

AON PLC

FORM S-8

(Securities Registration: Employee Benefit Plan)

Filed 05/02/95

Telephone	(44) 20 7623 5500
CIK	0000315293
Symbol	AON
SIC Code	6411 - Insurance Agents, Brokers, and Service
Industry	Insurance (Miscellaneous)
Sector	Financial
Fiscal Year	12/31

AON CORP

FORM S-8

(Securities Registration: Employee Benefit Plan)

Filed 5/2/1995

Address	200 EAST RANDOLPH STREET CHICAGO, Illinois 60601
Telephone	312-381-1000
CIK	0000315293
Industry	Insurance (Miscellaneous)
Sector	Financial
Fiscal Year	12/31

Registration No.

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM S-8

REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

Aon CORPORATION

(Exact name of issuer as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

36-3051915
(I.R.S. Employer
Identification No.)

-
- (1) ENERGY INSURANCE INTERNATIONAL, INC. 1989 INCENTIVE STOCK OPTION PLAN 1990 INCENTIVE STOCK OPTION PLAN
(2) Aon STOCK AWARD PLAN

(Full title of the plans)

Raymond I. Skilling, Esq.
Executive Vice President and
Chief Counsel
123 North Wacker Drive
Chicago, Illinois 60606
(Name and address of agent for
service)
(312) 701-3025

(Telephone Number, including
area code, of agent for service)

Copy to:
Jerome S. Hanner, Senior Counsel
Aon Corporation
123 North Wacker Drive
Chicago, Illinois 60606

CALCULATION OF REGISTRATION FEE

Title of Securities to be Registered	Amount to Be Registered	Proposed Maximum Offering Price Per Share	Proposed Maximum Aggregate Offering Price	Amount of Registration Fee
Common Stock, \$1.00 par value	145,386 shares for the Energy Insurance International 1989 Incentive Stock Option Plan and 1990 Incentive Stock Option Plan	\$8.48	\$ 1,232,939(1)	\$425.15
	2,000,000 shares for the Aon Stock Award Plan		\$72,500,000(2)	\$25,431.03
				Total: \$25,856.19

(1) Calculated based on average of actual exercise prices of outstanding options.

(2) Calculated pursuant to Rule 457(c), based upon the price of Registrant's Common Stock on April 28, 1995 on the New York Stock Exchange.

PART II

INFORMATION REQUIRED IN THE REGISTRATION STATEMENT

Item 3. Incorporation of Documents by Reference

The following documents are incorporated by reference in the registration statement:

- (a) The Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 1994 filed pursuant to Section 13(a) of the Securities Exchange Act of 1934.
- (b) All other reports filed by the Registrant pursuant to Sections 13(a) or 15(d) of the Securities Exchange Act of 1934 since December 31, 1994.
- (c) The description of the Common Stock contained in the Registrant's registration statement on Form 8-A filed under the Securities Exchange Act of 1934 (File No. 1-7933), including any amendment or report filed for the purpose of updating such description.

All documents subsequently filed by the Registrant pursuant to Section 13(a), 13(c), 14 and 15(d) of the Securities Exchange Act of 1934, prior to the filing of a post-effective amendment which indicates that all shares offered have been sold or which deregisters all shares then remaining unsold, shall be deemed to be incorporated by reference in the registration statement and to be part hereof from the date of filing of such documents.

Item 5. Interest of Named Experts and Counsel

The validity of the issuance of the Common Stock offered pursuant to the plans registered hereunder will be passed upon for the Registrant by Jerome S. Hanner, Senior Counsel of the Registrant. As of May 1, 1995, Mr. Hanner owned 3,070 shares of Common Stock.

Item 6. Indemnification of Directors and Officers

Registrant's Certificate of Incorporation provides that the Registrant shall indemnify each director and officer of the Registrant to the fullest extent permitted by law, subject to the limitations set forth in its By-Laws. The By-Laws provide that the Registrant shall indemnify to the fullest extent permitted by law any person made or threatened to be made a party to any action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that such person is or was a director or officer of the Registrant or serves or served at the request of the Registrant any other enterprise as a director or officer.

Section 145 of the General Corporation Law of the State of Delaware provides for the indemnification of directors and officers under certain circumstances, as therein set forth.

Item 8. Exhibits

The following are filed as exhibits to this registration statement:

4.1 Second Restated Certificate of Incorporation of the Registrant - incorporated by reference to Exhibit 3(a) to the Registrant's Annual Report on Form 10-K for the year ended December 31, 1991.

4.2 Certificate of Amendment of the Registrant's Second Restated Certificate of Incorporation -incorporated by reference to Exhibit 3 to the Registrant's Quarterly Report on Form 10-Q for the quarter ending March 31, 1994, (the "First Quarter 1994 Form 10-Q").

4.3 Certificate of Designation of 6 1/4% Cumulative Convertible Exchangeable Preferred Stock --incorporated by reference to Exhibit 4(b) to the Registrant's Quarterly Report on Form 10-Q for the period ended September 30, 1992.

4.4 Bylaws of the Registrant - incorporated by reference to Exhibit (d) to the Registrant's Annual Report on Form 10-K for the year ended December 31, 1982.

4.5 Energy Insurance International, Inc., 1989 Incentive Stock Option Plan and Energy Insurance International, Inc. 1990 Incentive Stock Option Plan - Filed as Exhibits 4.5A and 4.5B herewith.

4.6 Aon Stock Award Plan, as amended-incorporated by reference to Exhibit 10 (a) to the First Quarter 1994 Form 10-Q.

4.7 First Amendment to the Aon Stock Award Plan - incorporated by reference to the Registrant's Quarterly Report on Form 10-Q for the Quarter ending June 30, 1994 (the "Second Quarter 1994 Form 10-Q").

4.8 Second Amendment to the Aon Stock Award Plan - incorporated by reference to the Second Quarter 1994 Form 10-Q.

5 Opinion of Jerome S. Hanner, Senior Counsel of the Registrant.

24.1 Consent of Ernst & Young LLP.

24.2 Consent of Jerome S. Hanner (contained in the opinion filed as Exhibit 5 to the registration statement).

Item 9. Undertakings

The Registrant hereby undertakes:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this Registration Statement to include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement.

(2) That, for the purpose of determining any liability under the Securities Act of 1933 (the "Act"), each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(3) That, for the purposes of determining any liability under the Act, each filing of the Registrant's annual report pursuant to Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934 that is incorporated by reference in the registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(4) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

(5) Insofar as indemnification for liabilities arising under the Act may be permitted to directors, officers and controlling persons of the Registrant pursuant to the provisions described in Item 6 or otherwise, the Registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrant of expenses incurred or paid by a director, officer or controlling person of the Registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the Registrant certifies that it has reasonable grounds to believe that it meets all the requirements for filing on Form S-8 and has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Chicago, State of Illinois, on May 1, 1995.

Aon CORPORATION

By /s/ PATRICK G. RYAN

*Patrick G. Ryan, Chairman,
President and Chief
Executive Officer*

Each person whose signature appears below constitutes and appoints Patrick G. Ryan and Raymond I. Skilling, Esq., and each of them, as his true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to sign any and all amendments to this registration statement, and to file the same with all exhibits thereto, and other documents in connection therewith, with the Commission, granting unto said attorney-in-fact and agent full power and authority to do and perform each act and thing requisite and necessary to be done, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorney-in-fact and agent, or his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed by the following persons in the capacities and on the dates indicated.

<i>Signature</i>	<i>Title</i>	<i>Date</i>
<u>/S/ PATRICK G. RYAN</u> (Patrick G. Ryan)	Chairman, President, Chief Executive Officer and Director (Principal Executive Officer)	May 1, 1995
<u>(Daniel T. Carroll)</u>	Director	May 1, 1995
<u>/S/ FRANKLIN A. COLE</u> (Franklin A. Cole)	Director	May 1, 1995
<u>(Edgar D. Jannotta)</u>	Director	May 1, 1995
<u>(Perry J. Lewis)</u>	Director	May 1, 1995
<u>/S/ JOAN D. MANLEY</u> (Joan D. Manley)	Director	May 1, 1995
<u>/S/ ANDREW J. MCKENNA</u> (Andrew J. McKenna)	Director	May 1, 1995
<u>(Newton N. Minow)</u>	Director	May 1, 1995

<hr/> <i>(Peer Pedersen)</i>	<i>Director</i>	<i>May 1, 1995</i>
<hr/> <i>/S/ DONALD S. PERKINS</i> <hr/> <i>(Donald S. Perkins)</i>	<i>Director</i>	<i>May 1, 1995</i>
<hr/> <i>(John W. Rogers, Jr.)</i>	<i>Director</i>	<i>May 1, 1995</i>
<hr/> <i>/S/ GEORGE A. SCHAEFER</i> <hr/> <i>(George A. Schaefer)</i>	<i>Director</i>	<i>May 1, 1995</i>
<hr/> <i>/S/ RAYMOND I. SKILLING</i> <hr/> <i>(Raymond I. Skilling)</i>	<i>Director</i>	<i>May 1, 1995</i>
<hr/> <i>/S/ FRED L. TURNER</i> <hr/> <i>(Fred L. Turner)</i>	<i>Director</i>	<i>May 1, 1995</i>
<hr/> <i>(Arnold R. Weber)</i>	<i>Director</i>	<i>May 1, 1995</i>
<hr/> <i>/S/ HARVEY N. MEDVIN</i> <hr/> <i>(Harvey N. Medvin)</i>	<i>Executive Vice President, Chief Financial Officer and Treasurer (Principal Financial and Accounting Officer)</i>	<i>May 1, 1995</i>

EXHIBIT INDEX

Exhibit No. -----	Description -----	Sequential Page -----
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May 1, 1995

Aon Corporation
Chicago, Illinois 60606

Ladies and Gentlemen:

I have participated in the preparation of the Registration Statement on Form S-8 to be filed with the Securities and Exchange Commission covering 2,145,386 shares of Common Stock \$1 par value per share (the "Shares") of Aon Corporation (the "Company") reserved for issuance under the Energy Insurance International, Inc. 1989 and 1990 Incentive Stock Option Plans and the Aon Stock Award Plan (collectively the "Plans"). (Energy Insurance International, Inc. is a wholly owned subsidiary of the Company). I am familiar with the Company's Second Restated Certificate of Incorporation, as amended, its Bylaws, and the terms of the Plans. I have also made or caused to be made such further examination as I have deemed necessary in order for me to render this opinion.

Based on the foregoing, I am of the opinion that the 2,145,386 Shares of the Company being registered will, when issued in accordance with the terms of the Plans, be legally issued, fully paid, and non-assessable.

I hereby consent to the use of this opinion as Exhibit 5 to the Registration Statement and to the use of my name in the Registration Statement.

Very truly yours,

/s/ Jerome S. Hanner

Jerome S. Hanner
Senior Counsel

**1989 INCENTIVE STOCK OPTION PLAN
ENERGY INSURANCE INTERNATIONAL, INC.**

Energy Insurance International, Inc., a Texas corporation (the "Company"), hereby establishes and adopts the following 1989 Incentive Stock Option Plan (the "Plan"):

I. PURPOSE

The Plan is intended as an employment incentive, to retain in the employment of the Company and its subsidiaries persons of training, experience and ability, to attract new employees whose services are considered unusually valuable, to encourage the sense of proprietorship of such persons, and to stimulate the active interest of such persons in the development and financial success of the Company.

II. DEFINITIONS

As used in this Plan, the following words and phrases shall have the following meanings:

- (1) Board of Directors or "Board" shall mean the Board of Directors of the Company.
- (2) Code shall mean the Internal Revenue Code of 1986, as amended.
- (3) Committee shall mean the Board or a Committee of the Board designated by the Board to administer the Plan as provided herein.
- (4) Company means Energy Insurance International, Inc. and any successor thereto by merger, consolidation, liquidation or other reorganization which has made provision for adoption of the Plan and the assumption of the Company's obligations hereunder.
- (5) Eligible Employee shall mean any person who is employed on a full time salaried basis by the Company or a Subsidiary, including, but not limited to, any employee who is also an officer and director of the Company or a Subsidiary.
- (6) Options shall mean the stock options granted from time to time under the Plan.
- (7) Participant shall mean an Eligible Employee who has been designated by the Committee to participate in the Plan.

(8) Subsidiary shall mean any corporation to which the Company is a "parent corporation" as defined in Section 425(e) of the Code.

III. DURATION

The effective date of the Plan (the "Effective Date") is March 31, 1989, subject to approval of the Plan by the Company's shareholders within twelve months after the Effective Date. Any Option may be granted on or after the Effective Date but not be exercisable prior to shareholder approval of this Plan; if such shareholder approval is not obtained within twelve months after the Effective Date, the grant of such Option shall be of no force and effect. No Option shall be granted pursuant to the Plan more than ten years after the Effective Date.

IV. ADMINISTRATION

The Plan will be administered as follows:

Committee

The Plan shall be administered by the Board or such Committee of the Board as may be constituted by the Board from time to time. The Committee shall consist of at least three members of the Board.

Committee Powers

The Committee shall be deemed to have and to be exercising all of the powers of the Board in the performance of any of the powers and duties delegated to it under the Plan, including, without limitation, the selection of Participants, the determination of the number of shares for which each Participant shall be granted an Option, and all other terms and conditions of each Option to the extent not inconsistent with the Plan. The Committee may from time to time establish eligibility requirements for participation in the Plan and rules for the administration of the Plan that are not inconsistent with the provisions and purposes of the Plan. The Committee shall have the authority, exercisable in its sole discretion, to grant various forms of Options containing such terms and conditions, consistent with the provisions of this Plan, as the Committee shall determine.

Committee Action

A majority of the members of the Committee shall constitute a quorum. All action taken by the Committee at a meeting shall be by the vote of a majority of those present at such meeting, but any action may be taken by the Committee without a meeting upon written consent signed by all of the members of the Committee. Members of

the Committee may participate in a meeting by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other. The Committee shall appoint a secretary and shall keep minutes of its meetings, including those conducted by telephone conference.

Committee Determination Conclusive

The determination of the Committee as to any disputed question arising under the Plan, including questions of construction and interpretation, shall be final, binding, and conclusive upon all persons. Without limiting the generality of the foregoing, the determination of the Committee as to whether a Participant has terminated his employment and the date thereof, or the cause to which termination of employment is attributable, shall be final, binding, and conclusive upon all persons.

Committee Liability

No member of the Committee or of the Board as a whole shall be liable to any person for any action taken or omitted in connection with the interpretation or administration of the Plan unless attributable to such member's own willful misconduct or lack of good faith.

Expenses of Administration

All expenses of administration of the Plan shall be borne by the Company, and no part thereof shall be directly charged against the Participants.

V. SHARES SUBJECT TO THE PLAN

Subject to adjustment as provided in Section VIII hereof, a total of eighty- eight thousand six hundred and forty shares of Common Stock of the Company (the "Shares") shall be subject to the Plan. The Shares shall consist of unissued shares or previously issued shares reacquired and held by the Company, and such number of shares shall be and is hereby reserved for sale for such purpose. Any of the Shares which remain unsold and which are not subject to outstanding Options at the termination of the Plan shall cease to be reserved for the purpose of the Plan, but until termination of the Plan, the Company shall at all times reserve a sufficient number of Shares to meet the requirements of the Plan. Should any Option expire or be cancelled prior to its exercise, the Shares theretofore subject to such Option may again be subjected to an Option under the Plan.

VI. PARTICIPATION

Participation in the Plan will be subject to the following:

Eligibility

Full time salaried employees of the Company or a Subsidiary who are in a position to materially contribute to the Company's or such Subsidiary's success shall be eligible for participation in the Plan. Eligible Employees shall include, but shall not necessarily be limited to, officers and directors of the Company or a Subsidiary. Members of the Board of Directors or the board of directors of a Subsidiary shall not be Eligible Employees solely by virtue of their being directors of the Company or such Subsidiary, but directors otherwise qualified shall be eligible to participate.

Participants

The Committee shall determine and designate from time to time those management, professional and key employees of the Company and its Subsidiaries, including officers and directors active in capacities other than as directors only, to whom Options are to be granted and who thereby become Participants in the Plan. A designation of an Eligible Employee to participate shall not automatically entitle such Participant to participate with respect to future Options.

VII. PLAN OPERATION

The Plan shall operate according to the following general guidelines:

Time of Granting Options

Neither anything contained in the Plan or in any resolution adopted or to be adopted by the Board of Directors or the stockholders of the Company nor any action taken by the Committee shall constitute the granting of any Option. The granting of an Option shall take place only when a written option agreement shall have been duly executed and delivered by or on behalf of the Company and the Participant to whom such Option has been granted. No Option shall be granted following the expiration of ten (10) years from the earlier of (i) the Effective Date of this Plan as stated in Article III, or (ii) approval of this Plan by the shareholders of the Company.

Option Price

The purchase price of each Share placed under Option shall be determined by the Committee, but shall in no event be less than one

hundred percent (100%) of the fair market value of such Share on the date the Option is granted. However, the purchase price of each Share placed under Option to a Participant who owns stock possessing more than ten percent (10%) of the total combined voting power of all classes of stock of the Company or any Subsidiary at the time of the grant shall be at least one hundred and ten percent (110%) of the fair market value of such Share on the date the option is granted.

Option Period and Terms

No Option shall be exercisable after the expiration of ten (10) years from the date such Option is granted. However, if the Participant to whom an Option is granted owns stock possessing more than ten percent (10%) of the total combined voting power of all classes of stock of the Company or any Subsidiary at the time such Option is granted, such Option shall not be exercisable after the expiration of five (5) years from the date such Option is granted. Subject to the provisions of the Plan, the Committee shall determine the terms and conditions of each Option granted under the Plan, including the number of Shares covered by the Option, and the time or times of exercise of the Option (which may be for a term of up to ten (10) years from the date the Option is granted, or, in the discretion of the Committee, may be for a shorter term designated by the Committee). The Committee may provide that an Option shall not be exercisable for a designated period of time after grant. The Committee may provide that failure to exercise an option as to the exercisable portion of the Option during a specific time shall constitute a forfeiture of the right to exercise such Option after termination of that time period. So long as consistent with the provisions of the Plan, the terms and conditions of any Option need not be the same as the terms and conditions of any other Option.

Maximum Annual Amount Per Employee

The aggregate fair market value (determined as of the time the Option is granted) of the stock with respect to which Options are exercisable for the first time by any employee during any calendar year (under this and any other plans of the Company or any Subsidiary) shall not exceed \$100,000.

Exercise of Options

No Option may be exercised unless the Participant shall have been an employee of the Company or a Subsidiary at all times during the period beginning on the date of grant of the Option and ending on the day three (3) months before the date of such exercise. However, if a Participant is disabled (within the meaning of Section 37(e)(3) of the Code), no Option may be exercised by such Participant unless he shall have been an employee of the Company or a Subsidiary at all times during the period beginning on the

date of grant of the Option and ending on the date one (1) year before the date of such exercise. If an Option is exercised after the death of a Participant by the estate of such Participant, or by a person who acquired the right to exercise such Option by bequest or inheritance or by reason of the death of such Participant, the employment requirements of this paragraph shall not apply. Options may be exercised solely by the Participant during his lifetime or after his death by the personal representative of the Participant's estate or the person or persons entitled thereto under his will or under the laws of descent and distribution.

The purchase price of the Shares as to which an Option is exercised shall be paid in full in cash and/or other property, including stock of the Company, as deemed acceptable by the Committee, at the time of the exercise. A Participant shall not be or have any of the rights or privileges of a shareholder of the Company in respect of any Shares purchasable upon the exercise of any part of an Option unless and until certificates representing such Shares shall have been issued by the Company to such Participant.

Use of Proceeds

The proceeds received by the Company from the sale of stock pursuant to this Plan will be used for general corporate purposes.

VIII. CAPITAL CHANGES OF THE COMPANY In the event there is any change in the Common Stock of the Company through the declaration of stock dividends, or through recapitalization resulting in stock splits, or combinations or exchanges of shares, or any similar transactions, the number of Shares subject to Options previously granted and the number of Shares remaining available for Options and the price per Share of such Shares shall be appropriately adjusted by the Committee.

In the event the Company shall be a party to any merger, consolidation or corporate reorganization, as the result of which the Company shall be the surviving corporation, the rights and duties of the Participants and the Company shall not be affected in any manner. In the event the Company shall sell all or substantially all of its assets or shall be a party to any merger, consolidation or corporate reorganization, as the result of which the Company shall not be the surviving organization, or in the event any other corporation may make a tender or exchange offer for stock of the Company (the surviving corporation, purchaser, or tendering corporation being hereinafter collectively referred to as the "purchaser," and the transaction being hereinafter referred to as the "purchase"), then the Board of Directors may, at its election, (i) reach an agreement with the purchaser that the

purchaser will assume the obligations of the Company as to all outstanding Options; (ii) reach an agreement with the purchaser that the purchaser will convert each outstanding Option into an option of at least equal value as to stock of the purchaser; or (iii) not later than thirty (30) days prior to the effective date of the purchase, notify all Participants that their Options are accelerated and afford to each Participant a right for ten (10) days after the date of such notice to exercise any then unexercised portion of all Options held by him whether or not such Options shall then be exercisable under the terms of the Plan or his option agreement; and within such ten day period, each such Participant may exercise any portion of any Option as he may desire.

IX. LIMITATION OF RIGHTS

Participation in this Plan is subject to certain limitations:

Limitations

Nothing in this Plan shall be construed to:

- (1) give any employee of the Company or a Subsidiary any right to be designated a Participant herein, other than in the sole discretion of the Committee;
- (2) give a Participant any rights whatsoever with respect to Shares until Options are exercised and Shares are issued to the Participant;
- (3) give a Participant or any person any interest in any fund or in any specific asset or assets of the Company;
- (4) limit in any way the right of the Company or a Subsidiary to terminate a Participant's employment with the Company or a Subsidiary at any time; or
- (5) be evidence of any agreement or understanding, express or implied, that the Company or a Subsidiary will employ a Participant in any particular position or at any particular rate of remuneration.

Nonassignability of Options

Options shall not be transferable other than by will or by the laws of descent and distribution, and during a Participant's lifetime shall be exercisable only by him.

Power of the Company

The existence of outstanding Options shall not affect in any way the right or power of the Company or its subsidiaries or their stockholders to make or authorize any or all adjustments, recapitalization, reorganization or other changes in the capital structure of the Company or its Subsidiaries or their businesses, or any merger or consolidation of the Company or its Subsidiaries or any issue of bonds, debentures, preferred or the right thereof, or the dissolution or liquidation of the Company or its Subsidiaries, or any sale or transfer of all or any part of their assets or business, or any other corporate act or proceeding whether of a similar character or otherwise.

X. TERMINATION AND AMENDMENT OF THE PLAN

The Plan shall terminate upon the expiration of ten years after the Effective Date and an Option shall not be granted after that date. The Board of Directors may amend, alter, or discontinue the Plan, but no amendment or alteration shall be made which would impair the rights of any Participant under any Option theretofore granted, without his consent, unless his Option Agreement so provides. The Board of Directors may at any time and from time to time modify or amend the Plan in such respects as it shall deem advisable in order that the Options shall be "incentive stock options" as defined in Section 422A of the Code.

XI. GOVERNMENT REGULATIONS

The Plan, and the granting and exercise of Options thereunder, and the obligation of the Company to sell and deliver Shares under such Options, shall be subject to all applicable laws, rules and regulations, and to such approvals by any governmental agencies or national securities exchanges as may be required.

Purchase for Investment

Whether or not the Options and Shares covered by the Plan have been registered under the Securities Act of 1933, as amended, each Participant exercising an Option may be required by the Company to give a representation in writing that he is acquiring such Shares for his own account for investment and not with a view to, or for sale in connection with, the distribution of any part thereof.

Governing Law

The place of administration of the Plan shall be conclusively deemed to be within the State of Texas; and the validity, construction, interpretation and effect of the Plan and all rights

of any of the persons having or claiming to have any interest in the Plan shall be governed by the laws of the State of Texas.

IN WITNESS WHEREOF, Energy Insurance International, Inc. has caused the Plan to be executed by its duly authorized officers in a number of copies, each of which shall be deemed an original, but all of which shall constitute the same instrument, effective this 31st day of March 1989.

ENERGY INSURANCE INTERNATIONAL, INC.

By: /s/ John N. Molbeck, Jr.

John N. Molbeck, Jr.
President

**1990 INCENTIVE STOCK OPTION PLAN
ENERGY INSURANCE INTERNATIONAL, INC.**

Energy Insurance International, Inc., a Texas corporation (the "Company"), hereby establishes and adopts the following 1990 Incentive Stock Option Plan (the "Plan"):

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- (3) Committee shall mean the Board or a Committee of the Board designated by the Board to administer the Plan as provided herein.
- (4) Company means Energy Insurance International, Inc. and any successor thereto by merger, consolidation, liquidation or other reorganization which has made provision for adoption of the Plan and the assumption of the Company's obligations hereunder.
- (5) Eligible Employee shall mean any person who is employed on a full time salaried basis by the Company or a Subsidiary, including, but not limited to, any employee who is also an officer and director of the Company or a Subsidiary.
- (6) Options shall mean the stock options granted from time to time under the Plan.
- (7) Participant shall mean an Eligible Employee who has been designated by the Committee to participate in the Plan.

(8) Subsidiary shall mean any corporation to which the Company is a "parent corporation" as defined in Section 425(e) of the Code.

III. DURATION

The effective date of the Plan (the "Effective Date") is January 31, 1990, subject to approval of the Plan by the Company's shareholders within twelve months after the Effective Date. Any Option may be granted on or after the Effective Date but not be exercisable prior to shareholder approval of this Plan; if such shareholder approval is not obtained within twelve months after the Effective Date, the grant of such Option shall be of no force and effect. No Option shall be granted pursuant to the Plan more than ten years after the Effective Date.

IV. ADMINISTRATION

The Plan will be administered as follows:

Committee

The Plan shall be administered by the Board or such Committee of the Board as may be constituted by the Board from time to time. The Committee shall consist of at least three members of the Board.

Committee Powers

The Committee shall be deemed to have and to be exercising all of the powers of the Board in the performance of any of the powers and duties delegated to it under the Plan, including, without limitation, the selection of Participants, the determination of the number of shares for which each Participant shall be granted an Option, and all other terms and conditions of each Option to the extent not inconsistent with the Plan. The Committee may from time to time establish eligibility requirements for participation in the Plan and rules for the administration of the Plan that are not inconsistent with the provisions and purposes of the Plan. The Committee shall have the authority, exercisable in its sole discretion, to grant various forms of Options containing such terms and conditions, consistent with the provisions of this Plan, as the Committee shall determine.

Committee Action

A majority of the members of the Committee shall constitute a quorum. All action taken by the Committee at a meeting shall be by the vote of a majority of those present at such meeting, but any action may be taken by the Committee without a meeting upon written consent signed by all of the members of the Committee. Members of

the Committee may participate in a meeting by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other. The Committee shall appoint a secretary and shall keep minutes of its meetings, including those conducted by telephone conference.

Committee Determination Conclusive

The determination of the Committee as to any disputed question arising under the Plan, including questions of construction and interpretation, shall be final, binding, and conclusive upon all persons. Without limiting the generality of the foregoing, the determination of the Committee as to whether a Participant has terminated his employment and the date thereof, or the cause to which termination of employment is attributable, shall be final, binding, and conclusive upon all persons.

Committee Liability

No member of the Committee or of the Board as a whole shall be liable to any person for any action taken or omitted in connection with the interpretation or administration of the Plan unless attributable to such member's own willful misconduct or lack of good faith.

Expenses of Administration

All expenses of administration of the Plan shall be borne by the Company, and no part thereof shall be directly charged against the Participants.

V. SHARES SUBJECT TO THE PLAN

Subject to adjustment as provided in Section VIII hereof, a total of fifty thousand shares of Common Stock of the Company (the "Shares") shall be subject to the Plan. The Shares shall consist of unissued shares or previously issued shares reacquired and held by the Company, and such number of shares shall be and is hereby reserved for sale for such purpose. Any of the Shares which remain unsold and which are not subject to outstanding Options at the termination of the Plan shall cease to be reserved for the purpose of the Plan, but until termination of the Plan, the Company shall at all times reserve a sufficient number of Shares to meet the requirements of the Plan. Should any Option expire or be cancelled prior to its exercise, the Shares theretofore subject to such Option may again be subjected to an Option under the Plan.

VI. PARTICIPATION

Participation in the Plan will be subject to the following:

Eligibility

Full time salaried employees of the Company or a Subsidiary who are in a position to materially contribute to the Company's or such Subsidiary's success shall be eligible for participation in the Plan. Eligible Employees shall include, but shall not necessarily be limited to, officers and directors of the Company or a Subsidiary. Members of the Board of Directors or the board of directors of a Subsidiary shall not be Eligible Employees solely by virtue of their being directors of the Company or such Subsidiary, but directors otherwise qualified shall be eligible to participate.

Participants

The Committee shall determine and designate from time to time those management, professional and key employees of the Company and its Subsidiaries, including officers and directors active in capacities other than as directors only, to whom Options are to be granted and who thereby become Participants in the Plan. A designation of an Eligible Employee to participate shall not automatically entitle such Participant to participate with respect to future Options.

VII. PLAN OPERATION

The Plan shall operate according to the following general guidelines:

Time of Granting Options

Neither anything contained in the Plan or in any resolution adopted or to be adopted by the Board of Directors or the stockholders of the Company nor any action taken by the Committee shall constitute the granting of any Option. The granting of an Option shall take place only when a written option agreement shall have been duly executed and delivered by or on behalf of the Company and the Participant to whom such Option has been granted. No Option shall be granted following the expiration of ten (10) years from the earlier of (i) the Effective Date of this Plan as stated in Article III, or (ii) approval of this Plan by the shareholders of the Company.

Option Price

The purchase price of each Share placed under Option shall be determined by the Committee, but shall in no event be less than one

hundred percent (100%) of the fair market value of such Share on the date the Option is granted. However, the purchase price of each Share placed under Option to a Participant who owns stock possessing more than ten percent (10%) of the total combined voting power of all classes of stock of the Company or any Subsidiary at the time of the grant shall be at least one hundred and ten percent (110%) of the fair market value of such Share on the date the Option is granted.

Option Period and Terms

No Option shall be exercisable after the expiration of ten (10) years from the date such Option is granted. However, if the Participant to whom an Option is granted owns stock possessing more than ten percent (10%) of the total combined voting power of all classes of stock of the Company or any Subsidiary at the time such Option is granted, such Option shall not be exercisable after the expiration of five (5) years from the date such Option is granted. Subject to the provisions of the Plan, the Committee shall determine the terms and conditions of each Option granted under the Plan, including the number of Shares covered by the Option, and the time or times of exercise of the Option (which may be for a term of up to ten (10) years from the date the Option is granted, or, in the discretion of the Committee, may be for a shorter term designated by the Committee). The Committee may provide that an Option shall not be exercisable for a designated period of time after grant. The Committee may provide that failure to exercise an Option as to the exercisable portion of the Option during a specific time shall constitute a forfeiture of the right to exercise such Option after termination of that time period. So long as consistent with the provisions of the Plan, the terms and conditions of any Option need not be the same as the terms and conditions of any other Option.

Maximum Annual Amount Per Employee

The aggregate fair market value (determined as of the time the Option is granted) of the stock with respect to which Options are exercisable for the first time by any employee during any calendar year (under this and any other plans of the Company or any Subsidiary) shall not exceed \$100,000.

Exercise of Options

No Option may be exercised unless the Participant shall have been an employee of the Company or a Subsidiary at all times during the period beginning on the date of grant of the Option and ending on the day three (3) months before the date of such exercise. However, if a Participant is disabled (within the meaning of Section 37(e)(3) of the Code), no Option may be exercised by such Participant unless he shall have been an employee of the Company or a Subsidiary at all times during the period beginning on the

date of grant of the Option and ending on the date one (1) year before the date of such exercise. If an Option is exercised after the death of a Participant by the estate of such Participant, or by a person who acquired the right to exercise such option by bequest or inheritance or by reason of the death of such Participant, the employment requirements of this paragraph shall not apply. Options may be exercised solely by the Participant during his lifetime or after his death by the personal representative of the Participant's estate or the person or persons entitled thereto under his will or under the laws of descent and distribution.

The purchase price of the Shares as to which an Option is exercised shall be paid in full in cash and/or other property, including stock of the Company, as deemed acceptable by the Committee, at the time of the exercise. A Participant shall not be or have any of the rights or privileges of a shareholder of the Company in respect of any Shares purchasable upon the exercise of any part of an Option unless and until certificates representing such Shares shall have been issued by the Company to such Participant.

Use of Proceeds

The proceeds received by the Company from the sale of stock pursuant to this Plan will be used for general corporate purposes.

VIII. CAPITAL CHANGES OF THE COMPANY

In the event there is any change in the Common Stock of the Company through the declaration of stock dividends, or through recapitalization resulting in stock splits, or combinations or exchanges of shares, or any similar transactions, the number of Shares subject to Options previously granted and the number of Shares remaining available for Options and the price per Share of such Shares shall be appropriately adjusted by the Committee.

In the event the Company shall be a party to any merger, consolidation or corporate reorganization, as the result of which the Company shall be the surviving corporation, the rights and duties of the Participants and the Company shall not be affected in any manner. In the event the Company shall sell all or substantially all of its assets or shall be a party to any merger, consolidation or corporate reorganization, as the result of which the Company shall not be the surviving organization, or in the event any other corporation may make a tender or exchange offer for stock of the Company (the surviving corporation, purchaser, or tendering corporation being hereinafter collectively referred to as the "purchaser," and the transaction being hereinafter referred to as the "purchase"), then the Board of Directors may, at its election, (i) reach an agreement with the purchaser that the

purchaser will assume the obligations of the Company as to all outstanding Options; (ii) reach an agreement with the purchaser that the purchaser will convert each outstanding Option into an option of at least equal value as to stock of the purchaser; or (iii) not later than thirty (30) days prior to the effective date of the purchase, notify all Participants that their Options are accelerated and afford to each Participant a right for ten (10) days after the date of such notice to exercise any then unexercised portion of all Options held by him whether or not such Options shall then be exercisable under the terms of the Plan or his option agreement; and within such ten day period, each such Participant may exercise any portion of any Option as he may desire.

IX. LIMITATION OF RIGHTS

Participation in this Plan is subject to certain limitations:

Limitations

Nothing in this Plan shall be construed to:

- (1) give any employee of the Company or a Subsidiary any right to be designated a Participant herein, other than in the sole discretion of the Committee;
- (2) give a Participant any rights whatsoever with respect to Shares until Options are exercised and Shares are issued to the Participant;
- (3) give a Participant or any person any interest in any fund or in any specific asset or assets of the Company;
- (4) limit in any way the right of the Company or a Subsidiary to terminate a Participant's employment with the Company or a Subsidiary at any time; or
- (5) be evidence of any agreement or understanding, express or implied, that the Company or a Subsidiary will employ a Participant in any particular position or at any particular rate of remuneration.

Nonassignability of Options

Options shall not be transferable other than by will or by the laws of descent and distribution, and during a Participant's lifetime shall be exercisable only by him.

Power of the Company

The existence of outstanding Options shall not affect in any way the right or power of the Company or its subsidiaries or their stockholders to make or authorize any or all adjustments, recapitalization, reorganization or other changes in the capital structure of the Company or its Subsidiaries or their businesses, or any merger or consolidation of the Company or its Subsidiaries or any issue of bonds, debentures, preferred or the right thereof, or the dissolution or liquidation of the Company or its Subsidiaries, or any sale or transfer of all or any part of their assets or business, or any other corporate act or proceeding whether of a similar character or otherwise.

X. TERMINATION AND AMENDMENT OF THE PLAN

The Plan shall terminate upon the expiration of ten years after the Effective Date and an Option shall not be granted after that date. The Board of Directors may amend, alter, or discontinue the Plan, but no amendment or alteration shall be made which would impair the rights of any Participant under any Option theretofore granted, without his consent, unless his Option Agreement so provides. The Board of Directors may at any time and from time to time modify or amend the Plan in such respects as it shall deem advisable in order that the Options shall be "incentive stock options" as defined in Section 422A of the Code.

XI. GOVERNMENT REGULATIONS

The Plan, and the granting and exercise of Options thereunder, and the obligation of the Company to sell and deliver Shares under such Options, shall be subject to all applicable laws, rules and regulations, and to such approvals by any governmental agencies or national securities exchanges as may be required.

Purchase for Investment

Whether or not the Options and Shares covered by the Plan have been registered under the Securities Act of 1933, as amended, each Participant exercising an Option may be required by the Company to give a representation in writing that he is acquiring such Shares for his own account for investment and not with a view to, or for sale in connection with, the distribution of any part thereof.

Governing Law

The place of administration of the Plan shall be conclusively deemed to be within the State of Texas; and the validity, construction, interpretation and effect of the Plan and all rights

of any of the persons having or claiming to have any interest in the Plan shall be governed by the laws of the State of Texas.

IN WITNESS WHEREOF, Energy Insurance International, Inc. has caused the Plan to be executed by its duly authorized officers in a number of copies, each of which shall be deemed an original, but all of which shall constitute the same instrument, effective this 31st day of January 1990.

ENERGY INSURANCE INTERNATIONAL, INC.

By: /s/ John N. Molbeck, Jr.

John N. Molbeck, Jr.
President

CONSENT OF ERNST & YOUNG LLP, INDEPENDENT AUDITORS

We consent to the incorporation by reference in the Registration Statement (Form S-8) pertaining to the Energy Insurance International, Inc. 1989 Incentive Stock Option Plan, the Energy Insurance International, Inc. 1990 Incentive Stock Option Plan and the Aon Stock Award Plan of our reports dated February 9, 1995, with respect to the consolidated financial statements of Aon Corporation incorporated by reference in its Annual Report (Form 10-K) for the year ended December 31, 1994 and the related financial statement schedules included therein, filed with the Securities and Exchange Commission.

ERNST & YOUNG LLP

Chicago, Illinois
May 1, 1995

End of Filing

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