annual Meeting.

Who will pay the costs of this proxy solicitation?

We will pay the expenses of the preparation of proxy materials and the solicitation of proxies for the Annual Meeting. In addition to the solicitation of proxies by mail, solicitation may be made on our behalf by certain directors, officers or employees of Aon and our subsidiaries telephonically, electronically or by other means of communication, and by Georgeson Shareholder Communications Inc., whom we have hired to assist in the solicitation and distribution of proxies. Directors, officers and employees of Aon and our subsidiaries will receive no additional compensation for such solicitation. Georgeson will receive a fee of \$7,000 for its services. We will also reimburse banks, brokers and other nominees for costs incurred by them in mailing proxy materials to beneficial owners in accordance with applicable rules.

Who will count the vote?

Representatives of our transfer agent, Computershare Trust Company, N.A., will count the vote and serve as inspectors of election.

2005 Annual Financial and General Information Report

Appendix D to this proxy statement contains our 2005 Annual Financial Report, including our consolidated financial statements, the notes thereto and management's discussion and analysis of financial condition and results of operations, as well as certain other financial and other information required by the rules and regulations of the Securities and Exchange Commission (the "SEC").

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Aon Corporation 2005

PRINCIPAL HOLDERS OF VOTING SECURITIES

As of March 22, 2006, the beneficial owners of 5% or more of our Common Stock entitled to vote at the Annual Meeting and known to us were:

Name and Address of Beneficial Owner	Number of Shares of Common Stock	Percent of Class
Patrick G. Ryan	22,511,898(1)	7.03
c/o Aon Corporation, 200 East Randolph Street, Chicago, IL 60601		
Southeastern Asset Management, Inc.	42,060,800(2)	13.13
6410 Poplar Avenue, Suite 900, Memphis, TN 38119		
State Street Bank and Trust Company	17,985,762(3)	5.62
225 Franklin Street, Boston, MA 02110		
Davis Selected Advisers, L.P.	16,832,594(4)	5.26
2949 East Elvira Road, Suite 101, Tucson, AZ 85706		

- (1) Includes 8,997,494 shares of Common Stock beneficially owned by Mr. Ryan and 9,885,846 shares of Common Stock beneficially owned and attributed to Mr. Ryan pursuant to trusts for the benefit of family members. Also includes 979,000 shares of Common Stock owned by a charitable foundation for which Mr. Ryan acts as trustee and has sole voting and shared investment control. Also includes 390,558 shares of Common Stock representing a beneficial interest in shares of Common Stock of the Employee Stock Ownership Plan ("ESOP") Account of the Aon Savings Plan attributable to Mr. Ryan and a beneficial interest in shares of Common Stock of the Aon Common Stock Fund of the Aon Savings Plan attributable to Mr. Ryan. Under the terms of the Aon Savings Plan, as a participant in such plan, Mr. Ryan is entitled to direct the manner in which the trustees will vote the shares of Common Stock attributed to him; in addition, all shares of Common Stock for which voting instructions are not received are voted by the trustees in the same proportion as the shares of Common Stock for which voting instructions are received. Also includes 2,259,000 shares of Common Stock that Mr. Ryan has the right to acquire pursuant to presently exercisable stock options and options that will become exercisable within 60 days of March 22, 2006.
- (2) Based upon information contained in an amendment filed February 10, 2006 pursuant to Rule 13d-1(b) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), to a Schedule 13G originally filed on January 10, 2003. Southeastern Asset Management, Inc. ("Southeastern") is a registered investment adviser and has: (a) sole voting power as to 22,204,800 shares of Common Stock; (b) shared voting power as to 14,627,000 shares of Common Stock; (c) no voting power as to 5,229,000 shares of Common Stock; (d) sole dispositive power as to 27,408,800 shares of Common Stock; (e) shared dispositive power as to 14,627,000 shares of Common Stock; and (f) no dispositive power as to 25,000 shares of Common Stock. All of the shares of Common Stock covered by the Schedule 13G are owned legally by Southeastern's investment advisory clients and none are owned directly or indirectly by Southeastern. As permitted by Rule 13d-4 of the Exchange Act, Southeastern disclaims beneficial ownership of the shares of Common Stock covered by the Schedule 13G.
- (3) Based upon information contained in a Schedule 13G filed February 13, 2006 pursuant to Rule 13d-1(b) of the Exchange Act. State Street Bank and Trust Company ("State Street") is a bank as defined in Section 3(A)(6) of the Exchange Act that acts in various fiduciary capacities

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with respect to certain benefit plans of Aon. State Street has: (a) sole voting power as to 9,029,009 shares of Common Stock; (b) shared voting power as to 8,956,753 shares of Common Stock; (c) sole dispositive power as to 0 shares of Common Stock; and (d) shared dispositive power as to 17,985,762 shares of Common Stock. State Street expressly disclaims beneficial ownership of all shares of Common Stock reported in the Schedule 13G pursuant to Rule 13d-4 of the Exchange Act.

(4)

Based on information contained in an amendment filed February 14, 2006 pursuant to Rule 13d-1(b) of the Exchange Act to a Schedule 13G originally filed on February 12, 2004. Davis Selected Advisers, L.P. is a registered investment adviser and has sole voting and sole dispositive power as to 16,832,594 shares of Common Stock.

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Aon Corporation 2005

AGENDA ITEM NO. 1 ELECTION OF DIRECTORS

Fourteen directors are to be elected at the Annual Meeting of Stockholders. All of our current Board members are standing for election. The term of each Director expires at the next Annual Meeting of Stockholders, and each Director will continue in office until the election and qualification of his or her respective successor or until his or her earlier death, removal or resignation. The Board of Directors consists of a number of Directors as is fixed from time to time by resolution adopted by the Board of Directors as provided in our bylaws. The Board of Directors currently is authorized to have up to twenty-one members.

With the exception of Richard B. Myers, all nominees are currently Directors of Aon. All nominees for Director have consented to be named and have agreed to serve as Directors if elected. As of the date of the Annual Meeting, each of Mr. Jannotta and Mr. McKenna will have reached the retirement age of 75 set forth in Aon's Governance Guidelines; however, the Board utilized the peer evaluation process to evaluate their expertise and contributions to the Board, and requested that each of them serve for an additional term.

The fourteen Directors will be elected by the vote of the majority of the Common Stock present in person or represented by proxy at the Annual Meeting. Accordingly, since votes withheld will count as present at the Annual Meeting (and will therefore also count toward the establishment of a quorum), a vote withheld for a nominee will adversely affect that nominee's ability to secure the necessary majority of votes present at the Annual Meeting.

Unless a proxy directs to the contrary, it is intended that the proxies will be voted for the election of the fourteen nominees for Director named on the following pages, to hold office until the next Annual Meeting of Stockholders or until their respective successors are duly elected and qualified. We have no reason to believe that any of the nominees will not be available to serve as a Director. However, if any of them should become unavailable to serve for any reason, the proxies will be voted for such substitute nominees as may be designated by the Board of Directors.

Set forth on the following pages is biographical information concerning each nominee for election as a Director, the nominee's principal occupation and the period during which the nominee has served as a Director of Aon, including service as a Director or employee of Ryan Insurance Group, Inc. ("Ryan Group"), which merged with Aon in 1982. The information presented has been confirmed by each nominee for purposes of its inclusion in this proxy statement. Ages shown for all Directors are as of December 31, 2005.

OUR BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT YOU VOTE "FOR" THE ELECTION OF ALL NOMINEES.

Patrick G. Ryan

Director since 1965

Mr. Ryan has been Chairman of the Board of Aon since 1990 and was Chief Executive Officer from 1982 until April 4, 2005. He currently serves as Aon's Executive Chairman. He was elected President and Chief Executive Officer of Aon at the time of the merger of Aon and Ryan Group in 1982, and served as President of Aon until April 1999. Prior to the merger, Mr. Ryan served as Chairman of the Board and Chief Executive Officer of Ryan Group. Mr. Ryan serves as Chairman of the Board of Trustees of Northwestern University and as a Life Trustee of Rush-Presbyterian-St. Luke's Medical Center. He serves as Chairman of the Executive Committee of our Board of Directors and as a Director of Aon Foundation.

Age: 68

Gregory C. Case

Director since 2005

Mr. Case was elected President, Chief Executive Officer and Director of Aon on April 4, 2005. Prior to joining Aon, Mr. Case was with McKinsey & Company, the international management consulting firm, for 17 years, most recently serving as head of the Financial Services Practice. He previously was responsible for McKinsey's Global Insurance Practice, and was a member of McKinsey's governing Shareholders' Committee. Prior to joining McKinsey, Mr. Case was with the investment banking firm of Piper, Jaffray and Hopwood and the Federal Reserve Bank of Kansas City. He serves as a member of the Executive Committee of our Board of Directors and as a Director of Aon Foundation.

Age: 43

Edgar D. Jannotta

Director since 1995

In March 2001, Mr. Jannotta was named Chairman of William Blair & Company, L.L.C., an international investment banking firm, and Chairman of its Executive Committee. Mr. Jannotta joined William Blair & Company in May 1959 as an Associate, became a Partner in January 1965, Assistant Managing Partner in June 1973, Managing Partner in September 1977, Senior Partner in January 1995, and Senior Director in January 1996. He is a Trustee of the University of Chicago and Chairman of the Board of the Lyric Opera of Chicago. Mr. Jannotta is a Director of Bandag, Incorporated; Molex Incorporated; and Exelon Corporation. He serves as a member of the Compliance Committee, Executive Committee and Investment Committee of our Board of Directors.

Age: 74

Jan Kalff

Director since 2003

Mr. Kalff is the former Chairman of the Managing Board of ABN AMRO Holding N.V./ABN AMRO Bank N.V., an international banking concern. Mr. Kalff is a member of the International Advisory Committee of the Federal Reserve Bank of New York. Mr. Kalff also serves on the Supervisory Boards of Concertgebouw N.V., Hagemeyer N.V., Koninklijke Volker Wessels Stevin N.V., N.V. Luchthaven Schiphol and Stork N.V. He serves as a member of the Governance/Nominating Committee and Investment Committee of our Board of Directors.

Age: 68

Lester B. Knight

Director since 1999

Mr. Knight is a Founding Partner of RoundTable Healthcare Partners and the former Vice Chairman and Director of Cardinal Health, Inc., a diversified healthcare service company. Mr. Knight was Chairman of the Board and Chief Executive Officer of Allegiance Corporation from 1996 until February 1999, and had been with Baxter International, Inc. from 1981 until 1996 where he served as Corporate Vice President from 1990, Executive Vice President from 1992, and as a Director from 1995. He was Chairman and a Director of The Baxter Allegiance Foundation. He is a Director of Evanston Northwestern Healthcare and Junior Achievement of Chicago and a Trustee of Northwestern University. Mr. Knight serves as Chairman of the Investment Committee and as a member of the Organization and Compensation Committee of our Board of Directors.

Age: 47

J. Michael Losh

Director since 2003

From July 2004 to May 2005, Mr. Losh served as Interim Chief Financial Officer of Cardinal Health, Inc., a diversified healthcare service company. From 2000 until 2002, Mr. Losh served as non-executive Chairman of Metaldyne Corporation, a leading global designer and supplier of metal-based components, assemblies and modules for transportation-related powertrain and chassis applications. From 1994 until 2000, Mr. Losh served as Chief Financial Officer and Executive Vice President of General Motors Corporation, the world's largest automaker. Mr. Losh spent 36 years in various capacities with General Motors, where he served as Chairman of GMAC, its financial services group, Group Vice President of North American Sales, Service and Marketing, and Vice President and General Manager of both its Oldsmobile Division and Pontiac Division. Mr. Losh currently serves on the Board of Directors of AMB Property Corporation, Cardinal Health, Inc., H.B. Fuller Corporation, Masco Corp., Metaldyne Corporation and TRW Automotive Corp. He previously served as a Director of The Quaker Oats Company (prior to its acquisition by PepsiCo, Inc.), Delphi Corporation, Electronic Data Systems Corporation and Hughes Electronics Corporation. Mr. Losh serves as a member of the Governance/Nominating Committee and Organization and Compensation Committee of our Board of Directors.

Age: 59

R. Eden Martin

Director since 2002

Mr. Martin is Senior Counsel to the law firm Sidley Austin LLP, having served as a Partner from 1975 to 2004, and as Chairman of the Management Committee from 1989 until 1999. Mr. Martin has served as President of The Commercial Club of Chicago and President of its Civic Committee since 1999. Among other civic and professional involvements, Mr. Martin is a member of the Board of Directors of the Chicago Board Options Exchange, a member of the Board of Directors of Nicor Inc., a Life Trustee of the Chicago Symphony Orchestra and a member of the Board of Trustees of Northwestern University, as well as Chair of its Audit Committee. Mr. Martin serves as a member of the Compliance Committee, Executive Committee and Investment Committee of our Board of Directors and as Chairman of Aon Foundation.

Age: 65

Andrew J. McKenna

Director since 1970

Mr. McKenna served as a Director of Ryan Group from 1970 until 1982 when he was elected to our Board of Directors. He is Chairman of Schwarz, a printer, converter, producer and distributor of packaging and promotional materials, and has served as a Director of McDonald's Corporation since 1991, and as its Non-Executive Chairman of the Board since April 2004. In addition, he is a Director of Click Commerce, Inc. and Skyline Corporation. He is a Trustee and Chairman Emeritus of the Board of Trustees of the University of Notre Dame and the former Chairman of the Civic Committee of the Commercial Club of Chicago. Mr. McKenna is also a Director of Children's Memorial Hospital and the Lyric Opera of Chicago, and a Trustee and Chairman Emeritus of the Museum of Science and Industry. He serves as Chairman of the Governance/Nominating Committee and as a member of the Organization and Compensation Committee of our Board of Directors and as a Director of Aon Foundation.

Age: 76

Robert S. Morrison

Director since 2000

Most recently, Mr. Morrison served as Interim Chairman and Chief Executive Officer of 3M from June to December 2005. Earlier, he retired as Vice Chairman of PepsiCo, Inc. in February 2003. From 1997 until the 2001 merger with PepsiCo, he led The Quaker Oats Company as Chairman, President and Chief Executive Officer. PepsiCo and Quaker Oats are companies engaged in the processing of packaged foods and beverages. Previously, he served as Chairman and Chief Executive Officer of Kraft Foods, Inc., a division of Philip Morris Companies Inc., from 1994 until 1997. He also serves as a Director of 3M, Illinois Tool Works Inc. and Tribune Company. He serves as a member of the Audit Committee and Organization and Compensation Committee of our Board of Directors.

Age: 63

Richard B. Myers

Nominee

General Myers served as the fifteenth Chairman of the Joint Chiefs of Staff from October 1, 2001 until his retirement on September 30, 2005. In this capacity, he was the highest-ranking officer in the United States military, and served as the principal military advisor to the President, the Secretary of Defense and the National Security Council. Prior to becoming Chairman, General Myers served as Vice Chairman of the Joint Chiefs of Staff from March 2000 to September 2001. From August 1998 to February 2000, General Myers was Commander in Chief, North American Aerospace Defense Command and U.S. Space Command; Commander, Air Force Space Command; and Department of Defense manager, space transportation system contingency support at Peterson Air Force Base, Colorado. Prior to assuming that position, he was Commander, Pacific Air Forces, Hickam Air Force Base, Hawaii, from July 1997 to July 1998. From July 1996 to July 1997 he served as Assistant to the Chairman of the Joint Chiefs of Staff, the Pentagon; and from November 1993 to June 1996 General Myers was Commander of U.S. Forces Japan and 5th Air Force at Yokota Air Base, Japan.

Age: 63

Richard C. Notebaert

Director since 1998

Mr. Notebaert was elected Chairman and Chief Executive Officer of Qwest Communications International Inc., a leading provider of broadband Internet-based data, voice and image communications, in June 2002. He previously served as President and Chief Executive Officer of Tellabs, Inc., which designs and markets equipment to providers of telecommunications services worldwide, from August 2000 to June 2002 and as a Director of Tellabs from April 2000 to June 2002. He served as Chairman of the Board and Chief Executive Officer of Ameritech Corporation, a full-service communications company, from April 1994 until December 1999. Mr. Notebaert first joined Ameritech Communications in 1983 and served in significant positions within the Ameritech organization before his election as Vice Chairman of Ameritech in January 1993, President and Chief Operating Officer in June 1993 and President and Chief Executive Officer in January 1994. Mr. Notebaert is a Director of Cardinal Health, Inc., a Trustee of the University of Notre Dame and a member of The Business Council. He serves as Chairman of the Organization and Compensation Committee and as a member of the Audit Committee and Governance/Nominating Committee of our Board of Directors.

Age: 58

John W. Rogers, Jr.

Director since 1993

Mr. Rogers is Chairman and Chief Executive Officer of Ariel Capital Management, LLC ("Ariel"), an institutional money management firm specializing in equities and founded in January 1983. In addition, Ariel serves as the investment adviser to the Ariel Investment Trust, an open-end management investment company. Mr. Rogers is a Trustee of Ariel Investment Trust. Mr. Rogers is also a Director of Bally Total Fitness Holding Corporation, Exelon Corporation and McDonald's Corporation. He is a member of the Board of Directors of the Chicago Urban League; Director of the John S. and James L. Knight Foundation; Trustee of Rush-Presbyterian-St. Luke's Medical Center; Life Trustee of the Chicago Symphony Orchestra; Trustee of the University of Chicago; and a former member of the Board of Trustees of Princeton University. He serves as Chairman of the Audit Committee and as a member of the Investment Committee of our Board of Directors.

Age: 47

Gloria Santona

Director since 2004

Ms. Santona is Executive Vice President, General Counsel and Secretary of McDonald's Corporation. She is also a member of the senior management team of McDonald's. Since joining McDonald's in 1977, Ms. Santona has held positions of increasing responsibility in the legal department, serving as U.S. General Counsel from December 1999 to June 2001 and corporate General Counsel since June 2001. She is a member of the American and Chicago Bar Associations and a member of the Board of Directors of the American Corporate Counsel Association. She is a former member of the Board of Directors of the American Society of Corporate Secretaries and the Minority Corporate Counsel Association. She is also a member of the Board of Trustees of Rush University Medical Center, and a former member of the Board of Trustees of the Chicago Zoological Society. She serves as Chair of the Compliance Committee and as a member of the Audit Committee and Governance/Nominating Committee of our Board of Directors.

Age: 55

Dr. Carolyn Y. Woo

Director since 1998

Dr. Woo assumed the deanship of the Mendoza College of Business at the University of Notre Dame in July 1997. From 1995 to 1997 she served as Associate Executive Vice President of Academic Affairs at Purdue University, and from 1993 to 1995 she served as Director of the Professional Master's Programs in the Krannert School of Management at Purdue University. She joined Purdue University as an Assistant Professor in 1981 and was promoted to Full Professor in 1991. Dr. Woo currently serves on the Board of Directors of NiSource Industries, Inc. and Circuit City Stores, Inc., and is a former Director of Arvin Industries, Inc., Bindley-Western Industries, Inc. and St. Joseph Capital Bank. She serves as a member of the Audit Committee, Compliance Committee and Governance/Nominating Committee of our Board of Directors.

Age: 51

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth the number of shares of Common Stock beneficially owned as of March 22, 2006 by each Director and nominee, by each individual who served as Chief Executive Officer of Aon during 2005, by each of the other named executive officers of Aon as set forth in the Summary Compensation Table in this proxy statement, and by all Directors, nominees and executive officers of Aon as a group. As used in this proxy statement, beneficially owned means a person has, or may have within 60 days, the sole or shared power to vote or direct the voting of a security and/or the sole or shared investment power with respect to a security (i.e., the power to dispose or direct the disposition of a security). Therefore, the table does not include the "phantom stock" shares held by or attributable to any individual under our benefit plans.

Name	Aggregate Number of Shares of Common Stock Beneficially Owned(1)	Percent of Class(2)
Patrick G. Ryan** (3)(4)(5)(6)	22,511,898	7.03
Gregory C. Case**(6)	12,500	*
David P. Bolger**(6)	114,360	*
Edgar D. Jannotta	56,025	*
Jan Kalff	4,789	*
Lester B. Knight(4)	30,000	*
J. Michael Losh	3,000	*
Dennis L. Mahoney**(6)	349,542	*
R. Eden Martin	5,000	*
Andrew J. McKenna	31,775	*
Robert S. Morrison	1,000	*
Richard B. Myers	-0-	*
Richard C. Notebaert	11,500	*
Michael D. O'Halleran**(4)(5)(6)	828,751	*
John W. Rogers, Jr.	36,643	*
Gloria Santona	4,136	*
Dirk P.M. Verbeek**(6)	587,897	*
Carolyn Y. Woo	3,148	*
All Directors, nominees and executive officers as a group (28 persons)	25,872,535	8.08

- (1) The Directors, nominees and named executive officers, and all Directors, nominees and executive officers of Aon combined, have sole voting power and sole investment power over the shares of Common Stock listed, except as indicated in note (4) and in the table below:

	Shared Voting Power	Shared Investment Power
Patrick G. Ryan	9,301,904	10,280,904

- (2) An asterisk indicates that the percentage of shares of Common Stock beneficially owned by the named individual does not exceed one percent (1%) of our outstanding shares of Common Stock. Named executive officers are indicated in the table by a double asterisk.

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- (3) Includes 8,997,494 shares of Common Stock beneficially owned by Mr. Ryan and 979,000 shares of Common Stock owned by a charitable foundation for which Mr. Ryan acts as trustee and has sole voting and shared investment control.
- (4) The following shares of Common Stock are beneficially owned by members of the immediate family of the following Directors and named executive officers: 9,885,846 by trusts for the benefit of Mrs. Ryan; 15,000 by a trust for the benefit of Mr. Knight's wife; 36,119 by Mrs. O'Halleran; 1,658 by each of the daughter and son of Mr. O'Halleran. As to the shares of Common Stock held by his wife, daughter and son, Mr. O'Halleran disclaims beneficial ownership.
- (5) Includes a beneficial interest in shares of Common Stock of the ESOP Account of the Aon Savings Plan attributable to the following Directors, named executive officers and the other executive officers who are not named executive officers, and includes a beneficial interest in shares of Common Stock of the Aon Common Stock Fund of the Aon Savings Plan attributable to the following Directors, named executive officers and the other executive officers who are not named executive officers, as follows: Patrick G. Ryan, 390,558; Michael D. O'Halleran, 26,618; and the other executive officers as a group, 34,784. The shares of Common Stock of the ESOP Account and the Aon Common Stock Fund of the Aon Savings Plan are voted by the trustees as directed by their respective participants; all shares of Common Stock for which voting instructions are not received are voted by the trustees in the same proportion as shares of Common Stock for which voting instructions are received.
- (6) Includes the following number of shares of Common Stock which the respective Directors, nominees, named executive officers and the other executive officers who are not named executive officers have or will have the right to acquire pursuant to presently exercisable employee stock options, or stock options which will become exercisable or stock awards which will become vested within 60 days following March 22, 2006: Patrick G. Ryan, 2,259,000; Gregory C. Case, 12,500; Dennis L. Mahoney, 345,788; Dirk P.M. Verbeek, 488,500; Michael D. O'Halleran, 663,000; David P. Bolger, 99,000; and the other executive officers as a group, 930,086.

COMPENSATION OF THE BOARD OF DIRECTORS

Mr. Ryan and Mr. Case, who are employees of Aon and also serve as Directors, receive no additional compensation for service as a Director. All non-employee Directors are referred to in this proxy statement as "outside Directors" or "non-management Directors."

Cash Compensation and Stock Award

For 2005, each outside Director received a \$30,000 retainer for services to the Board of Directors. No additional fees were payable for Board or committee attendance or for service chairing a committee. In addition, under the Aon Corporation Outside Director Stock Award and Retirement Plan (as amended and restated effective January 1, 2003, and as further amended from time to time, as a subplan of the Aon Stock Incentive Plan) (the "Award Plan"), each outside Director was granted a number of shares of Common Stock having a value equal to \$50,000.

Deferred Compensation

Pursuant to the Aon Corporation Outside Director Deferred Compensation Plan, effective January 1, 2003 (as a subplan of the Aon Stock Incentive Plan) (the "Deferred Plan"), and pursuant to the Award Plan, outside Directors have the ability to defer receipt of cash compensation and shares of Common Stock until, generally, retirement from the Board.

Under the Deferred Plan, outside Directors elect that portion of the annual retainer (referred to as "Fees") that will be credited to either a cash account, the earnings of which are based on six-month Treasury bills, or a stock account. Both accounts are maintained for bookkeeping purposes only and no amounts are actually invested or set aside for the outside Directors' benefit. The outside Directors' stock accounts are credited with the number of shares that could have been purchased with the Fees at the average of the high and low prices of the shares of Common Stock on the date the Fees are earned. As dividends are declared and paid on shares of Common Stock, each outside Director's stock account, for bookkeeping purposes, is credited with the amount of shares of Common Stock that could have been purchased had such dividends been reinvested in shares of Common Stock. Distributions generally commence upon termination of Director status or retirement of the outside Director from the Board. With regard to the deferred Fees, distributions may be made in cash or in shares of Common Stock, at the election of the Director.

Under the Award Plan, outside Directors may also elect to defer receipt of the annual award of shares of Common Stock. For Directors who elect to defer, we maintain accounts for bookkeeping purposes that are credited with the number of shares of Common Stock that could have been purchased with the annual award if shares were priced at the average price of shares of Common Stock during the first three months of the year the annual award is made. As dividends are declared and paid on shares of Common Stock, each outside Director's account, for bookkeeping purposes, is credited with the amount of shares of Common Stock that could have been purchased had such dividends been reinvested in shares of Common Stock. Distributions are made in shares of Common Stock.

Retirement Benefits

In addition, under the Award Plan, during 2005 outside Directors were also entitled to certain deferred benefits when they retire from the Board. The Award Plan provided for \$20,000 to be credited to an account on behalf of each outside Director for Board service in 2005. Upon retirement from the

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Board, or upon death or disability, the vested value accumulated in the account as to a particular outside Director will be distributed in ten installments consisting of shares of Common Stock.

The following table shows, as of March 22, 2006, the total number of shares of Common Stock equivalents credited to the phantom stock accounts of each outside Director under the Deferred Plan and under the Award Plan (the "Phantom Shares"), and the total number of shares of Common Stock equivalents representing the deferred benefits the Director is entitled to receive upon retirement (the "Retirement Shares").

Director	Phantom Shares	Retirement Shares
Edgar D. Jannotta	33,128	6,782
Jan Kalff	-0-	1,567
Lester B. Knight	21,020	4,339
J. Michael Losh	10,808	1,567
R. Eden Martin	13,933	2,381
Andrew J. McKenna	74,937	12,975
Robert S. Morrison	16,570	3,539
Richard C. Notebaert	24,680	4,803
John W. Rogers, Jr.	33,562	8,095
Gloria Santona	3,548	806
Carolyn Y. Woo	11,748	4,803
Total	243,934	51,657

Bequest Plan

In 1994, Aon established a bequest program for outside Directors (the "Bequest Plan"). The purpose of the Bequest Plan is to acknowledge the service of outside Directors, to recognize the mutual interest of Aon and our outside Directors in supporting worthy charitable institutions and to assist us in attracting and retaining outside Directors of the highest caliber. Aon is funding the Bequest Plan generally through the maintenance of life insurance policies on our outside Directors. Individual outside Directors derive no financial benefit from the Bequest Plan since any and all insurance proceeds and tax-deductible charitable donations accrue solely to us. Charitable donations by Aon will be directed to charitable institutions designated by the outside Directors. Each eligible outside Director is eligible to recommend total charitable donations of up to \$1,000,000 and to designate up to five tax qualified institutions to receive a portion of such bequest (subject to a \$100,000 minimum per institution). The bequest will be contributed in 10 annual installments to the designated tax qualified institutions following the death of that Director or any Director with whom he or she is paired for purposes of the Bequest Plan.

Matching Charitable Contributions

During 2005, Aon Foundation matched up to \$10,000 of charitable contributions made to an approved organization by any outside Director.

Expense Reimbursements

Aon also pays or reimburses directors for reasonable travel, lodging and related expenses in connection with their attendance at Board, committee or Company business meetings and for other reasonable expenses related to Board service such as continuing education.

Outside Director Compensation 2006 Changes

On March 17, 2006, Aon's Board approved changes to the form and amount of compensation paid to Aon's outside Directors. The modifications were recommended to the Board by its Organization and Compensation Committee (the "Committee") after the Committee undertook a careful review of market practices and, based upon advice from the Committee's outside compensation consultant, the Committee found the outside Directors' compensation programs to provide compensation that was significantly below the competitive level relative to non-employee directors at companies in Aon's peer group.

The Board authorized the following changes to outside Director compensation, effective January 1, 2006, to bring such compensation to a competitive level:

The annual retainer will be increased to \$85,000. As before, directors will be eligible to defer all or a portion of the retainer pursuant to the Deferred Compensation Plan.

An outside Director that chairs a Board committee shall receive an additional \$10,000 annual retainer; provided, however, that the chairperson of the Audit Committee shall receive in lieu thereof an additional \$20,000 annual retainer and the lead independent director (the "Lead Independent Director") shall receive an additional \$20,000 less any additional retainer for his service as chairperson of a Board committee.

Annual awards of Common Stock with a value of \$50,000 will be discontinued. In lieu thereof, an annual grant of deferred stock units with a value of \$85,000 shall be made to each outside Director on the date of each annual Aon stockholders' meeting and shall vest over the course of a year. The deferred stock units will convert to shares of Common Stock upon the earlier of (a) the third anniversary of the date of grant or (b) the director's termination of service from the Board, unless the director makes a timely election to defer receipt of the grant. Dividend equivalents will be credited on the deferred stock units and the dividend equivalents will be reinvested in additional deferred stock units.

An outside Director newly elected or appointed to the Board on or after January 1, 2006, shall receive an additional grant of deferred stock units as of his or her first day of service on the Board. The deferred stock units shall be subject to the same rules described directly above and shall be valued at \$85,000 for a director elected or appointed to service on the Board at the annual stockholders' meeting.

The annual \$20,000 retirement benefit contribution for all outside Directors shall be discontinued. Existing retirement benefits shall continue to vest and shall remain subject to the terms and conditions of the Award Plan, as it may be amended from time to time.

An outside Director elected or appointed to serve on the Board beginning on or after January 1, 2006, shall be ineligible to participate in the Bequest Plan.

BOARD OF DIRECTORS CORPORATE GOVERNANCE

The following discussion highlights some of the corporate governance initiatives taken by our Board of Directors in response to the Sarbanes-Oxley Act of 2002 (the "Sarbanes-Oxley Act") and the corporate governance rules of the NYSE:

Corporate Governance Guidelines

The NYSE corporate governance rules require listed companies to adopt and disclose corporate governance guidelines. We have adopted Governance Guidelines that can be found on our web site at http://www.aon.com/about/corp_governance/bod_governance.jsp and are available in print copy to any stockholder who makes a written request to our Corporate Secretary. Our Governance Guidelines address, without limitation, the following matters:

Election of Directors. All of our Directors stand for election annually.

Director Qualification Standards. A majority of our Directors must meet the categorical standards of independence adopted by the Board of Directors. In addition, we have established qualifications to be considered in evaluating potential Board members.

Director Responsibilities. Directors are responsible for exercising business judgment and acting reasonably in the best interests of Aon and its stockholders. Directors are expected to attend meetings of the Board and meetings of the committees on which they serve, and to devote the time needed to fulfill their responsibilities.

Director Access to Senior Management and Independent Advisers. Our Board of Directors has unrestricted access to Aon's management and its independent advisers.

Director Compensation. Our Board sets the level of compensation for Directors based upon the recommendation of the Organization and Compensation Committee. Directors who serve as current employees of Aon receive no additional compensation for service as Directors.

Retirement of Directors. We have established a retirement age for non-management Directors of 75. Once a Director reaches the retirement age, the Board may utilize the peer evaluation process to determine whether, in light of the Director's expertise and contributions to the Board, the Director should continue to serve on the Board.

Director Orientation and Continuing Education. Aon conducts an orientation program for all new non-management Directors as soon as practicable following election to the Board. This orientation includes presentations by senior management to familiarize new directors with the following matters: Aon's strategic plans; Aon's significant financial, accounting and risk management issues; Aon's compliance programs; Aon's Code of Ethics, Business Conduct Guidelines and Board Governance Guidelines; and Aon's principal officers. All other Directors are also invited to attend these orientation programs.

Management Development and Succession Planning. Our Executive Chairman regularly reports to the Board on management development and succession planning.

Annual Performance Evaluation. Our Board conducts an annual self-evaluation to determine whether it and its committees are functioning effectively. In addition, the Board conducts an annual peer review. The Governance/Nominating Committee also reviews with the Board, on an annual basis, the composition of the Board as a whole, as well as the requisite skills and characteristics of potential Board members.

Stock Ownership Guidelines

Effective January 1, 2006, the Governance/Nominating Committee of the Board adopted stock ownership guidelines applicable to members of Aon's Policy Committee, which is the senior management committee composed of business unit heads and other key executives. The purpose of the guidelines is to increase the equity stake of these executives in Aon and align their interests more closely with Aon's stockholders. The guidelines provide a transition period of five years to allow the designated executives to achieve the requisite ownership level.

The guidelines require Aon's Chief Executive Officer to hold shares of Common Stock having a value equal to four times his or her annual base salary. All other Policy Committee members are expected to hold shares of Common Stock having a value equal to two times their respective annual base salaries. Those holdings that will be considered for purposes of determining whether the required ownership amount has been met include stock owned directly and stock owned through certain benefit plans, including the Aon Savings Plan and Supplemental Savings Plan, Aon's employee stock purchase plan and Aon's deferred compensation plan. Certain holdings will be excluded from the calculation, including unvested restricted stock units and options to purchase shares of Common Stock, whether vested or unvested.

Independence Determination

The NYSE corporate governance rules require that the Board of Directors of a listed company consist of a majority of independent directors. Aon's Board of Directors consists of a majority of independent directors.

Pursuant to the NYSE corporate governance rules, the Board of Directors has adopted categorical independence standards to provide assistance in the determination of director independence. The categorical standards are set forth below and provide that a director will not qualify as an independent director if:

- (i) The director is, or has been within the last three years, an employee of Aon, or an immediate family member of the director is, or has been within the last three years, an executive officer, of Aon;
- (ii) The director has received, or has an immediate family member who has received, during any twelve month period within the last three years, more than \$100,000 in direct compensation from Aon, other than director and committee fees and pension or other forms of deferred compensation for prior service (provided such compensation is not contingent in any way on continued service);
- (iii) The director is a current partner or employee of Aon's internal or external audit firm, or was within the past three years (but is no longer) a partner or employee of such a firm and personally worked on Aon's audit within that time;
- (iv) The director has an immediate family member who (A) is a current partner of a firm that is Aon's internal or external auditor, (B) is a current employee of such a firm and participates in the firm's audit, assurance or tax compliance (but not tax planning) practice or (C) was within the past three years (but is no longer) a partner or employee of such a firm and personally worked on the Aon's audit within that time;
- (v) The director or an immediate family member is, or has been within the last three years, employed as an executive officer of another company where any of the Aon's present

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executive officers at the same time serves or served on that company's compensation committee;

(vi)

The director is a current employee, or an immediate family member is a current executive officer, of a company that has made payments to, or received payments from, Aon for property or services in an amount which, in any of the last three fiscal years, exceeded the greater of \$1 million or 2% of such other company's consolidated gross revenues; or

(vii)

The director or an immediate family member is a current officer, director or trustee of a charitable organization where Aon's annual discretionary charitable contributions to the charitable organization are more than the greater of (i) five percent (5%) of that organization's total annual charitable receipts or (ii) \$250,000.

For purposes of the categorical standards, immediate family member includes a director's spouse, parents, children, siblings, mothers and fathers-in-law, sons and daughters-in-law, brothers and sisters-in-law, and anyone (other than domestic employees) who shares the director's home.

The Board of Directors has affirmatively determined, using the categorical independence standards set forth above, that none of the outside Directors has a material relationship with Aon (either directly or as a partner, shareholder or officer of an organization that has a relationship with Aon). In making its determination, the Board of Directors considered all relevant facts and circumstances, including commercial, industrial, banking, consulting, legal, accounting, charitable and familial relationships, and considered the issue not merely from the standpoint of a Director, but also from that of persons or organizations with which a Director has an affiliation.

Applying the categorical independence standards and considering all relevant facts and circumstances as set forth above, the Board of Directors has determined that each of Mr. Jannotta, Mr. Kalf, Mr. Knight, Mr. Losh, Mr. Martin, Mr. McKenna, Mr. Morrison, Mr. Notebaert, Mr. Rogers, Ms. Santona and Dr. Woo is an independent Director.

Board Committees

The Sarbanes-Oxley Act and the NYSE corporate governance rules require us to have an audit committee composed entirely of independent directors. The NYSE corporate governance rules also require us to have a compensation committee and a nominating/corporate governance committee composed entirely of independent directors. Each of our Audit Committee, Governance/Nominating Committee and Organization and Compensation Committee is currently composed of independent directors. Additionally, each member of our Audit Committee meets the heightened requirement for independence set forth in the Sarbanes-Oxley Act.

The current charters of our Board committees can be found in the Corporate Governance section of our web site at http://www.aon.com/about/corp_governance/board_charters/default.jsp and are available in print copy to any stockholder who makes a written request to our Corporate Secretary. In addition, the amended and restated Audit Committee charter is attached to this proxy statement as Appendix C.

Audit Committee Financial Experts

Rules promulgated by the SEC under the Sarbanes-Oxley Act require us to disclose annually whether our Audit Committee contains one or more "audit committee financial experts," as defined by the SEC. The Board of Directors has determined that each of John W. Rogers, Jr., the Chairman of our Audit Committee, Robert S. Morrison and Richard C. Notebaert is an "audit committee financial

expert." The Board of Directors also has determined that each of the members of the Audit Committee is independent, as defined by the rules of the NYSE.

Code of Ethics

The Board has adopted a code of ethics regarding business conduct that applies to our Directors, officers and employees. This Code of Ethics can be found on our web site at http://www.aon.com/about/corp_governance/code_of_ethics.jsp and is available in print copy to any stockholder who makes a written request to our Corporate Secretary.

In addition, the Board has adopted a Code of Ethics for Senior Financial Officers that applies to the principal executive officer and the senior financial officers of Aon and our subsidiaries. The Code of Ethics for Senior Financial Officers can be found on our web site at http://www.aon.com/about/corp_governance/sfo_code.jsp.

We intend to disclose future amendments to, or waivers from, certain provisions of both the Code of Ethics and the Code of Ethics for Senior Financial Officers on our website promptly following the date of such amendment or waiver.

Meetings of Non-Management Directors

The NYSE governance rules require that the non-management directors of a listed company meet at regularly scheduled executive sessions without management. Our Governance Guidelines also require that non-management Directors meet regularly in executive session without management participation. Andrew J. McKenna chairs these executive sessions, serving as the Lead Independent Director. Aon's non-management directors met on three occasions in 2005.

Communications with the Board of Directors

Stockholders and other interested parties may communicate with the Board of Directors by contacting the non-management Directors of Aon Corporation c/o Office of the Corporate Secretary, 200 East Randolph Street, Chicago, IL 60601. Alternatively, stockholders and other interested parties may communicate with Aon's non-management Directors via electronic mail to the following address: corporate_governance@aon.com.

The non-management Directors have established procedures for handling communications from stockholders and other interested parties. Communications are distributed to Chairman of the Governance/Nominating Committee, the full Board of Directors, the non-management Directors or to any individual Director or Directors as appropriate, depending on the facts and circumstances outlined in the communication. Solicitations, spam, junk mail and mass mailings, resumes and other forms of job inquiries, business solicitations or advertisements and frivolous or inappropriate communications will not be forwarded, but will be made available to any non-management Director upon request.

Board, Committee and Peer Evaluations

Our Board previously implemented a Board and Committee evaluation process to facilitate an examination and discussion of whether our Board and Committees are functioning effectively. The Board conducted such evaluations in 2005, including specific evaluations of the Audit, Governance/Nominating and Organization and Compensation Committees, and determined that our Board and each of these Committees is functioning effectively. In addition, the Directors conduct a peer evaluation annually. The Directors conducted such an evaluation in 2005 and determined that each Director was contributing effectively to the Board.

BOARD OF DIRECTORS COMMITTEES AND MEETINGS

The Board of Directors has appointed standing committees, including Executive, Audit, Compliance, Governance/Nominating, Investment and Organization and Compensation Committees. Membership on the committees since the last Annual Meeting of the Board in 2005 has been as follows:

Executive	Audit	Compliance	Governance/Nominating	Investment	Organization and Compensation
Patrick G. Ryan(1)	John W. Rogers, Jr.(1)	Gloria Santona(1)	Andrew J. McKenna(1)	Lester B. Knight(1)	Richard C. Notebaert(1)
Gregory C. Case	Robert S. Morrison	Edgar D. Jannotta	Jan Kalff	Edgar D. Jannotta	Lester B. Knight
Edgar D. Jannotta	Richard C. Notebaert	R. Eden Martin	J. Michael Losh	Jan Kalff	J. Michael Losh
R. Eden Martin	Gloria Santona	Carolyn Y. Woo	Richard C. Notebaert	R. Eden Martin	Andrew J. McKenna
	Carolyn Y. Woo		Gloria Santona	John W. Rogers, Jr.	Robert S. Morrison
			Carolyn Y. Woo		

(1)
Chair.

Executive Committee

When the Board of Directors is not in session, the Executive Committee is empowered to exercise the power and authority in the management of the business and affairs of Aon as would be exercised by the Board of Directors, subject to certain exceptions. The Executive Committee acted by unanimous written consent on three occasions in 2005.

Audit Committee

In 2005, the Audit Committee met eight times. The primary purposes of the Audit Committee are to assist the Board with the oversight of: (i) the integrity of Aon's financial statements; (ii) Aon's compliance with legal and regulatory requirements and ethics programs established by management and the Board; (iii) the independent auditor's qualifications and independence; and (iv) the performance of Aon's internal audit function and independent auditor. In discharging this role, the Audit Committee is authorized to retain outside counsel or other experts as it deems appropriate to carry out its duties and responsibilities.

The charter of the Audit Committee requires that the Audit Committee be comprised of at least three directors, each of whom meets the independence requirements of the NYSE. In addition, all Committee members must be financially literate, and at least one member must be an "audit committee financial expert" as defined by the SEC

The Audit Committee:

Appoints, retains, compensates and terminates, if necessary, the independent auditor;

Resolves disagreements between management and the independent auditor regarding financial reporting;

Establishes and reviews with management and Aon's internal auditors procedures for (i) the receipt, retention and treatment of complaints received by Aon regarding accounting, internal accounting controls, or auditing matters and (ii) the confidential, anonymous submission by employees of Aon of concerns regarding questionable accounting or auditing matters;

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Preapproves all auditing and non-audit services to be provided to Aon by the independent auditor;

Obtains and reviews, at least annually, a report by the independent auditor describing: the firm's internal quality-control procedures; any material issues raised by the most recent internal quality-control review, or peer review, of the firm or by any inquiry or investigation by governmental or professional authorities within the preceding five years, with respect to independent audits, and any steps taken to resolve such issues; and all relationships between the independent auditor and Aon;

Evaluates the independent auditor's qualifications, including a review and evaluation of the lead partner of the firm assigned to Aon's audit;

Meets to review and discuss with management and the independent auditor the annual audited financial statements and quarterly financial statements;

Considers the results of the annual audit and any other matters required to be communicated to the Committee by the independent auditor under auditing standards generally accepted in the United States;

Discusses earnings press releases, as well as financial information and earnings guidance provided to analysts and ratings agencies;

Discusses guidelines and policies with respect to risk assessment and risk management;

Meets separately with management, the internal auditors and the independent auditor periodically;

Reviews with the independent auditor any audit problems or difficulties and management's response;

Preapproves the appointment, reassignment or dismissal of the senior internal audit executive;

Sets clear hiring policies for employees or former employees of the independent auditor;

Reports regularly to the Board of Directors;

Conducts an annual performance evaluation of the Committee;

Reviews any major issues regarding accounting principles and financial statement presentations;

Reviews analyses prepared by management and/or the independent auditor setting forth significant reporting issues and judgments made in connection with the preparation of the financial statements; and

Reviews the effect of regulatory and accounting initiatives, as well as off-balance sheet structures on the financial statements of Aon.

Compliance Committee

In March 2005 the Board of Directors established a Compliance Committee to oversee Aon's policies, programs and procedures to ensure compliance with relevant laws, Aon's Code of Conduct, and other relevant standards. The Compliance Committee also monitors Aon's efforts to

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implement legal obligations arising from settlement agreements and other similar documents and performs other duties as directed by Aon's Board of Directors. The current charter of the Compliance Committee can

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be found on the corporate governance section of our web site at http://www.aon.com/about/corp_governance/board_charters/compliance.jsp. The Compliance Committee met twice during 2005.

Governance/Nominating Committee

The Governance/Nominating Committee identifies and recommends to the Board of Directors candidates for service on the Board, reviews and recommends the renomination of incumbent Directors, reviews and recommends committee appointments and leads the annual performance review of the Board of Directors. In addition, the Governance/Nominating Committee develops and recommends governance guidelines for Aon to the Board of Directors and reviews related party transactions. Each member of the Governance/Nominating Committee is independent as defined in the NYSE listing standards. The current charter of the Governance/Nominating Committee can be found on the corporate governance section of our web site at http://www.aon.com/about/corp_governance/board_charters_gov_nom_charter.jsp. The Governance/Nominating Committee met six times during 2005.

The Governance/Nominating Committee considers recommendations for Director candidates from Aon's Directors, executive officers and stockholders. Although the Governance/Nominating Committee does not specifically solicit suggestions from stockholders regarding possible Director candidates, the Governance/Nominating Committee will consider stockholders' recommendations. Recommendations, together with the name and address of the stockholder making the recommendation, relevant biographical information regarding the proposed candidate and a description of any arrangement or understanding between the stockholder and the proposed nominee, should be sent to our Corporate Secretary. Consistent with our governance guidelines, the Governance/Nominating Committee considers a number of criteria in evaluating Director candidates, including professional background, expertise, reputation for integrity, business experience, leadership capabilities and potential contributions to the Board of Directors and Aon's management. The Governance/Nominating Committee also considers whether a potential nominee would satisfy Aon's categorical independence standards.

When a vacancy exists on the Board of Directors due to the expansion of the size of the Board of Directors or the resignation or retirement of an existing Director, the Governance/Nominating Committee identifies and evaluates potential Director nominees. The Governance/Nominating Committee considers the recommendations of management, stockholders and others. The Governance/Nominating Committee has sole authority to retain and terminate any search firm to be used to identify Director candidates and sole authority to approve such search firm's fees and other retention terms.

Candidates for director are evaluated using the criteria discussed above and the existing composition of the Board of Directors, including its size, structure, backgrounds and areas of expertise of existing Directors and the number of independent and management Directors. The Governance/Nominating Committee also considers the specific needs of the various Board committees. The Governance/Nominating Committee recommends potential Director candidates to the full Board of Directors, which is responsible for final approval of any Director candidate. This process is the same for Director candidates who are recommended by our stockholders.

Recommendations for Director candidates to stand for election at the 2007 Annual Meeting of Stockholders must be submitted in writing to the Corporate Secretary at 200 East Randolph Street, Chicago, IL 60601. Recommendations will be forwarded to the Chairman of the Governance/Nominating Committee for review and consideration.

In 2005, one of Aon's independent Directors submitted a potential candidate to the Governance/Nominating Committee for its consideration. The Governance/Nominating Committee evaluated the background of the potential candidate, solicited and received references for the candidate, and considered the areas of expertise on which the candidate would complement the Board's expertise. Following this evaluation, the entire Board of Directors recommended that Richard B. Myers be nominated for election to the Board of Directors at the Annual Meeting.

Investment Committee

The Investment Committee is responsible for overseeing the investments of our underwriting segment, reviewing all private placement investments for business units outside the underwriting segment and monitoring the investment performance of our benefit plans. The Investment Committee met four times during 2005.

Organization and Compensation Committee

The Organization and Compensation Committee annually reviews and determines the compensation of Aon's Executive Chairman and Chief Executive Officer. The Organization and Compensation Committee also reviews, advises and consults with the Chief Executive Officer on the compensation of other officers and key employees and as to Aon's policy on compensation. The Organization and Compensation Committee also administers the Aon Stock Incentive Plan (and its predecessor plans), including granting stock options and stock awards and interpreting the plan, and has general oversight responsibility with respect to Aon's other employee benefit programs. In addition, the Organization and Compensation Committee also renders advice and counsel to the Chief Executive Officer on the selection of senior officers of Aon and key executives of our major subsidiaries. The Organization and Compensation Committee met seven times during 2005, and acted by unanimous written consent on four occasions.

Board of Directors

The Board of Directors met ten times during 2005 and acted by unanimous written consent on two occasions. During 2005, the non-management Directors of the Board of Directors met in executive session on three occasions. Andrew J. McKenna, the Chairman of the Governance/Nominating Committee and the Lead Independent Director, presided at these executive sessions. All incumbent Directors attended at least seventy-five (75%) of the meetings of the Board and all Committees of the Board on which the respective Directors served.

Aon's Governance Guidelines provide that Directors are expected to attend Annual Meetings of stockholders. All of our Directors attended the 2005 Annual Meeting of Stockholders held on May 20, 2005.

REPORT OF THE AUDIT COMMITTEE

Based on the New York Stock Exchange listing standards, the Board of Directors has determined that each member of the Audit Committee is an independent director. In addition, the Board of Directors has determined that each of John W. Rogers, Jr., Robert S. Morrison and Richard C. Notebaert is an "audit committee financial expert," as defined by the SEC rules. The Audit Committee operates pursuant to a charter that was last amended and restated by the Board on March 17, 2006, a copy of which is attached to this proxy statement as Appendix C. The charter complies with all current regulatory requirements. The Audit Committee held eight meetings during fiscal year 2005.

The Audit Committee oversees Aon's financial reporting process on behalf of the Board of Directors. Management has the primary responsibility for establishing and maintaining adequate internal financial controls, for preparing the financial statements and for the reporting process.

Ernst & Young LLP ("E&Y"), Aon's independent registered public accounting firm for 2005, is responsible for expressing opinions on the conformity of Aon's audited financial statements with generally accepted accounting principles and on the effectiveness of Aon's internal control over financial reporting.

In this context, the Audit Committee reviewed and discussed with management and E&Y the audited financial statements for the year ended December 31, 2005, as well as the effectiveness of Aon's internal control over financial reporting. The Audit Committee has discussed with E&Y the matters that are required to be discussed by Statement on Auditing Standards No. 61 (Communication With Audit Committees), as may be amended or supplemented.

In addition, the Audit Committee has discussed with E&Y the independence of that firm from Aon and its management, including the matters in the written disclosures required by Independence Standards Board Standard No. 1 (Independence Discussions with Audit Committees), as may be amended or supplemented. The Audit Committee has also considered whether E&Y's provision of non-audit services to Aon is compatible with maintaining E&Y's independence. The Audit Committee has concluded that E&Y is independent from Aon and its management.

The Audit Committee discussed with Aon's internal auditors and E&Y the overall scope and plans for their respective audits. The Audit Committee meets with the internal and independent auditors, with and without management present, to discuss the results of their examinations, their evaluations of Aon's internal controls, and the overall quality of Aon's financial reporting.

The members of the Audit Committee are not professionally engaged in the practice of auditing or accounting and are not experts in the fields of accounting or auditing, including in respect of auditor independence. Members of the Audit Committee rely without independent verification on the information provided to them and on the representations made by management, E&Y, and the internal auditors.

In reliance on the reviews and discussions referred to above, and subject to the limitations on the role and responsibilities of the Audit Committee referred to above, the Audit Committee recommended to the Board of Directors (and the Board has approved) that the audited financial statements be included in the Annual Report on Form 10-K for the year ended December 31, 2005 for filing with the SEC. The Audit Committee has approved, and the Board of Directors has requested that stockholders ratify, the selection of E&Y as our independent auditor for the year 2006.

John W. Rogers, Jr., Chairman
Robert S. Morrison
Richard C. Notebaert

Gloria Santona
Carolyn Y. Woo

AGENDA ITEM NO. 2 RATIFICATION OF APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Audit Committee has appointed Ernst & Young LLP ("E&Y") as Aon's independent registered public accounting firm for the year 2006, subject to ratification by our stockholders. E&Y was first retained as Aon's independent registered public accounting firm in February 1986. Although this appointment is not required to be submitted to a vote of the stockholders, the Board of Directors believes it appropriate as a matter of policy to request that the stockholders ratify the appointment of the independent registered public accounting firm for the year 2006. In the event a majority of the votes cast at the meeting are not voted in favor of this proposal, the Audit Committee will reconsider the appointment, but may decide to maintain its appointment of E&Y.

We anticipate that a representative of E&Y will be present at the Annual Meeting. The representative will be given the opportunity to make a statement if he or she desires to do so, and is expected to be available to respond to any appropriate questions that may be submitted by stockholders at the Annual Meeting.

OUR BOARD OF DIRECTORS AND AUDIT COMMITTEE UNANIMOUSLY RECOMMEND THAT YOU VOTE "FOR" THE RATIFICATION OF THE APPOINTMENT OF ERNST & YOUNG LLP AS OUR INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM FOR 2006.

Audit Fees. Fees for audit services totaled approximately \$18.9 million in 2005 and approximately \$15.3 million in 2004. For both years, audit fees included services associated with the annual audit, including fees related to Sarbanes-Oxley Section 404, the reviews of Aon's documents filed with the SEC, and statutory audits required domestically and internationally. Fees for required statutory audits and attestation reports in various domestic and foreign jurisdictions were \$9.1 million in 2005 and \$6.8 million in 2004, respectively.

Audit-Related Fees. Fees for audit-related services totaled approximately \$0.9 million in 2005. There were no individual projects that exceeded \$250,000. In 2004, fees for audit-related services also totaled approximately \$0.9 million. There were no individual projects that exceeded \$250,000. Audit-related fees include services such as employee benefit plan audits, other attestation services, due diligence in connection with acquisitions and accounting consultations not included in audit fees.

Tax Fees. Fees for tax services, including tax compliance, tax advice and tax planning (including expatriate tax services), totaled approximately \$1.3 million in 2005 and \$2.6 million in 2004.

All Other Fees. Fees for all other services not included above totaled approximately \$0.2 million in 2005. In 2004, fees for all other services not included above totaled approximately \$0.3 million. There were no individual projects that exceeded \$250,000.

Audit Committee's Pre-Approval Policies and Procedures

The Audit Committee pre-approves all audit and permissible non-audit services provided by the independent registered public accounting firm. These services may include audit services, audit-related services, tax services and other services. Each pre-approval provides details regarding the particular service or category of service to be provided and is subject to a specific engagement authorization. The Audit Committee requires that the independent registered public accounting firm and management report on the actual fees charged by the independent registered public accounting firm for each category of service at Audit Committee meetings held during the year.

The Audit Committee acknowledges that circumstances may arise throughout the year that require the engagement of the independent registered public accounting firm to provide additional services not contemplated in the initial pre-approval. In those circumstances, the Audit Committee requires that specific pre-approval be obtained before engaging the independent registered public accounting firm. The Audit Committee has delegated pre-approval authority to the Chairman of the Audit Committee for those instances when pre-approval is needed prior to a scheduled Audit Committee meeting. Such pre-approvals are reported to the Audit Committee at the next scheduled Audit Committee meeting.

All audit and non-audit services provided by the independent registered public accounting firm during 2005 were pre-approved.

EXECUTIVE COMPENSATION

The following table discloses the compensation received by each individual who served as Chief Executive Officer of Aon during 2005, as well as Aon's four other most highly compensated executive officers. We refer to these individuals collectively in this proxy statement as the "named executive officers" of Aon.

Summary Compensation Table

Name and Principal Position	Year	Annual Compensation			Long-Term Compensation		
		Salary(\$)	Bonus\$(1)	Other Annual Compensation\$(3)	Restricted Stock Award(s)\$(4)	Securities Underlying Options(#)	All Other Compensation\$(5)
Patrick G. Ryan	2005	1,125,000	1,620,000(2)	57,738	604,958	300,000	97,912
Executive Chairman & Director(6)	2004	1,161,058	-0-	140,610	-0-	300,000	166,216
	2003	1,125,000	1,250,000	143,066	-0-	500,000	26,250
Gregory C. Case(7) President & Chief Executive Officer	2005	1,120,192	2,800,000	-0-	2,825,000	1,000,000	6,300
Dennis L. Mahoney(8) Chairman and Chief Executive Officer	2005	1,163,025(9)	6,836,126(2)(9)	489,806	257,111	100,000	-0-
	2004	1,300,177(10)	523,165(2)(10)	549,153	194,611	100,000	-0-
Dirk P.M. Verbeek(8) Chairman and Chief Executive Officer Aon Limited	2005	1,124,464(11)	974,640(2)(11)	76,282	363,793	100,000	-0-
	2004	1,200,314(12)	470,835(2)(12)	295,075	175,131	100,000	-0-
Michael D. O'Halleran Senior Executive Vice President	2005	1,000,000	960,000(2)	42,931	888,849	-0-	6,300
	2004	1,032,051	-0-	26,635	541,350	150,000	6,150
	2003	1,000,000	900,000	69,286	937,575	200,000	26,250
David P. Bolger Executive Vice President, Chief Financial Officer and Chief Administrative Officer	2005	750,000	1,080,000(2)	8,042	1,562,612	100,000	6,300
	2004	774,039	560,000(2)	2,000	1,560,316	100,000	6,150
	2003	715,385	750,000	1,925	2,042,000	100,000	-0-

(1)

Bonus amounts reflect the bonus earned for the year shown, regardless of the time of payment. In accordance with Aon's Incentive Stock Program ("ISP"), twenty percent (20%) of the bonus amount earned in each of 2005 and 2004 was paid to each of the named executive officers (excluding Mr. Case) in the form of restricted stock units ("RSUs"). As a result, the bonus amount paid in cash and shown in this column for each of 2005 and 2004 represents eighty percent (80%) of the total bonus earned. For information regarding the bonus amount paid in RSUs, please refer to footnotes 2 and 4.

(2)

In accordance with Aon's ISP, twenty percent (20%) of the bonus amount earned in each of 2005 and 2004 was paid to each of the named executive officers (excluding Mr. Case) in the form of RSUs. In addition, pursuant to the ISP, Aon provided an enhancement award of an additional ten percent (10%) of the bonus amount in the form of RSUs. Mr. Case's bonus was paid entirely in cash pursuant to his employment agreement, dated April 4, 2005.

As a result, on March 17, 2006, Mr. Ryan received a grant of 14,687 RSUs, and on March 16, 2006, Mr. Mahoney received a grant of 6,271 RSUs, Mr. Verbeek received a grant of 8,873 RSUs,

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Mr. O'Halloran received a grant of 8,739 RSUs and Mr. Bolger received a grant of 9,832 RSUs. These amounts paid in the form of RSUs are reported under "Long-Term Compensation Restricted Stock Award(s)." For more information regarding the terms of the RSUs, please refer to footnote 4. For purposes of calculating the number of RSUs to be issued to each of the named executive officers, a price of \$41.365 was used for Mr. Ryan, and a price of \$41.195 was used for each of Messrs. Mahoney, Verbeek, O'Halloran and Bolger, which represents the average of the high and low price of a share of Common Stock on March 17, 2006, and March 16, 2006, respectively. In addition, for purposes of calculating the bonus amount to be paid in cash and RSUs to be issued to Messrs. Mahoney and Verbeek, March 16, 2006 currency translation rates of 0.569039 British pounds sterling to \$1.00 and 0.820816 Euros to \$1.00 were used, respectively.

The bonus amount shown for Mr. Mahoney for 2005 reflects the payment of a one-time retention bonus in the amount of \$6,147,245 on March 23, 2005 pursuant to an agreement dated March 21, 1997. This amount has been converted from British pounds sterling to U.S. dollars based on a March 23, 2005 currency translation rate of 0.534817 British pounds sterling to \$1.00.

(3)

For 2005, this amount represents: (a) for Mr. Ryan, the value of company-provided services in connection with personal use of aircraft in the amount of \$38,488 and the use of a company-owned automobile of \$19,250; (b) for Mr. Mahoney, forgiveness of a company loan, and taxes related thereto, in the amount of \$279,309, a mortgage subsidy of \$153,232, an automobile allowance of \$51,690, a fuel allowance of \$4,135 and a telephone benefit of \$1,440; (c) for Mr. Verbeek, an automobile allowance and use of a company-owned automobile of \$32,425, a financial advisory/tax preparation allowance of \$26,401, an insurance allowance of \$10,003, an expense allowance of \$7,131 and a telephone benefit of \$322; (d) for Mr. O'Halloran, an automobile allowance of \$20,000, club fees of \$7,443, and financial advisory fees of \$15,488; (e) for Mr. Bolger, dividend equivalents of \$4,042 provided in connection with the RSUs awarded to Mr. Bolger under the ISP in 2005 for 2004 performance and a company contribution to a program providing financial planning and tax return services for certain executives of \$4,000.

For 2004, this amount represents: (a) for Mr. Ryan, the value of company-provided services in connection with personal use of aircraft in the amount of \$121,360; (b) for Mr. Mahoney, forgiveness of a company loan, and taxes related thereto, in the amount of \$312,247 and a mortgage subsidy of \$171,302; (c) for Mr. Verbeek, compensation of \$216,875 for the adverse financial consequences related to the repayment of a company loan by Mr. Verbeek prior to its maturity; (d) for Mr. O'Halloran, an automobile allowance of \$20,641; and (e) for Mr. Bolger, a company contribution to a program providing financial planning and tax return services for certain executives of \$2,000.

For 2003, this amount represents: (a) for Mr. Ryan, the value of company-provided automobile transportation in the amount of \$56,826 and company-provided services in connection with personal use of aircraft in the amount of \$84,040; (b) for Mr. O'Halloran, the value of company-provided automobile transportation in the amount of \$45,643; and (c) for Mr. Bolger, the value of an automobile parking allowance of \$1,925.

For each of 2005 and 2004, the amount shown for Mr. Ryan for company-provided services in connection with the personal use of aircraft has been calculated based on the incremental cost to Aon of such services. The amount shown for 2003 has been re-calculated in accordance with this methodology. In prior years, the amount was calculated using appropriate multiples of the Standard Industry Fare Level ("SIFL") rate. The services have been valued using a method that

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takes into account the following: maintenance, parts and labor; aircraft fuel expenses; landing, parking and flight planning services; supplies and catering; and crew travel expenses.

(4)

The amounts in this column represent the dollar value of the restricted stock and RSUs awarded to, or earned as a bonus by, the named executive officers in the relevant fiscal year, calculated by multiplying the closing price of our Common Stock on the date of grant by the number of shares or units awarded.

With respect to the grants of RSUs made on March 17, 2006 to Mr. Ryan and March 16, 2006 to Messrs. Mahoney, Verbeek, O'Halleran and Bolger and described in footnote 2, the vesting schedule is as follows: 22.22% of the RSUs will vest on each of the first and second anniversaries of the date of grant, and 55.56% of the RSUs will vest on the third anniversary of the date of grant. Amounts shown in this column for these RSUs are calculated using a closing price of \$41.19 on March 17, 2006 and \$41.00 on March 16, 2006. No voting rights attach to the unvested units. Dividend equivalents are paid quarterly on the unvested units. The Organization and Compensation Committee can take action to cause these RSUs to vest on an accelerated basis.

With respect to the grants of RSUs made on March 17, 2005, the vesting schedules are as follows: (i) 5,595 RSUs granted to Mr. Mahoney, 5,035 RSUs granted to Mr. Verbeek and 5,989 RSUs granted to Mr. Bolger will vest ratably over three years commencing on the first anniversary of the date of grant; and (ii) 2,797 RSUs granted to Mr. Mahoney, 2,517 RSUs granted to Mr. Verbeek and 2,994 RSUs granted to Mr. Bolger will cliff vest on the third anniversary of the date of grant. Amounts shown in this column for these RSUs are calculated using a closing price of \$23.19 on March 17, 2005. No voting rights attach to the unvested units. Dividend equivalents are paid quarterly on the unvested units. The Organization and Compensation Committee can take action to cause these RSUs to vest on an accelerated basis.

With respect to the grant made to Mr. Case of 125,000 RSUs on April 4, 2005, the vesting schedule is as follows: under the terms of the Aon Stock Incentive Plan, ten percent (10%) of the RSUs vest on each of the first through fourth anniversaries of continuous employment from the date of grant, and sixty percent (60%) of the RSUs vest on the fifth anniversary of continuous employment from the date of grant. Amounts shown in this column for these RSUs are calculated using a closing price of \$22.60 on April 4, 2005. No voting rights attach to, and no dividends are paid on, the unvested units. The Organization and Compensation Committee can take action to cause these RSUs to vest on an accelerated basis.

With respect to the grants made to Mr. O'Halleran of 22,500 RSUs on each of January 1, 2005, January 2, 2004, May 1, 2003 and January 2, 2003, the vesting schedule is as follows: under the terms of the Aon Stock Incentive Plan, twenty percent (20%) of the RSUs vest on each of the third and tenth anniversaries of continuous employment from the date of grant, and ten percent (10%) of the RSUs vest on each of the fourth through ninth anniversaries of continuous employment from the date of grant. Amounts shown in this column for these RSUs are calculated using a closing price of \$23.58 on January 3, 2005, \$24.06 on January 2, 2004, \$22.10 on May 1, 2003 and \$19.57 on January 2, 2003. No voting rights attach to, and no dividends are paid on, the unvested units. The Organization and Compensation Committee can take action to cause these RSUs to vest on an accelerated basis.

With respect to the grants made to Mr. Bolger of 50,000 RSUs on March 17, 2005, 50,000 RSUs on March 18, 2004 and 100,000 RSUs on January 8, 2003, the vesting schedule is as follows: under the terms of the Aon Stock Incentive Plan, twenty percent (20%) of the RSUs vest on each of the third and tenth anniversaries of continuous employment from the date of grant, and ten percent

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(10%) of the RSUs vest on each of the fourth through ninth anniversaries of continuous employment from the date of grant. Amounts shown in this column for these RSUs are calculated using a closing price of \$23.19 on March 17, 2005, \$27.04 on March 18, 2004 and \$20.42 on January 8, 2003. No voting rights attach to, and no dividends are paid on, the unvested units. The Organization and Compensation Committee can take action to cause these RSUs to vest on an accelerated basis.

As of December 31, 2005, the number and market value of unvested RSUs held by each of the named executive officers (based upon a closing price of \$35.95 per share of Common Stock on December 31, 2005) was: Mr. Ryan, 0 units and \$0; Mr. Case, 125,000 units and \$4,493,750; Mr. Mahoney, 51,892 units and \$1,865,517; Mr. Verbeek, 7,552 units and \$271,494; Mr. O'Halleran, 189,000 units and \$6,794,550; and Mr. Bolger, 208,983 units and \$7,512,939.

- (5) For 2005, this amount represents: (a) for Mr. Ryan, a distribution from a supplemental retirement arrangement in the amount of \$91,612 and a contribution by Aon of \$6,300 to the Aon Savings Plan, a defined contribution plan; (b) for Mr. Case, a contribution of \$6,300 to the Aon Savings Plan, a defined contribution plan; (c) for Mr. O'Halleran, a contribution of \$6,300 to the Aon Savings Plan, a defined contribution plan; and (d) for Mr. Bolger, a contribution of \$6,300 to the Aon Savings Plan, a defined contribution plan. A discussion of the benefits provided to certain of the named executive officers pursuant to Aon's defined benefit plans is set forth below in "Pension Plan Tables Pension Plan Table United States."
- (6) Mr. Ryan served as Chairman and Chief Executive Officer of Aon until April 4, 2005. He currently serves as Executive Chairman of Aon.
- (7) Mr. Case became President and Chief Executive Officer of Aon on April 4, 2005.
- (8) Although Messrs. Mahoney and Verbeek were employed by Aon in 2003, they were not executive officers of Aon in 2003. As a result, no compensation disclosure is provided for either of them for 2003.
- (9) The amount shown in the salary column has been converted from British pounds sterling to U.S. dollars based on a December 31, 2005 currency translation rate of 0.580383 British pounds sterling to \$1.00. Of the aggregate amount shown in the bonus column, \$688,881 represents the bonus paid to Mr. Mahoney in connection with 2005 performance, which has been converted from British pounds sterling to U.S. dollars based on a March 16, 2006 currency translation rate of 0.569039 British pounds sterling to \$1.00.
- (10) The amount shown in the salary column has been converted from British pounds sterling to U.S. dollars based on a December 31, 2004 currency translation rate of 0.51916 British pounds sterling to \$1.00, and the amount shown in the bonus column has been converted from British pounds sterling to U.S. dollars based on a March 17, 2005 currency translation rate of 0.519913 British pounds sterling to \$1.00.
- (11) The total salary paid to Mr. Verbeek in 2005 was €880,000. Of this amount, \$574,825 was paid to Mr. Verbeek in United States dollars. The remaining amount has been converted from Euros to U.S. dollars based on a December 31, 2005 currency translation rate of 0.843953 Euros to \$1.00. The amount shown in the bonus column has been converted from Euros to U.S. dollars based on a March 16, 2006 currency translation rate of 0.820816 Euros to \$1.00.
- (12) The total salary paid to Mr. Verbeek in 2004 was €880,000. Of this amount, \$567,601 was paid to Mr. Verbeek in United States dollars. The remaining amount has been converted from Euros to U.S. dollars based on a December 31, 2004 currency translation rate of 0.73314 Euros to \$1.00. The amount shown in the bonus column has been converted from Euros to U.S. dollars based on a March 17, 2005 currency translation rate of 0.747608 Euros to \$1.00.

Option Grants in 2005 Fiscal Year

Information regarding options to purchase shares of Common Stock granted to each of the named executive officers during 2005 is set forth below.

Name	Number of securities underlying options granted(1)	Percent of total options granted to employees in fiscal year	Exercise or Base price(\$/Share)	Expiration Date	Grant Date Present Value(\$)(2)
Patrick G. Ryan	300,000	4.77	23.380	March 17, 2015	1,629,000
Gregory C. Case	1,000,000	15.89	22.610	April 4, 2015	4,932,366
Dennis L. Mahoney	100,000	1.59	23.380	March 17, 2015	543,006
Dirk P.M. Verbeek	100,000	1.59	23.380	March 17, 2015	543,006
Michael D. O'Halleran	-0-	-0-	N/A	N/A	N/A
David P. Bolger	100,000	1.59	23.380	March 17, 2015	543,006

(1) Options granted in 2005 become exercisable with respect to 33.34% of the shares on the second anniversary of continuous employment of the grant date and 33.33% of the shares on each of the third and fourth anniversaries of continuous employment of the grant date. The Organization and Compensation Committee can take action to cause options to become exercisable on an accelerated basis. For additional information regarding the acceleration of options, please see "Employment and Severance Agreements Severance Agreements."

(2) As permitted by SEC rules, the Black-Scholes option pricing model was chosen to estimate the Grant Date Present Value of the options set forth in this table. Aon's use of this model does not constitute an endorsement of its accuracy in valuing options. All stock option valuation models, including the Black-Scholes option pricing model, require a prediction about the future movement of the stock price. The following assumptions were made for purposes of calculating the Grant Date Present Value of the option grants set forth in the table: (i) for those options awarded to Messrs. Ryan, Mahoney, Verbeek, O'Halleran and Bolger, all of which were granted on March 17, 2005, a volatility rate of 30.01%, a risk-free interest rate of 4.134%, a dividend yield of 2.563% and that four (4.0) years on average elapses between vesting and exercise; and (ii) for those options awarded to Mr. Case, which were granted on April 4, 2005, a volatility rate of 28.39%, a risk-free interest rate of 3.841%, a dividend yield of 2.5340% and that four (4.0) years on average elapses between vesting and exercise.

Aggregated Option Exercises in Last Fiscal Year and Fiscal Year-End Option Values

The following table provides information on stock option exercises in 2005 by each of the named executive officers, the number of shares subject to options at December 31, 2005 and the value of unexercised in-the-money options at December 31, 2005:

Name	# Shares Acquired on Exercise	Value Realized\$	# Shares Underlying Unexercised Options at Fiscal Year-End		Value of Unexercised In-the-Money Options at Fiscal Year-End\$(1)	
			Exercisable	Unexercisable	Exercisable	Unexercisable
Patrick G. Ryan	-0-	n/a	1,907,500	1,017,500	6,268,324	11,106,475
Gregory C. Case	-0-	n/a	-0-	1,000,000	0	13,360,000
Dennis L. Mahoney	-0-	n/a	260,713	284,287	1,825,817	3,243,395
Dirk P.M. Verbeek	-0-	n/a	388,500	300,000	1,903,829	3,230,590
Michael D. O'Halleran	-0-	n/a	501,400	198,696	3,378,985	1,449,458
David P. Bolger	-0-	n/a	66,000	234,000	805,530	2,894,470

(1) Calculated by determining the difference between (i) the average of the high and low price of a share of Common Stock as of December 31, 2005 and (ii) the exercise price of unexercised in-the-money options.

Pension Plan Tables

Pension Plan Table United States

The following table shows the estimated total annual pension benefits payable to a covered participant at normal retirement age (65 years) under Aon's U.S. qualified defined benefit pension plan (the "Aon Pension Plan"), as well as under Aon's U.S. non-qualified supplemental defined benefit pension program (the "Excess Benefit Plan").

REMUNERATION	Years of Service						
	10	15	20	25	30	35	40
\$ 425,000	62,322	95,503	119,778	138,094	156,410	174,727	185,254
\$ 600,000	80,049	122,870	154,342	178,230	202,118	226,006	239,666
\$ 750,000	97,220	149,297	187,656	216,853	246,050	275,246	291,847
\$1,000,000	130,409	200,303	251,897	291,275	330,652	370,030	392,229
\$1,250,000	163,599	251,309	316,138	365,696	415,255	464,813	492,612
\$1,500,000	196,788	302,314	380,379	440,118	499,857	559,596	592,995
\$1,750,000	229,978	353,320	444,620	514,540	584,459	654,379	693,377
\$2,000,000	263,167	404,326	508,860	588,961	669,062	749,163	793,760
\$2,250,000	296,356	455,332	573,101	663,383	753,664	843,946	894,143
\$2,500,000	329,546	506,337	637,342	737,804	838,267	938,729	994,525
\$2,750,000	362,735	557,343	701,583	812,226	922,869	1,033,512	1,094,908
\$3,000,000	395,925	608,349	765,824	886,648	1,007,472	1,128,295	1,195,291
\$3,250,000	429,114	659,355	830,065	961,069	1,092,074	1,223,079	1,295,673
\$3,500,000	462,303	710,361	894,305	1,035,491	1,176,676	1,317,862	1,396,056
\$3,750,000	495,493	761,366	958,546	1,109,913	1,261,279	1,412,645	1,496,439
	New Hire in 2003						
\$2,100,000	210,000	315,000	420,000	500,000	500,000	500,000	500,000

The annual pension amounts included in the table above are based upon the following assumptions: (1) that retiring participants have attained age 65 and are fully vested; (2) that retiring participants have chosen to have benefits payable as straight life annuities; and (3) that maximum compensation used in calculating basic pension benefits is \$500,000 for plan years on and after January 1, 2002 but is unlimited for purposes of the alternative 1% formula (explained below). The annual pension amounts shown in the table for an employee hired in 2003 reflect future benefits at age 65 with the number of years of service indicated assuming that the employee's final average earnings will be \$2,100,000.

A participant's compensation subject to the Aon Pension Plan and the Excess Benefit Plan is the average of his or her base salary and certain eligible bonus payments for the five consecutive calendar plan years during the last ten years of the participant's career for which the average is the highest or, in the case of a participant who has been employed for less than five full years, the period of his or her employment with Aon and our subsidiaries. Due to the number of acquisitions by Aon and resulting pension plan assumptions and mergers, the formula used to determine pension benefits for service prior to January 1, 1998 is complex. The pension formula for service after January 1, 1998, is 1.15% of final average compensation times years of service, plus 0.45% of final average earnings in excess of Social Security Covered Compensation times years of service (maximum of 35 years). Covered

Compensation is the average of the Social Security Taxable Wage Base for the 35-year period prior to the participant's normal retirement age.

The Internal Revenue Code places limits on compensation and pension benefits for qualified defined benefit programs such as the Aon Pension Plan. For example, in 2006, compensation in excess of \$220,000 cannot be used to determine pension benefits from the Aon Pension Plan. Because of these limitations Aon, like other companies, has established a non-qualified supplemental defined benefit pension program to restore, or partially restore, pension benefits not otherwise payable to an executive under the qualified plan. Aon's ability to offer participation in the Excess Benefit Plan has helped Aon attract and retain our top talent. For certain key executives, the company has granted additional service credits to be applied in determining supplemental pension benefits, particularly where a new executive loses similar supplemental pension benefits in connection with his or her previous employer upon joining Aon. Nonetheless, the Excess Benefit Plan contains limitations on compensation and benefits in order to strike a balance between the retentive effects of the plan and the expense of the plan. In addition, there are minimum age and service requirements (attainment of age 50 and 10 years of benefit accrual service) that must be completed before an executive will be entitled to any benefits from the Excess Benefit Plan. Because of its non-qualified tax status, no trust fund exists to formally fund the Excess Benefit Plan and plan benefits are paid on a pay-as-you-go basis from corporate cash flow. As of December 31, 2005, there were 446 active employees who had met the age and service requirements for the Excess Benefit Plan.

To limit Aon's expense under the Excess Benefit Plan, Aon's Board of Directors approved an amendment to the plan that provides, for years after 2001, earnings in excess of \$500,000 will not be included in the calculation of basic benefits. During 2005, Aon's Board of Directors reexamined this change and determined that, for more highly compensated executives, the compensation limitation could result in a decreasing total pension benefit over time and had the unintended result of encouraging the executive to depart Aon during his or her high earnings years. As a result, effective January 1, 2006, Aon's Board of Directors approved an alternative pension formula that provides a benefit of 1% of final average compensation (without limitation) times total years of service subject to a maximum annual pension benefit of \$500,000, subject to certain exceptions. Upon retirement a participant will receive the greater of the pension from the basic formula (1.15%/0.45%) or the 1% formula.

Estimated pensionable earnings in 2006, years of service as of December 31, 2005, and the estimated total annual pension benefit at age 65 (or current age if later) for the named executive officers covered by the Aon Pension Plan and the Excess Benefit Plan are: (a) for Mr. Ryan, estimated pensionable earnings of \$3,155,000 (base salary of \$1,125,000 plus bonus paid for 2005 performance of \$2,025,000) and 41 years of service (26 standard years plus 15 additional years pursuant to the letter agreement between Aon and Mr. Ryan dated December 9, 2005) and estimated total annual pension benefit of \$792,478; (b) for Mr. O'Halleran, estimated pensionable earnings of \$2,200,000 (base salary of \$1,000,000 plus bonus for 2005 performance of \$1,200,000), 18 years of service and estimated total annual pension benefit of \$500,000; and (c) for Mr. Bolger, estimated pensionable earnings of \$2,100,000 (base salary of \$750,000 and bonus paid for 2005 performance of \$1,350,000), 13 years of service (3 standard years plus 10 additional years of service granted pursuant to his employment agreement dated January 1, 2003) and estimated total annual pension benefits of \$500,000.

Mr. Mahoney and Mr. Verbeek do not participate in the Aon Pension Plan or the Excess Benefit Plan because they do not reside in the United States. The pension plans in which they participate are described below. Mr. Case does not participate in the Aon Pension Plan or the Excess Benefit Plan

because participation under both plans was closed to employees hired after December 31, 2003. Instead, like all employees hired in 2004 or later, Mr. Case participates at his election in the Aon Savings Plan, a defined contribution 401(k) plan, and in a sub-account under such plan (the Aon Retirement Account) to which Aon may make a discretionary annual contribution for employees hired on or after December 31, 2003. Mr. Case also participates in a non-qualified defined contribution plan (the Aon Supplemental Savings Plan) for executives hired after December 31, 2003. The Aon Supplemental Savings Plan provides for a company allocation as a percentage of compensation in excess of the IRS limit (\$220,000 in 2006). Compensation is limited to \$500,000 for the Aon Supplemental Savings Plan. The percentage allocation varies by length of service but in the first five years of employment the allocation percentage is 3% and increases to 7% after 30 years of service. For Mr. Case, the company contribution for 2005 to his Aon Retirement Account under the Aon Savings Plan was \$6,300, and the company allocation on his behalf to the Aon Supplemental Savings Plan was \$8,700.

Pension Plan United Kingdom

Mr. Mahoney is a named executive officer of Aon and is entitled to an annual pension benefit from the Aon A&A U.K. Pension Scheme. A participant's Final Pensionable Salary is subject to the rules of the scheme and is the average of his or her base salary as of the last three consecutive April 1st dates prior to leaving or retirement. Subject to specific provisions of the Aon A&A U.K. Pension Scheme, Mr. Mahoney is granted a benefit equal to two-thirds of his Final Pensionable Salary at age 60. Mr. Mahoney's Pensionable Salary, as at April 1, 2005, and the estimated years of service are £675,000 (\$1,163,025) and 21 years, respectively. A current estimate of the annual benefit to be provided to Mr. Mahoney at age 60 is £426,000 (\$733,998). The amounts shown in parentheses have been converted from British pounds sterling to U.S. dollars based on a December 31, 2005 currency translation rate of 0.580383 British pounds sterling to \$1.00.

Pension Plan Table The Netherlands

Mr. Verbeek is a named executive officer of Aon and is entitled to an annual pension benefit from Aon Groep Nederland b.v.'s defined benefit pension scheme. The following table shows the estimated annual pension benefits payable to a covered participant at normal retirement age (62 years) under the defined benefit pension scheme:

REMUNERATION	Years of Service						
	10	15	20	25	30	35	37
€ 400,000	€ 71,798	€107,696	€143,595	€179,494	€215,393	€251,292	€265,651
€ 500,000	90,717	136,075	181,433	226,792	272,150	317,508	335,651
€ 600,000	109,636	164,453	219,271	274,089	328,907	383,725	405,651
€ 700,000	128,555	192,832	257,109	321,387	385,664	449,941	475,652
€ 800,000	147,474	221,210	294,947	368,684	442,421	516,158	545,652
€ 900,000	166,393	249,589	332,785	415,982	499,178	582,374	615,652
€1,000,000	185,312	277,967	370,623	463,279	555,935	648,591	685,653

A participant's remuneration subject to the The Netherlands Pension Scheme is final twelve month salary payments with an 8% load for holiday allowance. Pensionable earnings in 2005 and the estimated years of service for Mr. Verbeek are €430,640 (\$510,265) and 30.5 years. The amount shown in parentheses in this paragraph has been converted from Euros to U.S. dollars based on a December 31,

2005 currency translation rate of 0.843953 Euros to \$1.00. Estimated years of service for Mr. Verbeek reflect an additional 13.5 years of service granted in accordance with a transfer of pension rights from his former employer.

Mr. Verbeek is eligible for a supplemental pension benefit from Aon Groep Nederland b.v. if he elects to retire on or after attainment of age 56^{1/2} but prior to age 62. The annual amount of the supplemental pension benefit would be 100% of Mr. Verbeek's final base salary in The Netherlands (currently €463,869/U.S. \$549,638). Aon Groep Nederland b.v. would also continue to pay all required social security charges, healthcare premiums and pension contributions. Mr. Verbeek is also eligible for a second supplemental pension benefit from Aon Groep Nederland b.v. from age 62 to age 65. The annual amount of this second supplemental pension benefit would be 30% of Mr. Verbeek's final base salary in The Netherlands (currently €463,869/U.S. \$549,638). The estimated total annual pension benefits at age 62 are €351,465/\$416,451.

Employment and Severance Agreements

Employment Agreements

Mr. Ryan is a party to a letter agreement with Aon in connection with his continued service as Executive Chairman. Each of Messrs. Case, Mahoney, Verbeek, O'Halleran and Bolger has entered into an employment agreement with Aon.

Aon has entered into a letter agreement with Patrick G. Ryan, our Executive Chairman, dated December 9, 2005. The agreement provides certain supplemental benefits to Mr. Ryan in consideration for his agreement to continue to serve as Aon's Executive Chairman. The agreement addresses certain benefits to be provided to Mr. Ryan by Aon, including: (i) accelerated vesting of stock options; (ii) health care coverage; and (iii) supplemental pension benefits.

The agreement provides that all of Mr. Ryan's unvested options will immediately vest as of the date he ceases to be employed by Aon. The agreement also extends the expiration date of Mr. Ryan's options until the later of: (a) the 15th day of the third month following the date the exercise period would have expired; and (b) December 31 of the calendar year during which the exercise period would otherwise have expired. In addition, upon cessation of Mr. Ryan's employment, he and his eligible family members are entitled to continue participation in Aon-sponsored group health plans for life. Finally, subject to certain qualifications, the agreement provides that Mr. Ryan shall receive a supplemental pension benefit calculated based upon his actual years of service with Aon plus fifteen years, the latter representing his years of service with Ryan Insurance Group prior to the date such entity was acquired by Aon that would not otherwise be considered in determining Mr. Ryan's pension benefits.

Aon has entered into an Employment Agreement with Gregory C. Case, our President and Chief Executive Officer, dated April 4, 2005, which commenced April 4, 2005 and will expire April 3, 2010 unless terminated earlier. The agreement provides Mr. Case will be employed as Aon's President and Chief Executive Officer. The agreement also provides that Mr. Case will be appointed to Aon's Board of Directors, and will be nominated for election as a Director at each subsequent annual meeting of stockholders during the period of his employment.

The agreement provides for a base salary of \$1,500,000, subject to adjustment at the discretion of the Board of Directors, and an annual incentive bonus of up to 250% of his base salary, with a targeted annual incentive bonus of not less than 125% of his base salary. The agreement provides that Mr. Case's incentive bonus for 2005 shall be not less than \$1,875,000 and will be paid in cash.

Pursuant to the agreement, upon commencement of his employment, Mr. Case received: (i) a restricted stock unit award of 125,000 shares of Common Stock, which will vest in four installments of 12,500 shares on each of the first through fourth anniversaries of the date of grant and in a final installment of 75,000 shares on the fifth anniversary of the date of grant; and (ii) a nonqualified stock option award to purchase 1,000,000 shares of Common Stock, which will vest in three equal annual installments on each of the second through fourth anniversaries of the date of grant. The restricted stock unit award and the portion of the stock option award related to 325,000 shares were granted outside of the Aon Stock Incentive Plan. The agreement provides that, during the term of his employment, Mr. Case is also eligible to receive an annual option grant with a Black-Scholes value of not less than \$1,800,000; however, Mr. Case has waived his entitlement to receive such option grants in 2006-2008 as consideration for his participation in Aon's Leadership Performance Program, a sub-plan of the Aon Stock Incentive Plan. In addition, the agreement provides that Mr. Case will be provided with life insurance coverage in the amount of \$5,000,000 during the term of the agreement. If Mr. Case's employment is terminated for any reason other than by Aon for cause (as defined in the agreement) after Mr. Case has attained at least age 50 and completed at least 10 years of continuous employment, Mr. Case, his spouse and his dependent children will be eligible for coverage under Aon's retiree medical program.

In the event of Mr. Case's death during the term of the agreement, his heirs, executors or the administrators of his estate will receive: (i) his accrued base salary through and including his date of death; (ii) any annual incentive bonus earned and payable but not yet paid for the bonus year prior to the year in which termination of employment occurs; (iii) a prorated annual incentive bonus through and including his date of death; (iv) other employee benefits to which he was entitled at the time of his death in accordance with the terms of the plans and programs of Aon; and (v) continued vesting of the stock options and awards granted to him pursuant to the agreement. If Mr. Case's employment is terminated due to his incapacity or disability, he will receive the payments and benefits set forth in items (i) through (v) of the immediately preceding sentence.

If Aon terminates Mr. Case's employment for cause (as defined in the agreement) as determined by a majority of the members of the Board of Directors (excluding Mr. Case), Mr. Case will be entitled to receive: (i) his accrued base salary through and including his date of termination; (ii) any annual incentive bonus earned and payable but not yet paid for the bonus year prior to the year in which termination of employment occurs; (iii) a prorated annual incentive bonus through and including his date of termination; and (iv) other employee benefits to which he was entitled at the time of his termination in accordance with the terms of the plans and programs of Aon. In the event of a termination for cause, Mr. Case must immediately resign from the Board of Directors.

If Aon terminates his employment for any other reason (other than for cause as defined in the agreement), Mr. Case will be entitled to receive: (i) his accrued base salary through and including his date of termination; (ii) any annual incentive bonus earned and payable but not yet paid for the bonus year prior to the year in which termination of employment occurs; (iii) a prorated annual incentive bonus through and including his date of termination; (iv) other employee benefits to which he was entitled at the time of his termination in accordance with the terms of the plans and programs of Aon; provided that Aon shall continue to provide medical, dental and vision benefits to Mr. Case, his spouse and dependent children for a period of 24 months following the date of termination, followed with immediate eligibility for coverage under Aon's retiree medical program until Mr. Case, his spouse and dependent children become covered by the plan of another employer providing comparable benefits; (v) accelerated vesting of the restricted stock unit award and continued vesting of the stock option awards granted to him pursuant to the agreement; and (vi) a lump sum cash payment equal to two

times the sum of Mr. Case's base salary and his target annual incentive bonus for the bonus year in which his employment terminates, provided that for purposes of this calculation, Mr. Case's base salary and target annual bonus will be no less than his initial base salary and initial target bonus. If Mr. Case voluntarily terminates his employment with good reason (as defined in the agreement), he will be entitled to receive the payments and benefits set forth in items (i) through (vi) of the immediately preceding sentence.

Non-competition and non-solicitation covenants apply to Mr. Case for a period of two years following the termination of his employment without regard to the reason for such termination.

Aon Group, Inc. has entered into an Employment Agreement with Dennis L. Mahoney, Chairman and Chief Executive Officer of Aon Limited, dated November 30, 1998, which agreement provides for a base salary of not less than £475,000; and an annual discretionary bonus of up to 150% of his base salary. The agreement also provides that Mr. Mahoney is entitled to receive a mortgage subsidy. If Aon terminates his employment for any reason (other than for cause), Mr. Mahoney will be entitled to receive his base salary and benefits, including pension benefits, in effect at the date of such termination through the original term of the agreement, which ends on November 30, 2008. Non-competition and non-solicitation covenants apply to Mr. Mahoney for a period of up to two years following the termination of his employment without regard to the reason for such termination.

Aon Groep Nederland b.v. has entered into an Employment Agreement with Dirk P.M. Verbeek, Chairman and Chief Executive Officer of Aon Holdings b.v., dated October 31, 1988, which agreement provides for a base salary of NLG 412,000, subject to adjustment but not below NLG 412,000. Non-competition covenants apply to Mr. Verbeek for a period of three years following the termination of his employment. The agreement does not contain a termination date.

On February 8, 2006, Aon Groep Nederland b.v. entered into a letter agreement with Dick Verbeek that sets forth the terms of Mr. Verbeek's supplemental pension benefit. For additional information regarding Mr. Verbeek's supplemental pension benefits, see "Pension Plan Tables Pension Plan Table The Netherlands."

Aon has entered into an Employment Agreement dated January 1, 2001, with Michael D. O'Halleran, who currently serves as Senior Executive Vice President. The Agreement will expire on December 31, 2007 unless terminated earlier. The agreement provides for a base salary of \$1,000,000 per year subject to adjustment but not below \$750,000; an annual incentive bonus of up to 180% of his base salary; 22,500 stock award shares per year; and stock options at the discretion of the Organization and Compensation Committee of the Board of Directors with the advice of the Chairman and Chief Executive Officer.

If Mr. O'Halleran's employment is terminated due to his disability or incapacity, he will receive his salary through the eighth anniversary of the date of the agreement, subject to reduction for benefits paid to him under any disability insurance policy maintained by us. If Aon terminates Mr. O'Halleran's employment due to his failure to perform the duties under the agreement to the satisfaction of the majority of the members of the Organization and Compensation Committee of the Board of Directors, Mr. O'Halleran will be entitled, among other things, to receive his base salary and annual stock award for two years after the termination. If Aon terminates his employment for any other reason (other than for cause as defined in the agreement), Mr. O'Halleran will be entitled to receive his base salary through the eighth anniversary of the agreement and a fully vested stock award for the number of shares that he would otherwise have received through the eighth anniversary of the agreement. In addition, under those circumstances, his previous stock awards will vest as permitted by the applicable

plan and his stock options will become exercisable in full and the Board is also obligated to consider whether it should also make a grant of stock options that it determines to be equitable in light of other stock option grants made to Mr. O'Halleran. Non-competition and non-solicitation covenants apply for two years after termination of employment without regard to the reason for the termination of employment.

Aon has entered into an Employment Agreement with David P. Bolger, our Chief Financial Officer, Chief Administrative Officer and Executive Vice President, dated January 1, 2003, which commenced January 8, 2003 and will expire December 31, 2009 unless terminated earlier. The agreement provides for a base salary of \$750,000, subject to adjustment but not below \$750,000; and an annual incentive bonus of up to 150% of his base salary. In addition, the agreement provides that Mr. Bolger will receive a supplemental pension benefit equal to his actual years of service with Aon plus ten years. This supplemental pension benefit will be paid to Mr. Bolger at age 65, or upon termination of employment, if later. In the event of Mr. Bolger's death during the term of the agreement, his executor or the administrator of his estate will receive a lump sum cash amount equal to his salary at the rate in effect at the time of his death to which he would have been entitled from the date of his death through the original term of the agreement, subject to reduction for benefits paid to him under any individual or group life insurance policy maintained by us for the benefit of Mr. Bolger. If Mr. Bolger's employment is terminated due to his disability or incapacity, he will receive his base salary, at the rate in effect at the date of such termination of employment, until January 8, 2011, subject to reduction for benefits paid to him under any disability insurance policy maintained by us for his benefit. If Aon terminates Mr. Bolger's employment due to his failure to perform the duties under the agreement to the satisfaction of the majority of the members of the Governance/Nominating Committee of the Board of Directors, Mr. Bolger will be entitled to receive his base salary in effect at the date of such termination for a period of two years following such termination. If Aon terminates his employment agreement for any other reason (other than for cause as defined in the agreement), Mr. Bolger will be entitled to receive his base salary in effect at the date of such termination through the original term of the agreement. Non-competition and non-solicitation covenants apply to Mr. Bolger for a period of two years following the termination of his employment without regard to the reason for such termination.

Severance Agreements

Aon has entered into severance agreements with certain of its key executive officers, including Messrs. Case, Mahoney, Verbeek, O'Halleran and Bolger ("Tier 1 executives"). Mr. Ryan is not party to a severance agreement.

The severance agreements are intended to secure the continued service and to ensure the dedication and objectivity of these executives in the event of an actual or threatened change in control of Aon.

The agreements provide that covered executives receive the following severance benefits upon qualifying terminations of employment in connection with or within two years following a change in control of Aon: (a) the executive's base salary through the date of termination, a pro rated bonus based upon the executive's average annual cash incentive for the preceding three years and any accrued vacation pay; (b) for key executive officers other than Mr. Case, three times the executive's highest annual base salary in effect during the 12-month period prior to the date of termination (with regard to Mr. Case, three times the sum of (i) his highest annual base salary in effect during the twelve-month period prior to the date of termination and (ii) his target annual incentive bonus for the fiscal year in

which the date of termination occurs); (c) the amount forfeited by the executive under any qualified defined contribution plan as a result of the executive's termination; and (d) the executive's accrued benefits under Aon's nonqualified benefit plans, which shall vest and be payable with three additional years of age and service credit and, in the case of the supplemental savings plan, three additional years of plan contributions. Qualifying terminations consist of termination by Aon other than for cause (as defined in the agreements) or by the executive for good reason (as defined in the agreements), in each case in connection with or within two years following a change in control.

The agreements for executives also require that Aon maintain medical, dental and life insurance on behalf of the executive for three years, or until the executive becomes eligible for substantially equivalent benefits from another employer. In addition, all stock options and other equity awards will become fully vested and each option will remain exercisable until the expiration of its term. The agreements for executives not based in the United States were modified to conform to local benefit practices and to comply with local laws.

A "change in control" for purposes of the agreements generally consists of any of the following: (a) an acquisition of 30% or more of either outstanding common stock or the combined voting power of the outstanding securities entitled to vote; (b) a change in the majority of the current Board; (c) a reorganization, merger or consolidation or sale or other disposition of all or substantially all of the assets of Aon (unless (i) the existing stockholders receive more than 60% of the outstanding common stock and the combined voting power of the surviving company, as the case may be, (ii) no person or group owns 30% or more of the outstanding common stock or combined voting power of the surviving company and (iii) there is no change in the majority of the Board); and (d) a liquidation or dissolution of Aon.

As a condition to the receipt of payments and benefits pursuant to the agreements for executives, the executive is required to enter into an agreement with Aon providing that the executive will not compete with Aon or solicit employees or customers of Aon for a two-year period and will not use or disclose any confidential information of Aon.

If an executive is entitled under the agreements for Tier 1 executives to severance payments and benefits or the vesting of equity awards, and any payment or distribution to the executive pursuant to such agreements are, or would otherwise be, subject to the excise tax imposed by Section 4999 of the Internal Revenue Code of 1986, as amended, then the executive is entitled to a grossed-up payment from the Company sufficient to pay the amount of such excise tax.

The Board may terminate the agreements for executives, other than Mr. Case, upon 120 days notice to an executive, provided that no termination may occur if the Board has knowledge of an action to effect a change in control or if there has been a change in control. Mr. Case's agreement may not, without his consent, be amended or terminated during the term of his employment agreement. In any event, the agreements for executives will terminate upon the first to occur of the executive's death and the termination of the employment relationship of the executive prior to a change in control.

STOCK PERFORMANCE GRAPH

The following performance graph shows the annual cumulative stockholder return for the five years ended December 31, 2005, on an assumed investment of \$100 on December 31, 2000, in Aon, the Standard & Poor's S&P 500 Stock Index and an index of peer group companies.

The peer group returns are weighted by market capitalization at the beginning of each year. The peer group index reflects the performance of the following peer group companies which are, taken as a whole, in the same industry or which have similar lines of business as Aon: AFLAC Incorporated; Arthur J. Gallagher & Co.; Marsh & McLennan Companies, Inc.; Brown & Brown, Inc.; Unum Provident Corporation; Watson Wyatt & Company Holdings; and Willis Group Holdings Limited. The performance graph assumes that the value of the investment of shares of our Common Stock and the peer group index was allocated pro rata among the peer group companies according to their respective market capitalizations, and that all dividends were reinvested.

**COMPARISON OF FIVE-YEAR CUMULATIVE TOTAL STOCKHOLDER RETURN
Aon Corporation, Standard & Poor's and Peer Group Indices**

	2000	2001	2002	2003	2004	2005
AON CORP	100.00	106.34	58.30	75.97	77.59	119.71
S&P 500	100.00	88.12	68.64	88.32	97.92	100.86
PEER Only	100.00	90.55	87.29	97.23	91.15	103.00

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Aon Corporation 2005

**ORGANIZATION AND COMPENSATION COMMITTEE
REPORT ON EXECUTIVE COMPENSATION**

Role and Structure of the Organization and Compensation Committee

The Organization and Compensation Committee is comprised exclusively of non-employee directors and operates pursuant to a written charter, which is available on our website at www.aon.com/about/corp_governance/board_charters/org_comp_charter.jsp. During 2005, we held seven meetings, four of which included executive sessions without management representatives present, and we acted by unanimous written consent on four occasions.

The roles and responsibilities of the Committee are set forth in our charter. In short, we are responsible for ensuring that Aon's executive compensation and benefit program is competitive and appropriate and reflects the long-term interests of stockholders. We are also responsible for administering Aon's stock program (including the review and approval of equity awards to Aon's executives) and reporting on Aon's executive compensation each year, as part of the annual proxy statement.

We annually evaluate and establish Aon's compensation strategy for senior executives and review the design of incentive compensation programs. The Committee directly approves all compensation for the Executive Chairman, Chief Executive Officer and members of Aon's Policy Committee. These are the key senior executives in policy-making roles for Aon's major business units, who include the "named executive officers" listed on the Summary Compensation Table appearing on pages 30-33.

Compensation Philosophy

Under the direction of this Committee, Aon has established an executive compensation program that supports Aon's key business imperatives of: (a) delivering distinctive client value; (b) achieving operational excellence; and (c) strengthening our talent and capability. At the same time, the compensation programs are designed to align the financial interests of our executives with those of our stockholders, both in the short and long term.

Annual Compensation Review Process

We seek to set executive compensation at levels that are appropriate and competitive, both within Aon's industry and the general-industry marketplace. For this purpose, the Committee annually reviews the levels of executive officer compensation from global pay surveys. Comparisons are also made to selected peer companies (the "Compensation Comparison Group"). The Compensation Comparison Group is generally comprised of companies that are included in the "Peer Group Index" used for the Stock Performance Graph on page 44 as well as additional companies, either in our industry or outside, that are generally similar to Aon in size and with whom Aon competes for executive talent and financial capital.

Although we do not use a specific formula to set pay in relation to this market data, we generally target a competitive level of total compensation value and mix of elements. Actual compensation may vary above or below the targeted competitive range based on overall company, business unit, and individual performance. Both financial and non-financial goals are considered, along with other relevant factors.

We approve each element of Aon executive officers' compensation; however, the Chief Executive Officer recommends to us the compensation levels for the executive officers that report directly to him because he has substantially greater knowledge of the contributions made by those executive officers.

The Committee meets in executive session to evaluate the performance of the Executive Chairman and Chief Executive Officer and to determine their compensation, which is then reviewed with and approved by all independent members of the Board.

The Committee has retained George B. Paulin, Chief Executive Officer of Frederic W. Cook & Co., as independent outside compensation consultant to provide expertise on various matters coming before the Committee. Mr. Paulin is engaged by, and reports directly to, the Committee. Neither Mr. Paulin nor his firm advises Aon's management or receives other compensation from Aon. Mr. Paulin attended all of the Committee meetings in 2005.

Elements of Executive Compensation

The three major elements of our executive compensation program are base salary, annual incentive, and long-term incentives. It should be noted that when we consider any element of an executive officer's compensation, the aggregate amount and mix of the components are taken into consideration in our decisions.

Base Salary Salaries for executive officers are reviewed in the first quarter of each year. In determining individual salaries, we consider the scope of job responsibilities, individual contributions, company-wide and business unit performance and competitive levels for comparable positions in the marketplace.

Annual Incentive For 2005, incentive compensation eligibility for named executive officers (excluding Aon's Chief Executive Officer, whose range of incentive compensation was defined in his employment agreement) was capped at 180% of the executive's base salary, pursuant to the Senior Officer Incentive Compensation Plan, which was approved and adopted by Aon's stockholders in 2001. Incentives for the Executive Chairman and all other members of Aon's Policy Committee with the exception of the Chief Executive Officer, were discretionary, targeted between 100% and 125% of base salary, and linked 50% to Aon's performance overall and 50% to the performance of the executive's business unit and/or personal performance. The portion of the annual incentive linked to Aon's performance overall was tied to the achievement of a minimum threshold level of 85% targeted pre-tax net income from ongoing operations. This was to emphasize performance of Aon as a whole and directly link executives' rewards to Aon's key business initiatives of delivering distinctive client value and achieving operational excellence. Other specific measurable goals were business unit and individual performance. In general, the named executive officers exceeded their goals for 2005 and earned above-target awards on average, although individuals varied based on the performance of their business units as well as their personal contributions.

The Committee believes that the proposed approval of the material terms of the performance goals under, and the amendment to, the Senior Officer Incentive Compensation Plan, presented herein for stockholder approval at the Annual Meeting and described below under the heading "Agenda Item No. 3 Approval of Material Terms of Performance Goals Under and Amendment to the Senior Officer Incentive Compensation Plan," will aid and enhance the Committee's ability to achieve its compensation objectives.

In 2004, Aon implemented an "incentive stock program." The primary goals are to further focus executives' and employees' attention on the longer-term performance of Aon and to further promote employee retention. Under the incentive stock program, generally all annual incentive awards of \$50,000 or greater are payable 80% in cash and 20% in restricted stock units. The restricted stock units vest ratably over a three-year period contingent on continued employment and other conditions, and are generally payable in Aon shares along with reinvested dividends. In addition, Aon provides a 10%

enhancement to the entire incentive award in the form of additional restricted stock units that become fully vested after the third year contingent on continued employment and other conditions. All restricted stock units awarded in connection with the incentive stock program and the Aon shares issued to settle such awards are pursuant to the Aon Stock Incentive Plan, which was approved and adopted by Aon's stockholders in 2001.

Long-Term Incentive Annually, the Committee reviews and approves individual equity-based awards for executive officers, including the Executive Chairman and Chief Executive Officer. We determine the amount of each individual's grant based upon market data and the executive's individual performance. The executive's long-term future contribution to Aon and the amount of equity-based grants already held by the executive are also taken into account.

The Aon Stock Incentive Plan authorizes grants of options and other stock-based awards. Historically, options and time-vested restricted stock units have been granted. We believe they have been effective for rewarding the creation of stockholder value, attracting and retaining key managers, and encouraging the ownership of Aon stock. Options generally vest over four years and restricted stock units generally vest over five years.

In line with current shifts in senior executive best practices, Aon continues to explore a shift in the mix of the components of its long-term incentives to utilize a greater percentage of restricted stock unit awards and a greater percentage of equity awards tied to performance. For 2006, the Committee has approved revisions to the structure of long-term incentive awards for the named executive officers and other executives. In addition to option grants, there will be grants of "performance shares" under a new Leadership Performance Program ("LPP"), a sub-plan of the stockholder-approved Aon Stock Incentive Plan, which is intended to further strengthen the relationship between executive capital accumulation and long-term company financial performance and stockholder value. Performance shares will generally be granted in the form of units payable in Aon shares. They will be earned and settled in a range of 0 to 150% of target based on performance results over three-year performance periods. The initial performance period begins January 1, 2006 and will end on December 31, 2008, and performance results will be measured against the specified cumulative earnings per share target. Meanwhile, options granted in 2006 will vest in three equal annual installments and have a six-year term.

The Committee believes that the proposed approval of the material terms of the performance goals under, and the amendment to, the Aon Stock Incentive Plan, presented herein for stockholder approval at the Annual Meeting and described below under the heading "Agenda Item No. 4 Approval of Material Terms of Performance Goals Under and Amendment to the Aon Stock Incentive Plan," will aid and enhance the Committee's ability to achieve its compensation objectives.

Perquisites and Personal Benefits

Aon provides perquisites and personal benefits to executives. They are described in this proxy statement under "Executive Compensation Summary Compensation Table."

Other Plans

Aon maintains a Deferred Compensation Plan ("DCP") that allows certain employees, including the named executive officers, to defer receipt of their salary and/or annual incentive payments into Common Stock or accounts that mirror several different investment funds selected by Aon. Participants may defer up to 75% of salary and up to 100% of annual incentive compensation until the date(s) they have specified. Aon does not credit above-market interest on deferred compensation, as that term is defined in the U.S. Internal Revenue Code. Aon is not required to make any contributions to the DCP.

Aon does not fund the DCP, and participants have an unsecured contractual commitment by Aon to pay the amounts due under the DCP. When such payments are due, the cash and/or stock will be distributed from Aon's general assets.

Aon also maintains a tax-qualified, defined benefit pension plan (for employees hired on or before December 31, 2003), a supplemental pension program, a tax-qualified 401(k) plan, a supplemental savings program and an employee stock purchase program. The supplemental pension and savings programs are non-qualified, deferred compensation plans that provide eligible employees, including executives, with the opportunity to receive contributions that could not be credited under the qualified plans because of tax limitations and the specific provisions of such plans. Certain aspects of the non-qualified plans are described in this proxy statement under "Pension Plan Tables."

Stock Ownership Guidelines

On January 20, 2006, the Governance/Nominating Committee of Aon's Board adopted stock ownership guidelines applicable to members of Aon's Policy Committee. The guidelines are designed to increase executives' equity stakes in Aon and to align executives' interests more closely with those of our stockholders. The guidelines provide that the Chief Executive Officer should attain an investment position in Aon stock equal to four times annual base salary and each other executive officer should attain an investment position equal to two times annual base salary. These investment levels should be achieved within five years. Shares counted toward these guidelines include: any shares owned outright; shares held through Aon's tax-qualified 401(k) plan; shares held through Aon's employee stock purchase plan; "phantom" stock held under Aon's non-qualified deferred compensation plan, if such distribution is paid in stock; and "phantom" stock held under Aon's non-qualified supplemental savings plan, if such distribution is paid in stock.

Executive Chairman and Chief Executive Officer Compensation

The independent non-employee directors meet in the first quarter of each year in executive session to evaluate the performance of the Executive Chairman and Chief Executive Officer, the results of which are used to determine Mr. Ryan's and Mr. Case's compensation. As part of the 2005 annual compensation review process, the Committee reviewed the 2005 performance of the Executive Chairman and Chief Executive Officer. The Committee reviewed compensation tally sheets detailing all aspects of total compensation for the Executive Chairman and the Chief Executive Officer. These tally sheets affixed dollar amounts to all components of the executives' 2005 compensation, including current base salary and bonus, deferred compensation, outstanding equity awards, benefits, perquisites and potential change-in-control severance payments.

On April 4, 2005, we separated the roles of Chairman and Chief Executive Officer. Mr. Ryan serves as Executive Chairman of the Board, and Mr. Case serves as President and Chief Executive Officer. Each brings extraordinary skills to Aon, and we believe their respective compensation arrangements recognize those skills and their contributions to Aon's continued growth and success.

Patrick G. Ryan. From January 1 through April 4, 2005, Mr. Ryan held the joint title of Chairman and Chief Executive Officer. Effective April 4, 2005, Mr. Ryan agreed to serve as Aon's Executive Chairman.

In general, Mr. Ryan was compensated in 2005 according to the principles and criteria summarized above. In the first quarter of 2005, we reviewed and established Mr. Ryan's 2005 base salary. We did not award a salary increase to him at that time because his existing salary was believed to be consistent with Aon's compensation philosophy and his personal contributions.

Upon the recommendation of this Committee, the independent directors of the Board approved an annual incentive award to Mr. Ryan of \$2,025,000 for 2005 performance. Mr. Ryan's annual incentive was based 50% on Aon's performance, as measured by Aon's achievement of targeted pre-tax net income from ongoing operations, and 50% on Mr. Ryan's achievement of individual performance objectives. Mr. Ryan's annual incentive will be paid 80% in cash and 20% in restricted stock units pursuant to Aon's incentive stock program, as described above in the section entitled "Elements of Executive Compensation Annual Incentive." The 80% cash portion was \$1,620,000. The restricted stock unit portion is valued at \$604,958, reflecting the remaining 20% of the original total earned bonus plus the 10% restricted stock unit enhancement pursuant to the incentive stock program.

On March 17, 2005, Mr. Ryan was awarded an option to purchase 300,000 Aon shares. The option award was based on an assessment of his past performance, competitive considerations, and other factors including Mr. Ryan's ownership position. The option has a 10-year term and vests in one-third installments at the end of the second, third and fourth years.

The Committee also reviewed the value and cost of perquisites and other compensation provided to Mr. Ryan for 2005, and we find Mr. Ryan's total compensation in the aggregate to be appropriate. We specifically considered that Aon does not maintain any employment contract or change in control agreement with Mr. Ryan.

On December 9, 2005, Aon entered into a Letter Agreement (the "Agreement") with Mr. Ryan to address certain benefits to be provided to him by Aon in consideration for Mr. Ryan's agreement to continue to assist Aon in an Executive Chairman capacity, including: (i) accelerated vesting of stock options; (ii) health care coverage; and (iii) supplemental pension benefits. The Agreement is described in this proxy statement under "Executive Compensation Employment and Severance Agreements Employment Agreements" on page 39. The Committee reviewed the Agreement over a period of months prior to its approval and adoption by Aon's board of directors. In connection with that review, the Committee sought advice from its outside compensation consultant and reviewed a compensation tally sheet for Mr. Ryan that detailed the compensation and benefits payable to Mr. Ryan if he were to retire immediately and a calculation of the additional costs attributable to the benefits set forth in the Agreement. The Committee determined that the Agreement was advisable and in the best interests of Aon's stockholders because it encourages Mr. Ryan to continue his employment with Aon and it fairly recognizes his contributions as Aon's founder.

Gregory C. Case. Effective April 4, 2005, Aon entered into an employment agreement with Gregory C. Case pursuant to which Mr. Case serves as Aon's President and Chief Executive Officer. The terms of Mr. Case's employment agreement are described in this proxy statement under the heading "Executive Compensation Employment and Severance Agreements Employment Agreements."

In general, Mr. Case was compensated in 2005 according to the principles and criteria summarized above. For 2005, Mr. Case received an annualized base salary of \$1,500,000 pursuant to his employment agreement, the scope of activities that he performs and a review of compensation levels among peer group companies. The amount actually paid and reflected in the Summary Compensation Table reflects a lesser amount because Mr. Case's employment with Aon did not commence until April 4, 2005. Mr. Case also received an annual incentive payment for 2005 of \$2,800,000. Mr. Case's annual incentive was based 50% on Aon's performance, as measured by Aon's achievement of targeted pre-tax net income from ongoing operations, and 50% on Mr. Case's achievement of individual performance objectives. Because of the specific provisions in Mr. Case's employment agreement regarding his 2005 bonus, the Committee did not designate Mr. Case for participation in the Senior

Officer Incentive Compensation Plan for 2005. Mr. Case's annual incentive will be paid in cash pursuant to his employment agreement dated April 4, 2005.

On April 4, 2005, Mr. Case was awarded 125,000 restricted stock units and an option to purchase 1 million shares of Common Stock. These awards were pursuant to his employment agreement, which is described in this proxy statement under "Executive Compensation Employment and Severance Agreements Employment Agreements" on page 39. The restricted stock units vest in four installments of 12,500 shares on each of the first through fourth anniversaries of the grant date, and in a final installment of 75,000 shares on the fifth anniversary of the grant date. The option has a 10-year term and vests in one-third installments at the end of the second, third and fourth years.

The Committee also reviewed the value and cost of perquisites and other compensation provided to Mr. Case for 2005, and we find Mr. Case's total compensation in the aggregate to be appropriate.

Compensation of Other Named Executive Officers

The other named executive officers are compensated according to the same principles and criteria as outlined above. However, in certain cases as described elsewhere in this proxy statement, these individuals may be covered by employment contracts or change in control agreements.

Policy With Regard to Deductibility of Compensation

Section 162(m) of the U.S. Internal Revenue Code precludes a public corporation from taking a deduction for compensation in excess of \$1 million for its chief executive officer or any of its four other highest paid executive officers, unless certain specific and detailed criteria are satisfied.

Among other factors, the Committee considers the company deductibility of compensation paid to the named executive officers. We recognize that the deductibility of some types of compensation payments can depend upon the timing of an executive's vesting or exercise of previously granted rights. Interpretations of and changes in applicable tax laws and regulations as well as other factors beyond our control also can affect deductibility of compensation. Also, in some circumstances factors other than tax deductibility are more important in determining the forms and levels of executive compensation most appropriate and in the best interests of Aon and its stockholders. For these and other reasons, we have determined that we will make a reasonable effort to administer Aon's compensation programs in a tax-effective manner; however, the Committee has from time to time approved elements of compensation for certain officers that are not fully deductible and reserves the right to do so in the future, when appropriate.

The undersigned members of the Organization and Compensation Committee have submitted this Report on Executive Compensation to the Board of Directors.

The Organization and Compensation Committee:

Richard C. Notebaert, Chairman
Lester B. Knight
J. Michael Losh

Andrew J. McKenna
Robert S. Morrison
Gloria Santona(1)

(1) Committee member from January 1, 2005 to May 20, 2005.

AGENDA ITEM NO. 3 APPROVAL OF MATERIAL TERMS OF PERFORMANCE GOALS UNDER AND AMENDMENT TO THE SENIOR OFFICER INCENTIVE COMPENSATION PLAN

Introduction

United States tax laws generally prevent a publicly held corporation from claiming income tax deductions for compensation in any year in excess of \$1 million paid to one of the five highest paid executive officers. Compensation is exempt from this limitation if it is "qualified performance-based compensation." Compensation that is awarded pursuant to pre-established objective performance goals may qualify as performance-based compensation, so long as certain requirements are met, including the approval of the material terms of the performance goals by the stockholders every five years.

In 2001, in order to allow Aon to obtain tax deductions for annual bonuses paid to senior executive officers, the stockholders approved the Senior Officer Incentive Compensation Plan (the "Senior Officer Plan"). The Senior Officer Plan provides a framework for the Organization & Compensation Committee of Aon's Board of Directors (the "Committee") to establish performance goals for annual bonuses. The Senior Officer Plan describes the group of employees whose compensation would be subject to the performance goals, which is described in the next subsection; the business criteria on which each of the performance goals is based, which are described in the second subsection below; and the maximum amount payable to any executive officer in any calendar year under the Senior Officer Plan, which is described in the third subsection below. This proposal requests stockholder approval to retain the current description of employees whose compensation would be subject to the performance goals; to retain the current description of business criteria on which each of the performance goals is based; and to increase the maximum amount payable in any calendar year to any executive officer under the Senior Officer Plan to \$5 million from the current cap of the lesser of \$3 million or 180% of the executive's base salary.

Certain features of the Senior Officer Plan are summarized below. A copy of the complete text of the Senior Officer Plan, as amended and restated to reflect the proposed amendment, is attached to this proxy statement as Appendix A, and the following summary is qualified in its entirety by reference to the text of the Senior Officer Plan.

Covered Employees

The Senior Officer Plan defines the group of employees whose compensation would be subject to the performance goals as those key salaried employees of Aon selected by the Committee from time to time. Since 2001, the Committee annually selects Aon's most senior executives to participate in the Senior Officer Plan. Although the tax laws limit deductibility only for compensation paid to the five most highly paid executive officers, the performance goals have been applied to a broader group in the event that one or more of them should become one of these five officers during such year. In addition, the performance goals were applied to a broader group to motivate management to achieve Aon's short term and long term business goals. For 2006, the Committee designated each of Aon's officers who file reports pursuant to Section 16 of the Securities Exchange Act of 1934, as amended, as eligible to participate in the Senior Officer Plan (18 people).

The Committee reviewed the foregoing definition of employees whose compensation would be subject to the performance goals. The Committee determined no alteration to this definition was necessary or advisable. Upon recommendation of the Committee, Aon's Board of Directors agreed that no changes were necessary to this definition.

Business Criteria

The framework provided by the Senior Officer Plan allows the Committee to develop performance goals using one or more of the following business criteria: earnings per share; revenues; cash flow; cash flow return on investment; return on assets; return on investment; return on capital; return on equity; identification and/or consummation of investment opportunities or completion of specified projects in accordance with business plans; operating margin; net income; net operating income; pretax earnings; pretax earnings before interest, depreciation and amortization; pretax operating earnings after interest expense and before incentives, service fees, and extraordinary or special items; operating earnings; total stockholder return; economic value created; and any of the above criteria as compared to the performance of a published or special index deemed applicable by the Committee.

The Committee reviewed the foregoing business criteria and determined that such criteria have served Aon well in providing a relevant basis for awarding performance-based annual bonuses to executives. Although the business criteria upon which bonuses have been based in recent years were typically limited to earnings per share and pre-tax net income from ongoing operations, the Committee believes it is beneficial to have flexibility in selecting the appropriate business criteria to match new corporate goals. Accordingly, the Committee determined no alteration to this list of allowable business criteria was necessary or advisable. Upon recommendation of the Committee, Aon's Board of Directors agreed that no changes were necessary to the list of allowable business criteria.

Maximum Compensation

The Senior Officer Plan currently caps the maximum annual compensation payable to an executive under the Senior Officer Plan in any calendar year to the lesser of \$3 million or 180% of the executive's base salary. The Committee reviewed compensation data for Aon's peer group, utilizing the same peer group identified for general executive compensation review purposes, and determined that the Senior Officer Plan's cap was below the median level of annual incentive compensation payments for the peer group's executive officers. With assistance from the Committee's independent compensation consultant, the Committee determined that the appropriate maximum amount payable in any calendar year to any executive officer under the Senior Officer Plan is \$5 million. Upon recommendation of the Committee, Aon's Board of Directors agreed such change was necessary and advisable. Accordingly, this proposal requests stockholder approval to increase the cap to \$5 million from the current maximum of the lesser of \$3 million or 180% of the executive's base salary.

Incentive Compensation Awards Under the Senior Officer Plan

Annual bonuses under the Senior Officer Plan are determined by the Committee and payable to the senior executive upon achievement of specified performance goals during the year. Within the first 90 days of each calendar year, the Committee specifies in writing the identity of the employees whose compensation will be subject to the performance goals and identifies the performance goal or goals applicable to the senior executive. After the end of each year, the Committee determines whether the performance goals have been attained and, if so, whether the full bonus shall be awarded to the senior executive or whether the Committee should exercise its discretion to reduce the bonus award. Bonus payments are generally made partly in cash and partly in restricted stock units under the terms of Aon's "incentive stock program" (which is described in the Organization and Compensation Committee Report on Executive Compensation) pursuant to which virtually all annual incentive compensation of \$50,000 or greater is payable 80% in cash and 20% in restricted stock units.

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Payments to be made under the Senior Officer Plan for 2006 depend on the level of attainment of annual performance measures that have been selected by the Committee and are therefore not determinable until the end of 2006. Payments made to the named executive officers (other than the payment to Mr. Case and the one-time retention bonus payment to Mr. Mahoney) under the Senior Officer Plan for 2005 are disclosed in the bonus column in the Summary Compensation Table beginning on page 30. Aon's current executive officers as a group received \$9,904,402 and all other employees as a group received \$1,500,000 under the Senior Officer Plan for 2005. Members of the Board who are not executive officers are not eligible to participate in the Senior Officer Plan.

Conclusion

If the stockholders approve this proposal, the proposed \$5 million maximum compensation payable to an executive under the Senior Officer Plan will be added to the material terms of the performance goals under the Senior Officer Plan as described above, which means that the cap will be included in the framework pursuant to which the Committee has established performance goals for bonuses to be earned in 2006 or any year prior to the 2011 annual meeting of stockholders. This proposal does not limit Aon's right to award or pay other forms of compensation outside the Senior Officer Plan (including, but not limited to, salary or stock-based awards) to Aon's executive officers, regardless of whether or not the Senior Officer Plan's performance goals for annual bonuses are achieved in any future year, and whether or not payment of such other forms of compensation would be tax deductible. Without stockholder approval of the material terms of the Senior Officer Plan's performance goals, and the amendment thereto, the compensation paid under the Senior Officer Plan will no longer meet the requirements for the exclusion from the \$1 million compensation deduction limit provided for performance-based compensation.

OUR BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT YOU VOTE "FOR" THE PROPOSAL TO APPROVE THE MATERIAL TERMS OF THE PERFORMANCE GOALS UNDER, AND THE AMENDMENT TO, THE SENIOR OFFICER INCENTIVE COMPENSATION PLAN.

**AGENDA ITEM NO. 4 APPROVAL OF MATERIAL TERMS OF PERFORMANCE GOALS UNDER
AND AMENDMENT TO THE AON STOCK INCENTIVE PLAN**

Introduction

United States tax laws generally prevent a publicly held corporation from claiming income tax deductions for compensation in any year in excess of \$1 million paid to one of the five highest paid executive officers. Compensation is exempt from this limitation if it is "qualified performance-based compensation." Stock-based compensation that is awarded pursuant to pre-established objective performance goals may qualify as performance-based compensation, so long as certain requirements are met, including the approval of the material terms of the performance goals by the stockholders every five years.

In 2001, in compliance with NYSE rules, to enable certain stock options to be granted under the plan to qualify as "incentive stock options" and in order to allow Aon to obtain tax deductions for certain stock-based awards granted to senior executive officers, the stockholders approved the Aon Stock Incentive Plan (the "Stock Incentive Plan"). The Stock Incentive Plan provides a framework for the Organization & Compensation Committee of Aon's Board of Directors (the "Committee") to establish performance goals for stock-based awards. The Stock Incentive Plan describes the group of eligible employees for whom stock-based awards may become vested, granted or settled contingent upon the achievement of specified performance goals, which is described in the next subsection; the business criteria on which each of the performance goals is based, which are described in the second subsection below; and the maximum number of shares of Common Stock with respect to which awards, including performance awards, may be granted to an individual in any calendar year, which is described in the third subsection below. This proposal requests stockholder approval to retain the current description of employees eligible to receive performance awards; to retain the current description of business criteria on which each of the performance goals is based; and to increase the maximum number of shares of Common Stock with respect to which awards, including performance awards, may be granted to an individual in any calendar year from 675,000 shares to 1,500,000 shares.

If the stockholders do not approve this proposal, the Stock Incentive Plan will remain in effect. However, Aon may be precluded from deducting compensation attributable to certain performance-based awards under the Stock Incentive Plan to its five highest paid executive officers. In addition, the maximum number of shares of Common Stock with respect to which awards, including performance awards, may be granted to an individual in any calendar year will not be increased.

Certain features of the Stock Incentive Plan are summarized below. A copy of the complete text of the Stock Incentive Plan, as amended and restated to reflect the proposed amendment, is attached to this proxy statement as Appendix B, and the following summary is qualified in its entirety by reference to the text of the Stock Incentive Plan.

Eligible Employees

The Stock Incentive Plan defines the group of employees eligible to receive awards under the Stock Incentive Plan, including performance awards, as all executives, key employees, non-employee directors of Aon, other non-employees selected by the Committee, and prospective executive or key employees who have been offered employment by Aon. Since 2001, the Committee has granted performance awards to executives, key employees and prospective executive and key employees. Although the \$1 million compensation deduction limit only applies to compensation paid to any of the five most highly paid executive officers, the performance goals have been applied to a broader group in the event that one or more of them should become one of these five officers during a year for which a

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compensation deduction for an award to such employee would be subject to such limit. In addition, the performance goals were applied to a broader group to motivate the employees to achieve Aon's short term and long term business goals.

The Committee reviewed the foregoing definition of employees eligible for performance award grants, and the Committee determined no alteration to this definition was necessary or advisable. Upon recommendation of the Committee, Aon's Board of Directors agreed that no changes were necessary to this definition.

Business Criteria

The framework provided by the Stock Incentive Plan allows the Committee to develop performance goals using one or more of the following business criteria: eligible earnings per share; revenues; cash flow; cash flow return on investment; return on assets; return on investment; return on capital; return on equity; identification and/or consummation of investment opportunities or completion of specified projects in accordance with business plans; operating margin; net income; net operating income; pretax earnings; pretax earnings before interest, depreciation and amortization; pretax operating earnings after interest expense and before incentives, service fees, and extraordinary or special items; operating earnings; total stockholder return; economic value created; and any of the above criteria as compared to the performance of a published or special index deemed applicable by the Committee.

The Committee reviewed the foregoing business criteria and determined that such criteria have served Aon well in providing a relevant basis for awarding performance awards to its executives and key employees. Although the business criteria upon which performance awards have been based in recent years were typically limited to earnings per share, net operating income, pre-tax profit growth and revenue growth, with respect to the employee's business unit or Aon in general, the Committee believes it is beneficial to have flexibility in selecting the appropriate business criteria to match new corporate goals. Accordingly, the Committee determined no alteration to this list of allowable business criteria was necessary or advisable. Upon recommendation of the Committee, Aon's Board of Directors agreed that no changes were necessary to the list of allowable business criteria.

Maximum Number of Shares for Individual Awards

The Stock Incentive Plan currently caps the maximum number of shares of Common Stock with respect to which awards in any form, including performance awards, may be granted to an individual in any calendar year at 675,000 shares. The Committee reviewed short term and long term equity award data for Aon's peer group, utilizing the same peer group identified for general executive compensation review purposes, and determined that the Stock Incentive Plan's cap was below the median level of equity awards for the peer group's executive officers. With assistance from the Committee's independent compensation consultant, the Committee determined that the appropriate maximum number of shares of Common Stock with respect to which awards in any form, including performance awards, may be granted to an individual in any calendar year is 1,500,000 shares. Upon recommendation of the Committee, Aon's Board of Directors agreed such change was necessary and advisable. Accordingly, this proposal requests stockholder approval to increase the annual grant cap to 1,500,000 shares from the current maximum of 675,000 shares. Such increase will apply to performance awards and other types of awards under the Stock Incentive Plan.

Material Features of the Stock Incentive Plan

The Stock Incentive Plan authorizes the grant of various awards to current and prospective executives, key employees, non-employees selected by the Committee and non-employee directors until

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April 20, 2011. Permissible awards include stock options, stock appreciation rights and other stock-based awards, including awards the vesting, grant or settlement of which is contingent upon the achievement of specified performance goals, called "performance awards."

The Stock Incentive Plan is administered by the Committee, which may select eligible employees to whom awards are granted; determine the types of awards to be granted and the number of shares covered by such awards; set the terms and conditions of such awards with respect to vesting, cancellation and forfeiture (including restrictive covenants); and cancel, suspend and amend awards. The Committee's determinations and interpretations under the Stock Incentive Plan are binding on all interested parties. The Committee may delegate its authority to officers or other employees of Aon; provided, however, that all awards to executive officers may be made solely by the Committee.

Aon's Board of Directors may amend the Stock Incentive Plan at any time, subject to any requirement of stockholder approval required by applicable law or regulation and provided that no amendment may be made without stockholder approval if such amendment would (i) increase the maximum number of shares of Common Stock available under the Stock Incentive Plan, (ii) increase the maximum number of shares of Common Stock with respect to which awards may be granted to any person in any calendar year or (iii) eliminate or change the restrictions on the surrender or repricing of options or stock appreciation rights.

Under the Stock Incentive Plan, the Committee may grant performance awards, representing a right, contingent upon the attainment of performance goals within a specified performance period, to receive shares of Common Stock, cash, and other awards under the Stock Incentive Plan or other property, as determined by the Committee. Within the first 90 days of the applicable performance period or earlier, the Committee specifies in writing all terms and conditions related to a new performance award, including the identification of the applicable business criteria and the duration of the performance period. The Committee determines all of the terms relating to the satisfaction of the performance measures. The Committee may, in its discretion, reduce the amount of a settlement otherwise to be made in connection with a performance award, but may not exercise discretion to increase any amount payable with respect to a performance award. The Committee will specify the circumstances in which such performance awards will be forfeited in the event of termination of employment or service prior to the end of a performance period.

Under the Stock Incentive Plan, the Committee may grant non-qualified and incentive stock options (within the meaning of Section 422 of the Internal Revenue Code of 1986, as amended, the "Code") to eligible participants. The Committee also may grant stock appreciation rights ("SARs") either independently of, or in tandem with, a stock option. An SAR entitles the holder to receive upon exercise (subject to withholding taxes) shares of Common Stock which may be restricted stock, cash, or a combination thereof with a value equal to the difference between the fair market value of Common Stock on the exercise date and the base price of the SAR. The Committee will determine the terms of each option and SAR; provided, however, that no option or SAR will expire more than 10 years after the date it is granted. The exercise price of an option and the base price of an SAR will not be less than 100% of the fair market value of a share of Common Stock on the date of grant. If an optionee owns greater than ten percent of the voting power of all shares of Aon's capital stock (a "ten percent holder"), an incentive stock option held by such optionee will be exercisable for no more than five years after its date of grant, and the exercise price of such incentive stock option will be the price required by the Code, currently 110% of the fair market value on the date of grant.

In addition, the Committee may grant time-vested restricted stock awards or grant restricted stock units representing the right to receive either shares of Common Stock or cash at the end of a specified restriction period, and dividend equivalents representing the right to receive cash, shares of Common

Stock or other property equal in value to dividends paid on a specified number of shares of Common Stock. The Committee will determine all terms relating to the termination of a restriction period, or the forfeiture and cancellation of a stock-based award upon a termination of employment or service.

The number of individuals eligible to receive awards under the Stock Incentive Plan is approximately 47,000, including 12 non-employee directors. Unless terminated earlier by Aon's Board, the Stock Incentive Plan will terminate on April 20, 2011. The termination of the Stock Incentive Plan will not affect the terms or conditions of any award outstanding as of the date of termination.

All awards are evidenced by a written agreement. Awards generally are granted for no cash consideration, and are generally non-transferable except upon the death of a participant or to certain permitted transferees. Except in connection with a change in Aon's capital structure, the Committee may not reduce the exercise or base price of an outstanding option or stock appreciation right or cancel outstanding options or stock appreciation rights and grant substitute awards with a lower exercise or base price. The Stock Incentive Plan does not permit the Committee to grant "reload" options, i.e., options that provide for the automatic grant of a new option upon the exercise of an outstanding option.

The number of shares of Common Stock available for issuance under the Stock Incentive Plan is equal to 18% of the number of shares of Common Stock outstanding. Such limit is applied at the time an award is granted; provided, however, that a reduction in the number of outstanding common shares that occurs after the date of grant of any award shall not affect the validity or terms of that award. Initially, 19,000,000 shares of Common Stock were approved for issuance under the Stock Incentive Plan. As of March 14, 2006, 57,607,211 shares of Common Stock are approved for issuance under the Stock Incentive Plan and 45,177,429 of those shares relate to outstanding awards. To the extent that shares of Common Stock subject to an outstanding award are not issued or delivered under the Stock Incentive Plan, then such common shares will again be available for awards under the Stock Incentive Plan. The number of shares available for awards under the Stock Incentive Plan, including any limitation imposed on the number of shares of Common Stock with respect to which an award may be granted in the aggregate or to any participant (i.e., the annual 1,500,000 share cap, assuming such increase is approved by stockholders), and the terms of each outstanding award may be equitably adjusted in the event of a change in capital structure due to stock dividend, stock split, recapitalization, issuance of a new class of common stock, merger, consolidation, spin-off, or other similar corporate change, or any distribution to stockholders other than a regular cash dividend.

Federal Income Tax Consequences

The following is a brief summary of the material United States federal income tax consequences generally arising with respect to awards under the Stock Incentive Plan. This summary is based on the Code and the U.S. Treasury regulations promulgated thereunder in effect as of the date of this proxy statement, any of which may change with retroactive effect. This summary is not intended to be a complete analysis or discussion of all possible tax consequences that may arise.

Nonqualified Stock Options and SARs A recipient will not recognize any income at the time a nonqualified stock option or SAR is granted, nor will Aon be entitled to a deduction at that time. When a nonqualified stock option is exercised, the recipient generally will recognize ordinary income (whether the option price is paid in cash or by surrender of shares of Common Stock), in an amount equal to the excess of the fair market value of the shares to which the option exercise relates over the option price. When an SAR is exercised, the recipient will recognize ordinary income equal to the sum of (i) any gross cash proceeds payable and (ii) the fair market value on the exercise date of any shares received.

Incentive Stock Options A recipient will not recognize any income at the time an incentive stock option ("ISO") is granted. Furthermore, a recipient will not recognize regular taxable income at the time the ISO is exercised. However, the excess of the fair market value of the shares at the time of exercise over the option price will be a preference item that could create an alternative minimum tax liability for the recipient. If a recipient disposes of the shares acquired on exercise of an ISO after the later of two years after the grant of the ISO and one year after exercise of the ISO, the gain recognized by the recipient (i.e., the excess of the proceeds received over the option price), if any, will be long-term capital gain eligible for favorable tax rates under the Code. Conversely, if the recipient disposes of the shares within two years of the grant of the ISO or within one year of the exercise of the ISO, the disposition will generally be a "disqualifying disposition" under the Code, and the recipient will recognize ordinary income in the year of the disqualifying disposition equal to the lesser of (i) the excess of the fair market value of the stock on the date of exercise over the option price or (ii) the excess of the amount received for the shares over the option price. The balance of the gain or loss, if any, will be long-term or short-term capital gain, depending on how long the shares were held.

Restricted Stock, Restricted Stock Units and Performance Awards A participant generally will not recognize taxable income upon grant of restricted stock, restricted stock units or performance awards. Instead, the participant will recognize ordinary income at the time of vesting or payout equal to the fair market value (on the vesting or settlement date) of the shares or cash received minus any amount paid. For restricted stock only, a participant instead may elect to be taxed at the time of grant.

Aon is generally entitled to a tax deduction in connection with an award under the Stock Incentive Plan in an amount equal to the ordinary income realized by a participant and at the time the participant recognizes such income, provided that the deduction is not disallowed by Section 162(m) of the Code or otherwise limited by the tax laws.

Plan Benefits

Because all awards to Aon employees under the Stock Incentive Plan are made at the discretion of the Committee, the benefits and amounts that will hereafter be received or allocated under the Stock Incentive Plan are not determinable at this time. Information regarding awards in 2005 under the Stock Incentive Plan to the named executive officers is provided in the Summary Compensation Table and related footnotes on pages 30-33 and in the Option Grants in 2005 Fiscal Year table on page 34. In 2005, under the Stock Incentive Plan, (i) options for 1,600,000 shares and 236,746 restricted stock units were granted to all current executive officers, including named executive officers, as a group, (ii) stock awards for 5,767 shares were granted to members of the Board who are not executive officers and (iii) options for 4,369,559 shares and 4,450,045 restricted stock units were granted to all other eligible employees as a group. In 2006, non-employee directors will receive equity-based awards as described under "Compensation of the Board of Directors Outside Director Compensation 2006 Changes." On March 22, 2006, the closing sale price per share of Common Stock as reported on the New York Stock Exchange was \$41.90.

With respect to awards to executive officers, by way of reference, Aon is including the following information about performance-based long-term incentive awards to the named executive officers and other eligible executive officers, as a group. On March 16, 2006, the Committee approved performance-based long-term incentive awards to named executive officers and other eligible executive officers, other than Patrick G. Ryan and Gregory C. Case. On March 17, 2006, upon the recommendation of the Committee, the independent directors of Aon's Board approved performance-based long-term incentive awards to Mr. Ryan and Mr. Case. The awards for executive officers were granted pursuant to Aon's Leadership Performance Program, which the Committee approved and adopted on March 16,

2006, as a sub-plan of the Stock Incentive Plan. The Leadership Performance Program is part of Aon's broad-based stock award strategy that is intended to drive the overall success of Aon while encouraging employee retention. 75% of each Leadership Performance Program award represents performance share units that will be earned and settled in Common Stock based upon Aon's performance relative to a cumulative earnings per share target over the period beginning January 1, 2006 and ending December 31, 2008 (the "Performance Period"). The total performance score can range from a minimum of 0% to a maximum of 150% of target. The Committee has the discretion to adjust Aon's performance results, if necessary, to take into account extraordinary or unusual items occurring during the Performance Period. The performance share units were valued as of the date of grant based upon the fair market value of Common Stock as of such date. Upon completion of the Performance Period, an award will be determined and settled in Common Stock.

The remaining 25% of each Leadership Performance Program award is an option to purchase shares of Common Stock that will vest ratably over the Performance Period. The options for each eligible executive officer other than Mr. Ryan and Mr. Case were granted effective March 16, 2006, and the options for Mr. Ryan and Mr. Case were granted effective March 17, 2006. The number of stock options was determined by dividing the dollar value of the award apportioned to stock options (i.e., 25% of the total award value) by the fair market value of a share of Common Stock on the grant date and multiplying the resulting number by three. The exercise price of the options equals the fair market value of a share of Common Stock on the date of grant.

The following table sets forth information with respect to the performance share units and stock options granted on March 16 and 17, 2006, for the named executive officers and all other current executive officers as a group.

Name	Performance Share Units		Number of Shares Underlying Stock Options (#)
	Dollar Value of Target Performance Share Units (\$)(1)	Number of Target Performance Share Units (#)	
Patrick G. Ryan	4,612,528	111,508	111,508
Gregory C. Case(2)	3,746,304	90,567	90,567
Dennis L. Mahoney	1,874,990	45,515	45,515
Dirk P.M. Verbeek	1,874,990	45,515	45,515
Michael D. O'Halleran	1,874,990	45,515	45,515
David P. Bolger	1,874,990	45,515	45,515
All other current executive officers as a group (3 persons)	2,474,996	60,080	60,080

(1) The dollar values given for performance share units assume achievement of the target level of the award and are based on a price of \$41.195 for awards granted on March 16, 2006 and \$41.365 for awards granted on March 17, 2006, in each case the average of the high and low prices per share of Common Stock on the NYSE on the date of grant of the awards.

(2) As consideration for his participation in the Leadership Performance Program, Mr. Case waived his entitlement for each year of the Performance Period to an annual option grant valued not less than \$1,800,000 that would otherwise be payable pursuant to his employment agreement, dated April 4, 2005.

Conclusion

If the stockholders approve this proposal, the proposed 1,500,000 maximum number of shares of Common Stock with respect to which awards, including performance awards, may be granted to an individual in any calendar will be added to the material terms of the performance goals under the Stock Incentive Plan as described above, which means that the annual grant cap will be included in the framework pursuant to which the Committee may grant awards in 2006 or any year prior to the 2011 annual meeting. In addition, if the stockholders approve this proposal, Aon can continue to grant performance awards on a tax-deductible basis, including the performance awards under Aon's Leadership Performance Program. Regardless of the outcome of this proposal, the Stock Incentive Plan (and all awards thereunder) will remain in effect. Furthermore, this proposal does not limit the Company's right to award or pay other forms of compensation (including, but not limited to, salary or performance-based annual cash incentives) to the Company's executive officers, regardless of whether or not the performance goals for equity awards are achieved in any future year, and whether or not payment of such other forms of compensation would be tax deductible. Without approval of the material terms of the performance goals, the compensation paid under the Stock Incentive Plan for awards granted after the Annual Meeting may not meet the exclusion for performance-based compensation.

OUR BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT YOU VOTE "FOR" THE PROPOSAL TO APPROVE THE MATERIAL TERMS OF THE PERFORMANCE GOALS UNDER, AND THE AMENDMENT TO, THE AON STOCK INCENTIVE PLAN.

EQUITY COMPENSATION PLAN INFORMATION

The following table summarizes the number of shares of Common Stock that may be issued under our equity compensation plans as of December 31, 2005.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants, and rights (a)	Weighted average exercise price of outstanding options, warrants, and rights (b)	Number of securities remaining available for future issuance (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by security holders	50,878,575(1)(2)	\$ 28.53(3)	12,876,054(4)
Equity compensation plans not approved by security holders(5)	2,239,225	\$ (6)	(7)
Total	53,117,800	\$ (6)	12,876,054

- (1) This amount includes the following:
- 35,705,912 shares that may be issued in connection with outstanding stock options;
 - 11,784,800 shares that may be issued in connection with restricted stock units or other unit awards;
 - 497,102 shares that may be issued in connection with directors' compensation;
 - 1,516,918 shares that may be issued in connection with deferred stock awards;
 - 35,552 shares that may be issued in connection with deferred stock options; and
 - 1,338,291 shares that may be issued to satisfy obligations under the Aon Deferred Compensation Plan.

- (2) On November 1, 2002, the Aon Deferred Compensation Plan was amended to discontinue the distribution of shares with respect to deferrals after November 1, 2002 from the plan. As of December 31, 2005, based on a stock price of \$35.95, the maximum number of shares that could be issued under the plan was 1,338,291.

- (3) Indicates weighted average exercise price of 35,705,912 outstanding options under the Aon Stock Incentive Plan.

- (4) The total number of shares of stock authorized for issuance in connection with awards under the Aon Stock Incentive Plan and any pre-existing plans is 18% of total outstanding common shares. As of December 31, 2005, 12,876,054 shares remained according to such calculation. Also includes 2,553,968 shares available for future issuance under the Aon Employee Stock Purchase Plan, including 115,455 shares subject to outstanding options for which the purchase period has not expired. Permissible awards under the Aon Stock Incentive Plan include stock options, stock appreciation rights, restricted stock, restricted stock units and other stock-based awards, including awards the vesting, granting or settlement of which is contingent upon the achievement of specified performance goals, called "performance awards."

(5)

Below are the material features of our equity compensation plans that have not been approved by stockholders:

Aon Alexander & Alexander UK Pension Scheme

The Aon Alexander & Alexander UK Pension Scheme (the "A&A Scheme") was available to employees of Aon Limited in the United Kingdom until 1999, at which time it was closed to new entrants. As of December 31, 2005, the A&A Scheme contained a Voluntary Equity Plan ("VEP") feature that allowed employees to direct the investment of their contributions in Common Stock, and the company provided a matching contribution of 20 British pounds sterling per month for each month. As of March 31, 2006, the VEP feature was terminated upon the recommendation of Aon Limited to the trustees of the A&A Scheme. No specific share authorization for the A&A Scheme has been made by Aon. As of December 31, 2005, the number of shares that could be issued under the A&A Scheme was 326,718.

Employee Stock Purchase Plan (The Netherlands)

The Netherlands Employee Stock Purchase Plan provides employees of Aon and participating subsidiaries in the Netherlands the opportunity to purchase Common Stock at a 15% discount. Contributions to this plan are made through payroll deductions. The maximum amount is not more than 15% of gross annual income with a maximum of US \$10,000. As of December 31, 2005, the number of shares that could be issued under the plan was 805 shares.

Aon Supplemental Savings Plan

The Aon Supplemental Savings Plan (the "ASSP") was adopted by the Board of Directors (the "Board") in 1998. It is a nonqualified supplemental retirement plan that provides benefits to participants in the Aon Savings Plan (the "ASP") whose employer matching contributions are limited because of IRS-imposed restrictions. Prior to January 1, 2004, participants covered under the ASSP were credited with additional matching allocation they would have received under the former ASP provisions 100% of the first 1% to 3% of compensation (the First Tier Match) and 75% of the next 4% to 6% of compensation (the Second Tier Match) had compensation up to \$500,000 been considered. Between January 1, 2004 and December 31, 2005, only participants defined as employees of Aon Consulting's Human Resource Outsourcing Group ("HROG) maintained the matching provision in the ASSP elected to have Tier 1 allocations credited to their accounts as if invested in a money market account or as if invested in Common Stock. Tier 1 allocations directed to an Aon common stock account may not be moved to the money market account, regardless of the participant's age. Before the beginning of each plan year, an election may be made by any participant to transfer some or all of a participant's money market account to the Aon common stock account. All amounts credited to the Aon common stock account are credited with dividends and other investment returns as under the ASP fund.

Effective January 1, 2004, a new ASSP provision went into effect whereby employees hired January 1, 2004 and later are immediately eligible for benefits on plan compensation above the IRS limits (and up to \$500,000) under the Aon Retirement Account (the "ARA") provision of the ASP. The ARA replaces benefits that would have been instead provided under the Aon Pension Plan had it not been frozen to new entrants (those generally hired after December 31, 2003). Benefits are in the form of a discretionary non-contributory company contribution made to eligible

employees active at the end of the plan year with 1,000 or more hours of paid service. The ASSP ARA allocation is calculated using the same formula that the Board determines for the ASP ARA. The ASSP ARA allocation and account balances will track the same investment options as selected by the participant under the ASP including the Aon common stock option. However, like the ASP provision, there are no transfer restrictions.

Aon Supplemental Employee Stock Ownership Plan

The Aon Supplemental Employee Stock Ownership Plan was a plan established in 1989 as a nonqualified supplemental retirement plan that provided benefits to participants in the Aon Employee Stock Ownership Plan whose employer contributions were limited because of IRS-imposed restrictions. As of 1998, no additional amounts have been credited to participant accounts, although account balances are maintained for participants, and credited with dividends, until distribution is required under the plan. Distributions are made solely in Common Stock. No specific authorization of shares of Common Stock for the plan has been made.

Awards to Gregory C. Case Pursuant to Employment Agreement

Pursuant to the Employment Agreement between Gregory C. Case and Aon, dated April 4, 2005, the terms of which are described elsewhere in this proxy statement under the heading "Executive Compensation Employment and Severance Agreements Employment Agreements," Mr. Case was granted certain equity compensation awards outside of the Stock Incentive Plan as inducement for his employment with Aon. Those awards consisted of 125,000 restricted stock units and an option to purchase 325,000 shares of Common Stock, for a total of 450,000 shares.

(6) The weighted-average exercise price of such shares is uncertain and is not included in this column.

(7) None of these equity compensation plans contains a limit on the number of shares that may be issued under such plans; however, these plans are subject to the limitations set forth in the descriptions of these plans contained in footnote 5 above.

COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION

During 2005, the Organization and Compensation Committee was composed of Richard C. Notebaert (Chairman), Lester B. Knight, J. Michael Losh, Andrew J. McKenna, Robert S. Morrison and Gloria Santona. Ms. Santona served on the Committee from September 17, 2004 until May 20, 2005. No member of the Organization and Compensation Committee was, during 2005 or previously, an officer or employee of Aon or any of its subsidiaries. In addition, during 2005, there were no compensation committee interlocks required to be disclosed.

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Aon has made contractual arrangements to provide ready access to aircraft for executives of Aon and our subsidiaries for business purposes. These arrangements include two dry leases entered into with two aircraft leasing companies affiliated with Patrick G. Ryan, Globe Leasing, Inc. and 17AN Leasing LLC. In addition, Aon provides hangar space and related operating support to Globe Leasing, Inc. and 17AN Leasing LLC in return for negotiated fees. In 2005, Aon and our subsidiaries paid Globe Leasing, Inc. and 17AN Leasing LLC \$411,580 and \$532,220, respectively, for usage of aircraft. Globe and 17AN paid Aon \$246,722 and \$163,384, respectively, for hangar space and operating support. These amounts are presented on an accrual basis. We believe that all of these arrangements are more favorable to us than would have been obtained by negotiating similar transactions with unrelated third parties. The payments represented in excess of 5% of each of Globe's and 17AN's consolidated gross revenues in 2005 and are expected to do so again in 2006. In addition, Globe and 17AN paid us \$72,810 and \$70,260, respectively, as annual insurance premiums for aircraft liability including bodily injury, property damage and hull physical damage (including war risk). Patrick G. Ryan owns 100% of Globe and serves as a director, Chairman of the Board and treasurer; he also indirectly holds 50% of 17AN and serves as a director, Chairman of the Board and Chief Executive Officer.

During the year 2005 and during the year 2006 to date, we and one or more of our subsidiaries retained Sidley Austin LLP, a law firm of which R. Eden Martin is Senior Counsel, to perform certain legal services. Mr. Martin is an independent contractor for Sidley Austin LLP and has no continuing ownership interest in the firm. We anticipate that this firm will continue to be retained to perform services in 2006. During 2005, corporations and other entities with which Directors are or were associated effected insurance brokerage or other transactions with us and certain of our subsidiaries and affiliates in the ordinary course of business. All of these transactions were on substantially the same terms as those prevailing at the time for comparable transactions with unrelated parties. None of these transactions involved during 2005, or is expected to involve in 2006, payments from or to us and our subsidiaries and affiliates for property and services in excess of 5% of our or the other entity's consolidated gross revenues during 2005.

Resource Automotive, Inc. ("RA"), a subsidiary of Aon Warranty Group, entered into a Vendor Agreement (the "Vendor Agreement") with First Look, LLC ("First Look") effective November 4, 2005. The Vendor Agreement replaces a Marketing and Distribution Agreement between the same parties that became effective March 18, 2004 and terminated as of November 4, 2005. Patrick G. Ryan, Jr., the son of Patrick G. Ryan, is the Chief Executive Officer of First Look. The Vendor Agreement grants to RA a non-exclusive right to offer to RA's franchised automobile dealer customers certain proprietary technology and services developed by First Look, and provides that RA is obligated to compensate First Look only when RA's customers actually enroll in RA's Variable Income Partners program. RA believes that its ability to offer its customers the First Look technology and services will

help RA differentiate itself from its competitors in an increasingly competitive marketplace, which in turn may result in RA obtaining significantly increased sales of its core products. RA further believes that the Vendor Agreement does not contain terms that would not have been arrived at in arms-length negotiations with First Look, because First Look's products are superior to those offered by other potential suppliers and the pricing offered by First Look is less than, or equal to, what RA could obtain from others. The Vendor Agreement terminates on December 31, 2006.

The Governance/Nominating Committee of the Board of Directors carefully monitored activity under the original Marketing and Distribution Agreement and concluded that the agreement should be replaced by the Vendor Agreement. The Governance/Nominating Committee briefed the full Board of Directors on the Vendor Agreement.

On January 1, 2005 one of our subsidiaries entered into a five year consulting agreement with Raymond I. Skilling, who served as Executive Vice President and Chief Counsel of Aon until August 2003. Mrs. Skilling and Mrs. Patrick G. Ryan are sisters. Under the terms of the agreement, Mr. Skilling will perform services related to the subsidiary's professional liability brokerage business. The company will pay him an annual fee of \$250,000, provide office support services, and continue to vest the stock options and stock awards granted to him while he was an employee. During 2005, 9,000 stock awards with a market value of \$209,318, and 69,800 options vested. The agreement may be terminated after an initial term of two years by either party upon 180 days' notice.

In 2005, Ryan Enterprises Group LLC ("REG"), of which Patrick G. Ryan is a director and officer, paid Aon the following amounts: (i) \$6,988, representing worker's compensation reimbursement; and (ii) \$91,917, representing insurance costs, pilot fees and consulting fees.

In 2005, Patrick G. Ryan and Shirley Ryan paid Aon the following amounts: (i) \$210,000 for pilot services in connection with the use of personal aircraft; (ii) \$197 for the reimbursement of personal use of company tickets and catering; and (iii) \$227,911 for insurance premiums paid to insurers related to brokerage services provided by subsidiaries of Aon.

In March 1997, an interest-free loan in the amount of £478,189 was made to Dennis L. Mahoney by a subsidiary of Aon in connection with the implementation of a long term incentive plan. The loan is repayable only if Mr. Mahoney leaves the employment of Aon prior to December 31, 2006. As long as Mr. Mahoney remains employed by Aon, the terms of the loan provide that twenty percent (20%) of the loan will be forgiven on December 31 of each of 2002 through 2006.

LEGAL PROCEEDINGS AGAINST OFFICERS AND DIRECTORS

Beginning in 2004, a number of actions were filed against certain current and former directors and officers of Aon. These actions include: (1) putative class actions, pending in the Northern District of Illinois, making allegations under the Employee Retirement Security Act of 1974 ("ERISA") that certain directors, officers and retirement plan ("Plan") fiduciaries knew or should have known that alleged business improprieties at Aon, including contingent commission arrangements, steering and leveraging of alleged insurance placements, made Aon stock an imprudent investment alternative for the Plan and breached their fiduciary duties to Plan participants; (2) putative federal securities class actions brought in the Northern District of Illinois, alleging that certain current and former officers and directors failed adequately to disclose that Aon was engaged in allegedly illegal contingent commission agreements, steering and leveraging of insurance placements, and that these activities resulted in Aon having overstated its revenues; and (3) shareholders' derivative complaints filed in the Circuit Court of Cook County, Illinois, alleging that Aon's directors breached their fiduciary duties to the Company by approving and implementing a business plan that included the receipt of allegedly unlawful payments from insurance carriers, or alternatively, by failing to be aware of and take steps to alter this business plan. Pursuant to the indemnification provision contained in our Second Amended and Restated Certificate of Incorporation, as amended, Aon will advance expenses (including attorneys' fees) incurred by these current and former directors and officers in defending against these actions.

SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Exchange Act requires that each of our directors and executive officers, and any other person who owns more than ten percent of Aon's Common Stock, file with the SEC initial reports of ownership and reports of changes in ownership of Aon's Common Stock. Such directors, executive officers and stockholders are required by regulation to furnish us with copies of such reports. Based solely upon our review of these reports, as well as written representations to the effect that no such other reports were required to be filed, Aon believes that all such SEC filing requirements were met during 2005.

STOCKHOLDER PROPOSALS FOR 2007 ANNUAL MEETING

Stockholders who, in accordance with the SEC's Rule 14a-8, wish to present proposals for inclusion in the proxy materials to be distributed by us in connection with our 2007 Annual Meeting of Stockholders must submit their proposals to the Office of the Corporate Secretary of Aon at 200 East Randolph Street, Chicago, Illinois 60601, on or before December 13, 2006. As the rules of the SEC make clear, simply submitting a proposal does not guarantee its inclusion in our proxy statement.

In accordance with our by-laws, in order to nominate a candidate for election as a Director or properly bring other business before the 2007 Annual Meeting of Stockholders, a stockholder's notice of the matter the stockholder wishes to present must be delivered to the Office of the Corporate Secretary of Aon at 200 East Randolph Street, Chicago, Illinois 60601, not less than 75 nor more than 100 days prior to the first anniversary of the date of this year's Annual Meeting. As a result, any notice given by or on behalf of a stockholder pursuant to these provisions of our by-laws (and not pursuant to the SEC's Rule 14a-8) must be received no earlier than February 8, 2007 and no later than March 5, 2007.

ANNUAL REPORT ON FORM 10-K

We will furnish without charge to each person whose proxy is being solicited, upon such person's request, a copy of our Annual Report on Form 10-K for the fiscal year ended December 31, 2005, including the financial statements and schedules thereto, but excluding exhibits. Requests for copies of such report should be directed to the Office of the Corporate Secretary of Aon, 200 East Randolph Street, Chicago, IL 60601. Our Annual Report on Form 10-K will also be available free of charge through our web site (<http://www.aon.com>).

INCORPORATION BY REFERENCE

Appendix D to this proxy statement contains our 2005 Annual Financial Report, including our consolidated financial statements and management's discussion and analysis of financial condition and results of operations, as well as certain other financial and other information required by the rules and regulations of the SEC. To the extent that this proxy statement is incorporated by reference into any other filing by Aon with the SEC under the Securities Act of 1933, as amended, or the Exchange Act, the information contained in Appendix D and the sections of this proxy statement entitled "Report of the Audit Committee" (to the extent permitted by the rules of the SEC), the Organization and Compensation Committee Report on Executive Compensation and the Stock Performance Graph, as well as Appendix C to this proxy statement, will not be deemed incorporated, unless specifically provided otherwise in such filing.

OTHER MATTERS

The Board of Directors is not aware of any business to be acted upon at the Annual Meeting other than that described in this proxy statement. If any other business comes before the Annual Meeting, the proxy holders (as indicated on the accompanying proxy card or cards) will vote the proxies according to their best judgment with respect to such matters.

By Order of the Board of
Directors,

Kevann M. Cooke
*Senior Vice President and
Corporate Secretary*

Chicago, Illinois
April 12, 2006

APPENDIX A

SENIOR OFFICER INCENTIVE COMPENSATION PLAN
(AS AMENDED AND RESTATED)

1. *Purpose.* The purpose of the Senior Officer Incentive Compensation Plan (the "Plan") is to encourage the highest level of performance by key employees of Aon Corporation and its operating subsidiaries and affiliates (which subsidiaries and affiliates are herein referred to as the "Company") by quantifiable performance goals.

2. *Plan Administration.* The Plan shall be administered by the Organization and Compensation Committee (the "Committee") of the Aon Corporation Board of Directors (the "Board"). All questions involving eligibility for awards, interpretations of the provisions of the Plan, or the operation of the Plan shall be decided by the Committee. No member of the Committee shall be eligible to receive an award under the Plan. All determinations of the Committee shall be conclusive. The Committee may obtain such advice or assistance as it deems appropriate from persons not serving on the Committee.

3. *Eligibility.* Participation in the Plan is limited to key salaried employees of the Company selected by the Committee (a "Participant"). Participation may be revoked at any time by the Committee. An employee whose participation is revoked will be notified, in writing, of such revocation as soon as practicable following such action. An individual who becomes eligible to participate in the Plan during the Plan Year (the one year period beginning January 1 and ending on December 31 of each calendar year) may be approved by the Committee for a partial year of participation. In such case, the Participant's award shall be prorated based on the number of full months of participation.

4. *Terms and Conditions of Awards.* Each Participant will be entitled to receive an award (the "Award") subject to the performance measures described below. The maximum Award payable under the Plan to a Participant, in any given Plan Year is \$5,000,000.

Within the first 90 days of the Plan Year the Committee shall determine the specific Corporate Performance Thresholds that must be met prior to the payment of any Awards determined pursuant to this paragraph. The Corporate Performance Thresholds will be based on one or more of the following business criteria for the Company (on a consolidated basis) and/or specific business units or ventures of the Company: (A) earnings per share; (B) revenues; (C) cash flow; (D) cash flow return on investment; (E) return on assets, return on investment, return on capital, and/or return on equity; (F) identification and/or consummation of investment opportunities or completion of specified projects in accordance with corporate business plans; (G) operating margin; (H) net income, net operating income, pretax earnings, pretax earnings before interest, depreciation and amortization, pretax operating earnings after interest expense and before incentives, service fees, and extraordinary or special items, and/or operating earnings; (I) total stockholder return; (J) economic value created; and (K) any of the above as compared to the performance of a published or special index deemed applicable by the Compensation Committee.

At the end of the Plan Year, Awards will be computed for each participant. Payment of Awards will be made in cash, subject to applicable tax withholding, as soon as practicable after the achievement of Corporate Performance Thresholds and other material terms of the Plan are certified, and individual Awards are approved by the Committee, provided, however, that the Committee may in its sole discretion reduce individual Awards determined pursuant to this paragraph.

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5. *Employment Termination.* In the event a Participant's employment is terminated due to death or disability during a Plan Year, the Participant's Award will be reduced to reflect the partial year of participation. This reduction will be determined by multiplying the Award by a fraction, the numerator of which is the Participant's total months of participation in the current Plan Year through the date of termination rounded up to whole months, and the denominator of which is twelve (12). The Participant's reduced Award will be paid in accordance with Section 4 hereinabove. In the event a Participant's employment is terminated for reasons other than death or disability, all rights to an Award for the Plan Year will be forfeited.

6. *No Right to Continued Employment.* Nothing in the plan shall confer on a Participant any right to continue in the employ of the Company or in any way affect the Company's right to terminate the Participant's employment at any time without prior notice and for any or no reason.

7. *Beneficiary.* Each Participant under the Plan may, from time to time, name any beneficiary or beneficiaries (who may be named contingently or successively) to whom any benefit under the Plan is to be paid in case of his death before he receives any or all of such benefit. Each designation will revoke all prior designations by the same Participant, shall be in a form prescribed by the Committee, and will be effective only when filed by the Participant in writing with the Committee during his lifetime. In the absence of any such designation, or if for any reason such designation is ineffective, in whole or in part, benefits remaining unpaid at the Participant's death shall be paid to his estate.

8. *Tax Withholding.* Any and all payments made under the Plan shall be subject to applicable federal, state, or local taxes required by law to be withheld.

9. *Impact on Other Benefits.* Amounts paid under this Plan will not be considered compensation for purposes of other benefit plans offered by the Company unless specifically provided for in such plans.

10. *Termination or Amendment of the Plan.* The Plan may be modified, amended, or terminated at any time by the Board. The existence of the Plan does not obligate or bind the Company to pay an Award to any Participant (or beneficiary) nor does any Participant (or beneficiary) attain any vested, non-forfeitable right to an Award until the Award has been finalized and approved for payment by the Committee.

11. *Non-Transferability.* Except as specifically provided herein or as may otherwise be required by law, no undistributed Award payable to the Participant may be sold, transferred, or assigned or encumbered, in whole or in part, by a Participant, and any attempt to so alienate or subject any such amount shall be void.

12. *Effective Date of the Plan.* The Plan originally became effective (the "Effective Date") upon approval by the Company's stockholders at a meeting of stockholders duly held in accordance with the Delaware General Company Law on April 20, 2001. The Plan is hereby amended and restated effective as of January 1, 2006, contingent up the approval by the Company's stockholders at a meeting of stockholders duly held in accordance with the Delaware General Company Law, or any adjournment thereof in accordance with applicable provisions of the Delaware General Company Law.

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APPENDIX B

**AON STOCK INCENTIVE PLAN
(AS AMENDED AND RESTATED)**

1.01 *Purpose.* The purpose of the Plan is to align the interests of management and key employees of the Company with its stockholders and to attract, motivate and retain valuable and talented personnel to contribute to the long-term success of the Company.

2.01 *Definitions.* For the purpose of the Plan, the following terms shall be defined as set forth below:

- (a) "Award" means any Option, SAR, Restricted Stock, Restricted Stock Unit, Dividend Equivalent, Other Stock Based Award, or Performance Award granted to a Participant under the Plan.
- (b) "Award Agreement" means any written agreement, contract, or other instrument or document evidencing an Award.
- (c) "Beneficiary" means the person, persons, trust or trusts which have been designated by a Participant in his or her most recent written beneficiary designation filed with the Company to receive the benefits specified under this Plan upon the death of the Participant, or, if there is no designated Beneficiary or surviving designated Beneficiary, then the estate of the Participant.
- (d) "Board" means the Board of Directors of the Company.
- (e) "Code" means the Internal Revenue Code of 1986, as amended from time to time. References to any provision of the Code shall be deemed to include successor provisions and regulations.
- (f) "Committee" means the Organization and Compensation Committee of the Board, or such other Board committee as may be designated by the Board to administer the Plan, composed of no fewer than two directors each of whom is a Non-Employee Director and an "outside director" within the meaning of Section 162(m) of the Code.
- (g) "Company" means Aon Corporation, a corporation organized under the laws of the State of Delaware, and, where appropriate, its subsidiaries or affiliates, or any successor corporation.
- (h) "Dividend Equivalent" means a right, granted to a Participant under Section 6.01(c), to receive cash, Stock, or other property equal in value to dividends paid with respect to a specified number of shares of Stock, or to receive periodic distributions on other specified equity securities of the Company. Dividend Equivalents may be awarded on a free-standing basis or in connection with another Award and may be paid currently or on a deferred basis.
- (i) "Exchange Act" means the Securities Exchange Act of 1934, as amended from time to time.
- (j) "Fair Market Value" means, with respect to Stock, Awards, or other property, the fair market value of such Stock, Awards, or other property determined by such methods or procedures as shall be established from time to time by the Committee. Unless otherwise determined by the Committee in good faith, the Fair Market Value of Stock as of any given date shall mean the per share value of Stock as determined by using the average of the high and low selling prices of such Stock on 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

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preceding day that the New York Stock Exchange was open for trading and the Stock was traded) as reported for such date by The Wall Street Journal.

- (k) "ISO" means any Option designated as an incentive stock option within the meaning of Section 422 of the Code.
- (l) "NQSO" means any Option that is not an ISO.
- (m) "Non-Employee Director" means a person who meets the definition set forth in Rule 16b-3(b)(3) under the Exchange Act, or any successor definition adopted by the Securities and Exchange Commission.
- (n) "Option" means a right, granted to a Participant under Section 6.01(a), to purchase Stock. An Option may be either an ISO or a NQSO.
- (o) "Other Stock Based Award" means a right, granted to a Participant under 6.01(c), that is payable in Stock or based on the amount of dividends paid with respect to or the Fair Market Value of Stock, including, without limitation, rights convertible or exchangeable into Stock purchase rights for Stock, and Awards with value or payment contingent upon the performance of the Company, or upon any other performance condition designated by the Committee.
- (p) "Participant" means an executive, other key employee, or Non-Employee Director of the Company and other non-employees who have been granted an Award under the Plan.
- (q) "Performance Award" means an Award that is subject to achievement of performance goals specified under 6.01(d) or 6.01(e).
- (r) "Plan" means this Aon Stock Incentive Plan, as amended from time to time.
- (s) "Preexisting Plans" means the Aon Stock Award Plan, as amended and restated through 2000, the Aon Stock Option Plan, as amended and restated through 1997, the Outside Director Stock Award Plan, the plan reflected in the Outside Directors Deferred Compensation Agreement, and any other similar preexisting plans including similar preexisting plans for Qualified Members.
- (t) "Qualified Member" means a member of the Committee who is a "Non-Employee Director" within the meaning of Rule 16b-3(b)(3) under the Exchange Act and an "outside director" within the meaning of Treasury Regulation 1.162-27(e)(3) under Code Section 162(m).
- (u) "Restricted Stock" means an award of shares of Stock to a Participant under 6.01(c) that may be subject to certain restrictions and to a risk of forfeiture.
- (v) "Restricted Stock Unit" means an award, granted to a Participant under 6.01(c), representing the right to receive either Stock or cash or any combination thereof at the end of a specified deferral period.
- (w) "Stock" means the Common Stock, \$1.00 par value per share, of the Company or such other securities as may be substituted or re-substituted pursuant to Section 5.01.
- (x) "SAR" or "Stock Appreciation Right" means the right, granted to a Participant under 6.01(b), to be paid an amount measured by the appreciation in the Fair Market Value of Stock from the date of grant to the date of exercise of the right, with payment to be made in cash, Stock, other Awards, or other property as specified in the Award or determined by the Committee.

3.01 *Administration.* The Plan shall be administered by the Committee. Subject to the limitations of the Plan, the Committee shall have the authority to: (a) select from the executives and other key employees, nonemployees, and Non-Employee Directors of the Company, those who shall participate in the Plan; (b) make Awards in such forms and amounts as it shall determine; (c) impose such

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limitations, restrictions and conditions upon such Awards (including-restrictive covenants) as it shall deem appropriate including form of payment of an exercise price with respect to an Option and the terms and conditions with respect to vesting, cancellation and forfeiture of Awards; (d) interpret the Plan and adopt administrative guidelines relating to the Plan; (e) correct any inconsistency in this Plan or in any Award granted hereunder; and (f) make all other determinations and take all other actions deemed necessary for the administration of the Plan. The Committee may, in its sole discretion, delegate such of its powers under the Plan as it deems appropriate to officers or other employees of the Company except that Awards to "executive officers" (as defined by Section 16 of the Exchange Act) may be made solely by the Committee. The Committee's determinations on matters within its authority shall be conclusive and binding upon the Company and all other persons.

At any time that a member of the Committee is not a Qualified Member, any action of the Committee relating to an Award to be granted to an executive officer or other individual who is then subject to Section 16 of the Exchange Act in respect of the Company, or relating to Code Section 162(m) and regulations thereunder, may be taken either (i) by a subcommittee composed solely of two or more Qualified Members, or (ii) by the Committee but with each such member who is a not Qualified Member abstaining from such action, provided that the Committee remains composed solely of two or more Qualified Members. Such action, authorized by such a subcommittee or by the Committee upon the abstention of such non-Qualified Member(s), shall be the action of the Committee for purposes of the Plan.

Each member of the Committee shall be entitled to, in good faith, rely or act upon any report or other information furnished to him or her by any officer or other employee of the Company, its independent certified public accountants, or other professional retained to assist in the administration of the Plan. No member of the Committee, nor any officer or employee of the Company acting on behalf of the Committee, shall be personally liable for any action taken or made in good faith with respect to the Plan, and all members of the Committee and any officer or employee of the Company acting on their behalf shall, to the fullest extent permitted by law, be fully indemnified and protected by the Company with respect to any such action. Notwithstanding the foregoing or anything else to the contrary in the Plan, any action or determination by the Committee specifically affecting or relating to an Award to a Non-Employee Director shall be approved and ratified by the Board.

4.01 *Eligibility.* Executives, key employees, Non-Employee Directors of the Company and other non-employees selected by the Committee or any delegate authorized by the Committee are eligible to be granted Awards under the Plan. In addition, any person who has been offered employment as an executive or key employee of the Company is eligible to be granted Awards under the Plan, provided that such prospective employee may not receive any payment or exercise any right relating to an Award until such person has commenced employment with the Company.

5.01 *Stock Subject to the Plan; Capital Structure Adjustments.*

(a)

Shares Authorized. The total number of shares of Stock authorized for issuance in connection with Awards under the Plan and the Preexisting Plans shall be eighteen percent (18%) of the total outstanding common shares of the Company. Such limit shall be applied at the time an Award is granted under the Plan; provided, however, that a reduction in the number of outstanding common shares of the Company that occurs after the grant shall not affect the validity or terms of such Award. In this connection, at the inception of the Plan the Board is approving for issuance nineteen million (19,000,000) shares of Stock plus the additional number of shares of Stock specified in the succeeding sentence. There shall be added to the number of shares of Stock so approved for issuance at the inception of the Plan: (a) shares available for grants of awards under the Preexisting Plans immediately prior to the Effective Date and (b) shares subject to outstanding awards under the Preexisting Plans on the Effective Date and as to which an event occurs (including expiration or forfeiture) which results in such shares again being available for Awards under the Plan as determined pursuant

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to Section 5.01(b). Shares of Stock issued under the Plan shall be counted against this limit in the manner specified in Section 5.01(b).

- (b) *Manner of Counting Shares.* If any shares subject to an Award or Preexisting Plan award are forfeited, canceled, exchanged, or surrendered or such Award or award is settled in cash or otherwise terminates without a distribution of shares to the Participant, including (i) the number of shares withheld in payment of any exercise or purchase price of or tax obligation relating to such an Award or award and (ii) the number of shares surrendered in payment of any exercise or purchase price of or tax obligation relating to any Award or award, such number of shares will again be available for Awards under the Plan. The Committee may make determinations and adopt regulations for the counting of shares relating to any Award to ensure appropriate counting, avoid double counting (in the case of tandem or substitute awards), and provide for adjustments in any case in which the number of shares actually distributed differs from the number of shares previously counted in connection with such Award.
- (c) *Type of Shares Distributable.* Any shares of Stock distributed pursuant to an Award may consist, in whole or in part, of authorized and unissued shares or treasury shares, including shares acquired by purchase in the open market or in private transactions.
- (d) *Capital Structure Change and Adjustments to Awards.* In the event there is a change in the capital structure of the Company as a result of any stock dividend or split, recapitalization, issuance of a new class of common stock, merger, consolidation, spin-off or other similar corporate change, or any distribution to stockholders of Stock other than regular cash dividends, the Committee may make an equitable adjustment in the number of shares of Stock and forms of the Awards authorized to be granted under the Plan, including any limitation imposed on the number of shares of Stock with respect to which an Award may be granted in the aggregate under the Plan or to any Participant, and to make appropriate adjustments (including exercise price) to any outstanding Awards.

6.01 *Types of Awards.*

- (a) *Stock Options.* The Committee may award an Option in the form of an ISO or a NQSO having such terms and conditions as the Committee may specify. Options will expire no more than 10 years after the date they are granted. The exercise price per share of Stock covered by an Option is determined by the Committee, but cannot be less than 100% of the Fair Market Value of a share of Stock on the date of grant. If the grantee of an ISO beneficially owns more than 10% of the voting power of the shares of common stock of the Company, the ISO will be exercisable for no more than five years from the date of grant and its exercise price must be no less than 110% of the Fair Market Value of a share of Stock on the date of grant or such other price required by the Code. Notwithstanding anything to the contrary herein, not more than nineteen million (19,000,000) shares of Stock may be issued pursuant to ISOs. The exercise price is payable in such form and by such method as the Committee may specify. ISOs shall not be granted to Non-Employee Directors or other nonemployees.
- (b) *Stock Appreciation Rights (SARs).* SARs may be granted independently of an Option or in conjunction with all or any part of an Option, upon such terms and conditions as the Committee may determine. Upon exercise, an SAR entitles a Participant to receive an amount equal to the positive difference between the fair market value of one share of Stock on the date the SAR is exercised and the exercise price, times the number of shares of Stock with respect to which the SAR is exercised. An SAR or applicable portion thereof shall terminate and no longer be exercisable upon the termination or exercise of any related Option. The Committee will determine whether an SAR shall be settled in cash, Stock or any combination thereof.

- (c) *Other Stock Based Awards.* The Committee may grant other types of Awards of Stock, or Awards based in whole or in part by reference to the fair market value of Stock. Such other Stock Based Awards may include, without limitation, Restricted Stock, Restricted Stock Units, Dividend Equivalents, performance shares or performance share units. NQSOs or SARs may be awarded in connection with or as a part of Other Stock Based Awards. The Committee shall determine whether any Other Stock Based Awards shall be settled in cash, Stock or any combination thereof.
- (d) *Performance Conditions.* The right of a Participant to exercise or receive a grant or settlement of any Award, and the timing thereof, may be subject to such performance conditions as may be specified by the Committee. The Committee may use such business criteria and other measures of performance as it may deem appropriate in establishing any performance conditions, and may exercise its discretion to reduce or increase the amounts payable under any Award, except as limited herein the case of a Performance Award intended to qualify under Code Section 162(m).
- (e) *Performance Awards Granted to Designated Participants.* If the Committee determines that a Performance Award should qualify as "performance based compensation" for purposes of Code Section 162(m), the grant and/or settlement of such Performance Award shall be contingent upon achievement of pre-established performance goals and other terms set forth below:
- (i) *Performance Goals and Performance Periods.* The performance goals for such Performance Awards and the performance periods over which performance is measured shall be established by the Committee consistent with the requirements of Code Section 162(m) and regulations thereunder.
- (ii) *Business Criteria.* One or more of the following business criteria for the Company (on a consolidated basis), and/or specified business units or ventures of the Company, shall be used by the Committee in establishing performance goals for such Performance Awards: (A) earnings per share; (B) revenues; (C) cash flow; (D) cash flow return on investment; (E) return on assets, return on investment, return on capital, and/or return on equity; (F) identification and/or consummation of investment opportunities or completion of specified projects in accordance with corporate business plans; (G) operating margin; (H) net income, net operating income, pretax earnings, pretax earnings before interest, depreciation and amortization, pretax operating earnings after interest expense and before incentives, service fees, and extraordinary or special items, and/or operating earnings; (I) total stockholder return; (J) economic value created; and (K) any of the above as compared to the performance of a published or special index deemed applicable by the Committee.
- (iii) *Settlement of Performance Awards.* Settlement of such Performance Awards shall be in cash, Stock, other Awards, or other property, in the discretion of the Committee. The Committee may, in its discretion, reduce the amount of a settlement otherwise to be made in connection with such Performance Awards, but may not exercise discretion to increase any such amount payable to a Participant in respect of a Performance Award. Performance Awards shall be forfeited in the event of termination of employment by the Participant prior to the end of a performance period, except as specifically approved by the Committee or any delegate authorized by the Committee.
- (iv) *Written Determinations.* All determinations by the Committee as to the establishment of performance goals, the amount of any Performance Award pool or potential individual Performance Awards and as to the achievement of performance goals relating to Performance Awards shall be made in writing in the case of any Award intended to

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qualify under Code Section 162(m). The Committee may not delegate any responsibility relating to such Performance Awards.

(v) *Construction.* If any provision of the Plan or any agreement relating to such Performance Awards does not comply or is inconsistent with the requirements of Code Section 162(m), such provision shall be construed or deemed amended to the extent necessary to conform to such requirements.

(f) *Maximum Limits on Awards to a Participant.* The maximum number of shares of Stock with respect to which Awards in the form of Options, SARs and Other Stock Based Awards may be granted to an individual in any calendar year is 1,500,000 shares.

(g) *Deferrals.* The Committee may permit the deferral of payment of any Awards under the Plan or may amend existing award agreements under any Preexisting Plan to provide for a deferral feature. The terms and conditions of any such deferral shall be determined by the Committee in its sole discretion.

(h) *Repricing.* Except in connection with a change in the Company's capital structure, the Committee may not reduce the exercise price of an outstanding Option or SAR.

(i) *Reloads.* No reloads will be permitted; i.e. options that provide for the automatic grant of a new Option or SAR upon the exercise of an outstanding Option or SAR.

(j) *Substitution.* An Option or SAR with a lower exercise or base price may not be substituted for an existing Option or SAR.

7.01 General Provisions.

(a) *Compliance with Legal and Exchange Requirements.* The Plan, the granting and exercising of Awards thereunder, and the other obligations of the Company under the Plan and any Award Agreement, shall be subject to all applicable federal and state laws, rules and regulations, and to such approvals by any regulatory or governmental agency as may be required. The Company, in its discretion, may postpone the issuance or delivery of Stock under any Award until completion of such stock exchange listing or registration or qualification of such Stock or other required action under any state, federal or foreign law, rule or regulation as the Company may consider appropriate, and may require any Participant to make such representations and furnish such information as it may consider appropriate in connection with the issuance or delivery of Stock in compliance with applicable laws, rules and regulations.

(b) *Nontransferability.* Except as otherwise provided in this Section 7.01(b), Awards shall not be transferable by a Participant other than by will or the laws of descent and distribution or pursuant to a designation of a Beneficiary, and Awards shall be exercisable during the lifetime of a Participant only by such Participant or his guardian or legal representative. In addition, except as otherwise provided in this Section 7.01(b), no rights under the Plan may be pledged, mortgaged, hypothecated, or otherwise encumbered, or subject to the claims of creditors. The foregoing notwithstanding, the Committee may, in its sole discretion, provide that Awards (or rights or interests therein) other than ISOs and Awards in tandem with ISOs shall be transferable without consideration, to a Participant's immediate family members (i.e., spouse, children, grandchildren, or siblings, as well as the Participant), to trusts for the benefit of such immediate family members, and to partnerships in which such family members are the only parties, or other transfers deemed by the Committee to be consistent with the purposes of the Plan.

(c) *No Right to Continued Employment.* Neither the Plan nor any action taken thereunder shall be construed as giving any employee the right to be retained in the employ of the Company,

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nor shall it interfere in any way with the right of the Company to terminate any employee's employment at any time.

- (d) *Taxes.* The Company is authorized to withhold from any Award granted, any payment relating to an Award under the Plan, including from a distribution of Stock, or any payroll or other payment to a Participant, amounts of withholding and other taxes due in connection with any transaction involving an Award, and to take such other action as the Committee may deem advisable to enable the Company and Participants to satisfy obligations for the payment of withholding taxes and other tax obligations relating to any Award. This authority shall include authority to withhold or receive Stock or other property and to make cash payments in respect thereof in satisfaction of a Participant's tax obligations. Other provisions of the Plan notwithstanding, only the minimum amount of Stock deliverable in connection with an Award necessary to satisfy statutory withholding requirements will be withheld.
- (e) *Amendments and Termination.* The Board of Directors may amend, suspend or terminate the Plan at any time, provided, that unless terminated earlier by the Board, the Plan shall terminate on April 20, 2011. Termination of the Plan shall not affect the terms and conditions of any Award that is outstanding on the date that the Plan is terminated. No amendment may impair the rights of a holder of an outstanding Award without the consent of such holder. However, except in the case of an adjustment in connection with a capital structure change (as described above), stockholder approval is required for any amendment to the Plan that requires such approval under the rules of the principal stock exchange on which the stock is then traded or that would (i) increase the number of shares of Stock that may be issued in connection with Awards under the Plan, (ii) increase the maximum number of shares of Stock with respect to which Awards in the form of Options, SARs or Other Stock Based Awards may be granted to any individual in any calendar year or (iii) eliminate or change the restrictions regarding the surrender and repricing of Options and SARs.
- (f) *No Rights to Awards; No Stockholder Rights.* No Participant or employee shall have any claim to be granted any Award under the Plan, and there is no obligation for uniformity of treatment of Participants and employees. No Award shall confer on any Participant any of the rights of a stockholder of the Company unless and until Stock is duly issued or transferred to the Participant in accordance with the terms of the Award.
- (g) *Unfunded Status of Awards.* The Plan is intended to constitute an "unfunded" plan for incentive and deferred compensation. With respect to any payments not yet made to a Participant pursuant to an Award, nothing contained in the Plan or any Award shall give any such Participant any rights that are greater than those of a general creditor of the Company.
- (h) *No effect on other benefits.* The receipt of Awards under the Plan shall have no effect on any benefits to which a Participant may be entitled under another Plan or otherwise, or preclude a Participant from receiving any such benefits.
- (i) *No Fractional Shares.* No fractional shares of Stock shall be issued or delivered pursuant to the Plan or any Award. The Committee shall determine whether cash, other Awards, or other property shall be issued or paid in lieu of such fractional shares or whether such fractional shares or any rights thereto shall be forfeited or otherwise eliminated.
- (j) *Governing Law.* The validity, construction, and effect of the Plan, any rules and regulations relating to the Plan, and any Award Agreement shall be determined in accordance with the laws of the state of Delaware, without giving effect to principles of conflicts of laws, and applicable federal law.
- (k) *Effective Date.* The Plan originally became effective (the "Effective Date") upon approval by the Company's stockholders at a meeting of stockholders duly held in accordance with the Delaware General Company Law on April 20, 2001. The Plan is hereby amended and restated

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effective as of January 1, 2006, contingent up the approval by the Company's stockholders at a meeting of stockholders duly held in accordance with the Delaware General Company Law, or any adjournment thereof in accordance with applicable provisions of the Delaware General Company Law.

(l)

Awards to Participants Outside the United States. The Committee may modify the terms of any Award under the Plan granted to a Participant who is, at the time of grant or during the term of the Award, resident or primarily employed outside of the United States in any manner deemed by the Committee to be necessary or appropriate in order that such Award shall conform to laws, regulations and customs of the country in which the Participant is then resident or primarily employed, or to preserve the value and other benefits of the Award to the Participant

(m)

Titles and Headings; Certain Terms. The titles and headings of the sections in the Plan are for convenience of reference only. In the event of any conflict, the text of the Plan, rather than such titles or headings, shall control. The term "including", when used in the Plan, means in each case "including without limitation."

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APPENDIX C

**AON CORPORATION
AMENDED AND RESTATED AUDIT COMMITTEE CHARTER
March 2006**

Organization:

This charter governs the operations of the Audit Committee. At least annually, the Committee shall review and reassess the charter and obtain approval thereof by the Board of Directors.

The Committee shall be appointed by the Board of Directors and shall be comprised of at least three directors, each of whom meets the independence requirements of the New York Stock Exchange, including the requirements of Section 10A(m)(3) of the Securities Exchange Act of 1934, as amended, as well as the following additional requirements:

Committee members may not receive any compensation from the Company other than directors' fees;

A director who holds 20% or more of the Company's common stock (or who is a general partner, controlling shareholder or officer of any such holder) cannot chair, or be a voting member of, the Committee; and

Committee members shall be prohibited from receiving any consulting, advisory or compensation fees from the Company.

In addition, all Committee members shall be financially literate, and at least one Committee member shall qualify as an "audit committee financial expert," as such term is defined by the Securities and Exchange Commission.

Statement of Policy:

The purpose of the Committee is to (a) assist the Board of Directors in its oversight of (i) the integrity of the Company's financial statements, (ii) the Company's compliance with legal and regulatory requirements and ethics programs established by management and the Board, (iii) the independent auditor's qualifications and independence and (iv) the performance of the Company's internal audit function and independent auditor and (b) prepare the report of the Committee that the Securities and Exchange Commission rules require to be included in the Company's annual proxy statement. In doing so, it is the responsibility of the Committee to maintain free and open communication among the Committee, the independent auditor, the internal auditors and management of the Company. In discharging its oversight role, the Committee is empowered (at the Company's expense) to investigate any matter brought to its attention with full access to all books, records, facilities and personnel of the Company and to retain outside counsel or other experts for this purpose.

Responsibilities and Processes:

An important responsibility of the Committee is to oversee the Company's financial reporting process on behalf of the Board and report the results of its activities to the Board. Management is responsible for the preparation, presentation and integrity of the Company's financial statements, and the independent auditor is responsible for auditing those financial statements. The Committee, in carrying out its responsibilities, believes its policies and procedures should remain flexible, in order to best react to changing conditions and circumstances. The Committee should take the appropriate

actions to set the overall "tone" for quality financial reporting, sound business practices and ethical behavior.

The following shall be the principal recurring processes of the Committee in carrying out its oversight responsibilities. The processes are set forth as a guide with the understanding that the Committee may supplement them as appropriate.

The Committee shall be responsible for the appointment, retention, termination, compensation and oversight of the Company's independent auditor. The Committee shall also be responsible for the resolution of disagreements between management and the independent auditor regarding financial reporting. The Committee shall have a clear understanding with management and the independent auditor that the independent auditor is ultimately accountable to the Board and the Committee, as representatives of the Company's shareholders.

The Committee shall establish procedures for (i) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters and (ii) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters. The Company shall review periodically with management and internal audit these procedures and any significant complaints received.

The Committee shall preapprove all auditing and non-audit services to be provided to the Company by the independent auditor, subject to any exceptions provided in the Securities Exchange Act of 1934. The Committee may delegate to one or more of its members the authority to grant such preapprovals, provided that any such decision of such member or members must be presented to the full Committee at its next scheduled meeting.

The Committee shall, at least annually, obtain and review a report by the independent auditor describing: the firm's internal quality-control procedures; any material issues raised by the most recent internal quality-control review, or peer review, of the firm or by any inquiry or investigation by governmental or professional authorities within the preceding five years, respecting one or more independent audits carried out by the firm, and any steps taken to deal with any such issues; and (to assess the auditor's independence) all relationships between the independent auditor and the Company.

After reviewing the foregoing report and the independent auditor throughout the year, the Committee shall evaluate the independent auditor's qualifications, including a review and evaluation of the lead partner of the firm assigned to the Company's audit. The Committee shall consider whether there should be regular rotation of the lead partner or the audit firm itself. The Committee shall present its conclusions with respect to the independent auditor to the full Board.

The Committee shall meet to review and discuss with management and the independent auditor the annual audited financial statements and quarterly financial statements, including reviewing the Company's specific disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations." This review should include a discussion of the judgments of management and the independent auditor about the quality, not just acceptability, of accounting principles, the reasonableness of significant judgments, and the clarity of the disclosures in the financial statements. As part of this review and discussion, the Committee shall consider the results of the annual audit and any other matters required to be communicated to the Committee by the independent auditor under auditing standards generally accepted in the United States.

The Committee shall discuss earnings press releases, as well as financial information and earnings guidance provided to analysts and rating agencies.

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The Committee shall, as appropriate (at the Company's expense), obtain advice and assistance from outside legal, accounting or other advisors as it deems necessary to carry out its duties without necessarily seeking Board approval.

The Committee shall discuss guidelines and policies with respect to risk assessment and risk management. The Committee shall discuss the Company's major financial risk exposures and the steps management has taken to monitor and control such exposures.

The Committee shall meet separately, periodically, with management, the internal auditors (or other personnel responsible for the internal audit function) and the independent auditor.

The Committee shall review with the independent auditor any audit problems or difficulties and management's response, including any restrictions on the scope of the independent auditor's activities or on access to requested information, and any significant disagreements with management. The Committee shall review with the independent auditor (a) any accounting adjustments that were noted or proposed by the independent auditor, (b) any communications between the audit team and the audit firm's national office respecting auditing or accounting issues presented by the engagement and (c) any "management" or "internal control" letter issued by the independent auditor. The review shall include a discussion of the responsibilities, budget and staffing of the Company's internal audit function.

Advance approval by the Committee, or Committee Chair acting on behalf of the Committee, shall be required prior to the appointment, reassignment or dismissal of the senior internal audit executive.

The Committee shall set clear hiring policies for employees or former employees of the independent auditor. Advance approval by the Committee, or Committee chair acting on behalf of the Committee, shall be required prior to the hiring of any partner or senior manager from the independent auditor who has worked on the Company's account during the past three years.

The Committee shall report regularly to the Board of Directors.

The Committee shall conduct an annual performance evaluation of the Committee.

The Committee shall review: (a) major issues regarding accounting principles and financial statement presentations, including any significant changes in the Company's selection or application of accounting principles, and major issues as to the adequacy and effectiveness of the Company's internal controls and any special audit steps adopted in light of material control deficiencies; (b) analyses prepared by management and/or the independent auditor setting forth significant financial reporting issues and judgments made in connection with the preparation of the financial statements, including analyses of the effects of alternative GAAP methods on financial statements; (c) the effect of regulatory and accounting initiatives, as well as off-balance sheet structures on the financial statements of the Company; and (d) earnings press releases (paying particular attention to any use of "pro forma," or "adjusted" non-GAAP, information), as well as financial information and earnings guidance provided to analysts and rating agencies.

While the Committee has the responsibilities and powers set forth in this charter, it is not the duty of the Committee to plan or conduct audits or to determine that the Company's financial statements and disclosures are complete and accurate and are in accordance with generally accepted accounting principles and applicable rules and regulations. These are the responsibilities of management and the independent auditor.

APPENDIX D

2005 ANNUAL FINANCIAL REPORT

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MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

This Management's Discussion and Analysis is organized as follows:

- I. OVERVIEW**
 - Key Drivers of Financial Performance
 - Executive Summary of 2005 Financial Results

- II. KEY RECENT EVENTS**
 - Restructuring and Other Business Reorganization Initiatives
 - Investigation by the New York Attorney General and Other Regulatory Authorities
 - Sale and Strategic Analysis of Certain Businesses
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OVERVIEW

Key Drivers of Financial Performance

Segments

The key drivers of financial performance vary among our segments.

Risk and Insurance Brokerage Services. Brokerage segment results are affected by a number of key drivers, including:

conditions in insurance markets generally (particularly fluctuations in premiums charged by insurance companies)

success in attracting and keeping clients

interest income on our investments

expense management

retention of employees.

In addition, in 2005 and 2004, this segment was affected by matters discussed under "Key Recent Events Investigation by the New York Attorney General (NYAG) and Other Regulatory Authorities" and our related decision to terminate contingent commission arrangements.

Consulting. Consulting segment results are principally affected by:

our clients' employment levels, which are driven mainly by economic conditions

governmental regulations affecting the health care market, employee benefit programs, and our clients' respective industries

our success attracting and keeping clients

expense management

retention of employees.

In addition, in 2005 and 2004, this segment was also affected by the matters discussed under "Key Recent Events Investigation by the New York Attorney General (NYAG) and Other Regulatory Authorities" and our related decision to terminate contingent commission arrangements.

Insurance Underwriting. Underwriting segment revenues are affected by:

consumer buying habits, which are influenced by economic conditions

competition with other underwriters (including competition based upon claims-paying ratings)

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our success selling new policies, selling existing policyholders more services and having customers renew their policies

the effectiveness and collectability of our reinsurance contracts, particularly in programs where we serve as the fronting company, ceding substantially all risk

our investment results.

Corporate and Other. The key drivers of results in this segment are investment income and debt financing costs.

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Liquidity

Liquidity is derived from cash flows from our business, excluding funds held on behalf of clients and from financing. We use liquidity for capital expenditures, to repay debt, to fund acquisitions and pension obligations, to repurchase shares and to pay dividends to our stockholders. Because we are a holding company, our subsidiaries may not have available cash to pay us dividends; in the case of the insurance underwriting subsidiaries, this ability is limited by regulatory and rating agency considerations. Our access to cash generated from operations outside the U.S. may be affected by tax considerations and by pension funding requirements in our international pension plans.

Executive Summary of 2005 Financial Results

Our revenues from continuing operations were down 1% or \$94 million compared to 2004 due to:

the loss of \$100 million in contingent commissions compared to 2004.

In 2004, we sold virtually all of our investment in Endurance common stock, although we continue to hold Endurance warrants. In 2004, we recognized a \$48 million pretax gain from selling the stock, plus \$38 million from our equity investment. In 2005, we recognized a \$10 million pretax gain from the change in the fair value of the warrants.

The absence of \$212 million of claim services revenue, principally from our Cambridge Integrated Services Group, Inc. ("Cambridge") business, which we sold late in 2004. This more than offset improved operating results, principally in our U.S. retail brokerage business.

These factors more than offset higher revenues generated by our core brokerage businesses, especially in the U.S.

Organic revenue growth (which adjusts revenue growth for the effects of foreign exchange and other factors) was flat for the year. Excluding contingent commissions, organic revenue growth was 1%.

Income from continuing operations before provision for income tax and minority interest increased \$138 million from 2004. The primary drivers for this change were:

During the first quarter of 2005, we settled investigations with the NYAG and other regulatory authorities. We recorded expenses of \$180 million related to this settlement in our 2004 results. The accretion of the discount on this settlement resulted in an expense of \$5 million in 2005. We also incurred an expense of \$40 million related to the Daniel class action lawsuit in 2004.

Beginning in the third quarter of 2005, we began a corporate-wide restructuring effort, including workforce reductions and office closures. As a result of this effort, we incurred \$158 million in severance expenses, lease consolidation costs, asset impairments and other associated costs.

The net impact of activity involving our Endurance investment reduced 2005 pretax income by \$75 million.

The remaining increase is primarily attributable to effectively managing our costs.

Income from discontinued operations included a \$239 million pretax gain resulting from the fourth quarter sale of our Swett & Crawford operation. The goodwill allocated to Swett & Crawford was not tax deductible, resulting in a high effective tax rate for the transaction.

We continue to do a better job of generating and managing our cash and investments. More specifically, we:

are managing our cash to improve our debt to capital ratio, fund our pension plans and increase our return on assets. The decrease in our cash balance of \$94 million reflects \$463 million of pension contributions, a \$76 million payment to the settlement fund for the NYAG investigation (see Note 15 to the consolidated financial statements) and \$25 million to repurchase outstanding common stock. These cash decreases were offset by increases in our operating cash flow and cash received from the sale of Swett & Crawford.

are aggressively restructuring our businesses to reflect changes in our industry. We anticipate these efforts will generate approximately \$180 million in annualized cash savings by 2008.

paid down \$12 million of total debt in 2005. We paid down \$250 million of domestic long-term debt that was scheduled to be redeemed this year. That decrease was mostly offset by an increase in borrowings at our foreign subsidiaries, in part to offset earnings repatriated to the U.S.

All of Aon's financial information reflects the application of critical accounting policies, estimates, assumptions and judgments, as discussed below under "Critical Accounting Policies and Estimates."

These items are discussed further in the remainder of this Management's Discussion and Analysis.

KEY RECENT EVENTS

Restructuring and Other Business Reorganization Initiatives

Plan Summary

In August 2005, we announced that we were reviewing the revenue potential and cost structure of each of our businesses. As a result of this review, we adopted restructuring initiatives and currently expect these initiatives to result in cumulative pretax charges totaling \$262 million over a three-year period, of which we have incurred \$158 million. Expected restructuring costs include workforce reductions and lease consolidation costs, asset impairments and other expenses. We expect the remaining expenses to affect our continuing operations through the end of 2007. We anticipate that these initiatives will lead to annualized cost savings of approximately \$180 million by 2008.

The 2005 Restructuring Plan is expected to result in the elimination of 1,800 job positions and space consolidation in certain locations. Office closures will require that we recognize losses on subleases or lease buy-outs and may also trigger asset impairments. See the Critical Accounting Policies and Estimates section for detailed information on significant judgments and estimates, key assumptions and relevant accounting guidance related to our accounting for restructuring costs.

The following chart details the restructuring and related expenses incurred in 2005 and estimated for 2006 and 2007 by geographic region:

(millions)	United States	United Kingdom	Continent of Europe	Rest of World	Total
2005	\$ 28	\$ 92	\$ 30	\$ 8	\$ 158
2006 estimated	25	44	10	2	81
2007 estimated	12	11			23
Total incurred and remaining estimated	\$ 65	\$ 147	\$ 40	\$ 10	\$ 262

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The following chart is a summary of the 2005 restructuring costs and estimated restructuring and related expenses by type through the end of 2007.

(millions)	Actual			Estimated (1)		
	Third Quarter 2005	Fourth Quarter 2005	Total 2005	Full Year 2006	Full Year 2007	Total
Workforce reduction	\$ 2	\$ 114	\$ 116	\$ 33	\$ 8	\$ 157
Lease consolidation	15	5	20	31	6	57
Asset impairments	15	2	17	2	4	23
Other related expenses	3	2	5	15	5	25
Total restructuring and related expenses	\$ 35					