

AON PLC

FORM 8-K (Current report filing)

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Industry	Insurance (Miscellaneous)
Sector	Financial
Fiscal Year	12/31

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of report (Date of earliest event reported): **June 14, 2004**

Aon CORPORATION

(Exact name of Registrant as Specified in Charter)

Delaware

(State or Other Jurisdiction
of Incorporation)

1-7933

(Commission File Number)

36-3051915

(IRS Employer
Identification No.)

200 East Randolph Street, Chicago, Illinois

(Address of Principal Executive Offices)

60601

(Zip Code)

Registrant's telephone number, including area code: **(312) 381-1000**

Not Applicable

(Former Name or Former Address, if Changed Since Last Report)

Item 7. Financial Statements, Pro Forma Financial Information and Exhibits .

(a)—(b) Not applicable.

(c) Exhibits:

The following exhibits are furnished as part of this report:

Exhibit Number	Description of Exhibit
99.1	Consolidated Summary of Operations – Reclassified for Discontinued Operations for (i) the quarters ended March 31, June 30, September 30 and December 31, 2003, 2002, 2001 and 2000 and (ii) the years ended December 31, 2003, 2002, 2001 and 2000.
99.2	Segments-Reclassified for Discontinued Operations for (i) the quarters ended March 31, June 30, September 30 and December 31, 2003, 2002, 2001 and 2000 and (ii) the years ended December 31, 2003, 2002, 2001 and 2000.

Item 9. Regulation FD Disclosure.

On May 4, 2004, a Current Report on Form 8-K (the “May 4 Form 8-K”) was filed in conjunction with the release of first quarter 2004 financial results that included a quarterly and full year consolidated summary of operations for the year ended December 31, 2003, reclassified for discontinued operations. This Form 8-K filing supplements the May 4 Form 8-K by adding reclassified information for each quarter as well as full years ended December 31, 2002, 2001 and 2000, and is attached as Exhibit 99.1.

The May 4 Form 8-K also included segment information reclassified for discontinued operations for each quarter and full year ended December 31, 2003. This Form 8-K filing supplements the May 4 Form 8-K by adding reclassified information for each quarter as well as full years ended December 31, 2002, 2001 and 2000, and is attached as Exhibit 99.2.

This supplemental information is being furnished to assist investors in analyzing the Company’s historical 2003, 2002, 2001 and 2000 financial information compared to the first quarter 2004 presentation.

SIGNATURES

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

Aon CORPORATION

By: /s/ DAVID P. BOLGER

David P. Bolger

Executive Vice President and Chief Financial Officer

Date: June 14, 2004

EXHIBIT INDEX

The following is a list of the exhibits furnished with this Current Report on Form 8-K.

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99.2	Segments-Reclassified for Discontinued Operations for (i) the quarters ended March 31, June 30, September 30 and December 31, 2003, 2002, 2001 and 2000 and (ii) the years ended December 31, 2003, 2002, 2001 and 2000.

Aon Corporation
Consolidated Summary of Operations - Reclassified for Discontinued Operations

(millions except per share data)	2003				
	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Full Year
Revenue					
Brokerage commissions and fees	\$ 1,658	\$ 1,695	\$ 1,646	\$ 1,831	\$ 6,830
Premiums and other	632	635	673	669	2,609
Investment income	79	89	57	88	313
Total revenue	2,369	2,419	2,376	2,588	9,752
Expenses					
General expenses	1,678	1,783	1,725	1,857	7,043
Benefits to policyholders	345	325	367	390	1,427
Interest expense	28	27	24	22	101
Amortization of intangible assets	13	15	18	17	63
Unusual charges (credits) - World Trade Center	37	9	—	(60)	(14)
Total expenses	2,101	2,159	2,134	2,226	8,620
Income from continuing operations before income tax and minority interest					
	268	260	242	362	1,132
Provision for income tax	99	96	90	134	419
Income from continuing operations before minority interest					
	169	164	152	228	713
Minority interest - 8.205% trust preferred capital securities	(9)	(9)	(9)	(9)	(36)
Income from continuing operations	160	155	143	219	677
Discontinued operations					
Loss from discontinued operations	(12)	(15)	(44)	(6)	(77)
Income tax benefit	(4)	(6)	(16)	(2)	(28)
Loss from discontinued operations, net of tax					
	(8)	(9)	(28)	(4)	(49)
Net income	\$ 152	\$ 146	\$ 115	\$ 215	\$ 628
Preferred stock dividends	(1)	—	(1)	(1)	(3)
Net income available for common stockholders	\$ 151	\$ 146	\$ 114	\$ 214	\$ 625
Basic net income per share:					
Income from continuing operations	\$ 0.51	\$ 0.49	\$ 0.45	\$ 0.68	\$ 2.12
Discontinued operations	(0.03)	(0.03)	(0.09)	(0.01)	(0.15)
Net income	\$ 0.48	\$ 0.46	\$ 0.36	\$ 0.67	\$ 1.97
Dilutive net income per share:					
Income from continuing operations	\$ 0.51	\$ 0.49	\$ 0.45	\$ 0.68	\$ 2.12
Discontinued operations	(0.03)	(0.03)	(0.09)	(0.01)	(0.15)
Net income	\$ 0.48	\$ 0.46	\$ 0.36	\$ 0.67	\$ 1.97
Dilutive average common and common equivalent shares outstanding					
	315.2	318.2	318.6	319.3	317.8

(millions except per share data)	2002				
	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Full Year
Revenue					
Brokerage commissions and fees	\$ 1,425	\$ 1,491	\$ 1,532	\$ 1,678	\$ 6,126
Premiums and other	535	638	607	588	2,368
Investment income (loss)	109	(26)	88	81	252
Total revenue	<u>2,069</u>	<u>2,103</u>	<u>2,227</u>	<u>2,347</u>	<u>8,746</u>
Expenses					
General expenses	1,435	1,643	1,621	1,683	6,382
Benefits to policyholders	314	391	350	320	1,375
Interest expense	29	30	32	33	124
Amortization of intangible assets	11	14	13	16	54
Unusual credits - World Trade Center	—	—	(18)	(11)	(29)
Total expenses	<u>1,789</u>	<u>2,078</u>	<u>1,998</u>	<u>2,041</u>	<u>7,906</u>
Income from continuing operations before income tax and minority interest					
	280	25	229	306	840
Provision for income tax	104	9	84	113	310
Income from continuing operations before minority interest					
	176	16	145	193	530
Minority interest - 8.205% trust preferred capital securities	(10)	(10)	(10)	(4)	(34)
Income from continuing operations	<u>166</u>	<u>6</u>	<u>135</u>	<u>189</u>	<u>496</u>
Discontinued operations					
Loss from discontinued operations	(9)	(9)	(12)	(17)	(47)
Income tax benefit	(3)	(3)	(5)	(6)	(17)
Loss from discontinued operations, net of tax	<u>(6)</u>	<u>(6)</u>	<u>(7)</u>	<u>(11)</u>	<u>(30)</u>
Net income	<u>\$ 160</u>	<u>\$ —</u>	<u>\$ 128</u>	<u>\$ 178</u>	<u>\$ 466</u>
Preferred stock dividends	(1)	—	(1)	(1)	(3)
Net income available for common stockholders	<u>\$ 159</u>	<u>\$ —</u>	<u>\$ 127</u>	<u>\$ 177</u>	<u>\$ 463</u>
Basic net income per share:					
Income from continuing operations	\$ 0.60	\$ 0.02	\$ 0.49	\$ 0.63	\$ 1.76
Discontinued operations	(0.02)	(0.02)	(0.03)	(0.04)	(0.11)
Net income	<u>\$ 0.58</u>	<u>\$ —</u>	<u>\$ 0.46</u>	<u>\$ 0.59</u>	<u>\$ 1.65</u>
Dilutive net income per share:					
Income from continuing operations	\$ 0.59	\$ 0.02	\$ 0.49	\$ 0.63	\$ 1.75
Discontinued operations	(0.02)	(0.02)	(0.03)	(0.04)	(0.11)
Net income	<u>\$ 0.57</u>	<u>\$ —</u>	<u>\$ 0.46</u>	<u>\$ 0.59</u>	<u>\$ 1.64</u>
Dilutive average common and common equivalent shares outstanding	<u>276.6</u>	<u>278.0</u>	<u>277.1</u>	<u>299.0</u>	<u>282.6</u>

(millions except per share data)	2001				
	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Full Year
Revenue					
Brokerage commissions and fees	\$ 1,277	\$ 1,336	\$ 1,289	\$ 1,504	\$ 5,406
Premiums and other	508	492	510	517	2,027
Investment income	22	78	105	8	213
Total revenue	<u>1,807</u>	<u>1,906</u>	<u>1,904</u>	<u>2,029</u>	<u>7,646</u>
Expenses					
General expenses	1,351	1,507	1,369	1,496	5,723
Benefits to policyholders	292	260	271	288	1,111
Interest expense	36	31	31	29	127
Amortization of intangible assets	39	39	40	40	158
Unusual charges -World Trade Center	—	—	53	105	158
Total expenses	<u>1,718</u>	<u>1,837</u>	<u>1,764</u>	<u>1,958</u>	<u>7,277</u>
Income from continuing operations before income tax and minority interest					
	89	69	140	71	369
Provision for income tax	<u>35</u>	<u>27</u>	<u>54</u>	<u>30</u>	<u>146</u>
Income from continuing operations before minority interest					
	54	42	86	41	223
Minority interest - 8.205% trust preferred capital securities	<u>(10)</u>	<u>(10)</u>	<u>(10)</u>	<u>(10)</u>	<u>(40)</u>
Income from continuing operations	<u>44</u>	<u>32</u>	<u>76</u>	<u>31</u>	<u>183</u>
Discontinued operations					
Loss from discontinued operations	(41)	(5)	(7)	(7)	(60)
Income tax benefit	<u>(16)</u>	<u>(2)</u>	<u>(3)</u>	<u>(3)</u>	<u>(24)</u>
Loss from discontinued operations, net of tax	<u>(25)</u>	<u>(3)</u>	<u>(4)</u>	<u>(4)</u>	<u>(36)</u>
Net income	<u>\$ 19</u>	<u>\$ 29</u>	<u>\$ 72</u>	<u>\$ 27</u>	<u>\$ 147</u>
Preferred stock dividends	<u>(1)</u>	<u>—</u>	<u>(1)</u>	<u>(1)</u>	<u>(3)</u>
Net income available for common stockholders	<u>\$ 18</u>	<u>\$ 29</u>	<u>\$ 71</u>	<u>\$ 26</u>	<u>\$ 144</u>
Basic net income per share:					
Income from continuing operations	\$ 0.16	\$ 0.12	\$ 0.27	\$ 0.11	\$ 0.67
Discontinued operations	(0.09)	(0.01)	(0.01)	(0.01)	(0.13)
Net income	<u>\$ 0.07</u>	<u>\$ 0.11</u>	<u>\$ 0.26</u>	<u>\$ 0.10</u>	<u>\$ 0.54</u>
Dilutive net income per share:					
Income from continuing operations	\$ 0.16	\$ 0.12	\$ 0.27	\$ 0.11	\$ 0.66
Discontinued operations	(0.09)	(0.01)	(0.01)	(0.01)	(0.13)
Net income	<u>\$ 0.07</u>	<u>\$ 0.11</u>	<u>\$ 0.26</u>	<u>\$ 0.10</u>	<u>\$ 0.53</u>
Dilutive average common and common equivalent shares outstanding	<u>267.9</u>	<u>270.2</u>	<u>275.4</u>	<u>276.9</u>	<u>272.4</u>

(millions except per share data)	2000				
	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Full Year
Revenue					
Brokerage commissions and fees	\$ 1,193	\$ 1,193	\$ 1,167	\$ 1,352	\$ 4,905
Premiums and other	468	491	476	486	1,921
Investment income	137	125	133	113	508
Total revenue	<u>1,798</u>	<u>1,809</u>	<u>1,776</u>	<u>1,951</u>	<u>7,334</u>
Expenses					
General expenses	1,261	1,253	1,199	1,440	5,153
Benefits to policyholders	252	257	257	271	1,037
Interest expense	31	33	38	38	140
Amortization of intangible assets	38	39	38	39	154
Total expenses	<u>1,582</u>	<u>1,582</u>	<u>1,532</u>	<u>1,788</u>	<u>6,484</u>
Income from continuing operations before income tax and minority interest					
	216	227	244	163	850
Provision for income tax	<u>84</u>	<u>89</u>	<u>95</u>	<u>63</u>	<u>331</u>
Income from continuing operations before minority interest					
	132	138	149	100	519
Minority interest - 8.205% trust preferred capital securities	<u>(10)</u>	<u>(10)</u>	<u>(10)</u>	<u>(10)</u>	<u>(40)</u>
Income from continuing operations					
	122	128	139	90	479
Discontinued operations					
Income from discontinued operations	2	1	—	1	4
Income tax provision	<u>1</u>	<u>—</u>	<u>—</u>	<u>1</u>	<u>2</u>
Income from discontinued operations, net of tax					
	1	1	—	—	2
Cumulative effect of change in accounting principle, net of tax					
	<u>(7)</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(7)</u>
Net income					
	<u>\$ 116</u>	<u>\$ 129</u>	<u>\$ 139</u>	<u>\$ 90</u>	<u>\$ 474</u>
Preferred stock dividends	<u>(1)</u>	<u>—</u>	<u>(1)</u>	<u>(1)</u>	<u>(3)</u>
Net income available for common stockholders					
	<u>\$ 115</u>	<u>\$ 129</u>	<u>\$ 138</u>	<u>\$ 89</u>	<u>\$ 471</u>
Basic net income per share:					
Income from continuing operations	\$ 0.46	\$ 0.50	\$ 0.53	\$ 0.34	\$ 1.83
Discontinued operations	0.01	—	—	—	0.01
Cumulative effect of change in accounting principle	(0.03)	—	—	—	(0.03)
Net income	<u>\$ 0.44</u>	<u>\$ 0.50</u>	<u>\$ 0.53</u>	<u>\$ 0.34</u>	<u>\$ 1.81</u>
Dilutive net income per share:					
Income from continuing operations	\$ 0.46	\$ 0.49	\$ 0.53	\$ 0.33	\$ 1.81
Discontinued operations	0.01	—	—	—	0.01
Cumulative effect of change in accounting principle	(0.03)	—	—	—	(0.03)
Net income	<u>\$ 0.44</u>	<u>\$ 0.49</u>	<u>\$ 0.53</u>	<u>\$ 0.33</u>	<u>\$ 1.79</u>
Dilutive average common and common equivalent shares outstanding					
	<u>260.5</u>	<u>261.7</u>	<u>262.8</u>	<u>267.0</u>	<u>263.0</u>

Aon Corporation
Segments - Reclassified for Discontinued Operations

(millions)	2003				
	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Full Year
Revenue					
Risk & Insurance Brokerage Services:					
Risk Management & Insurance Brokerage - Americas	\$ 507	\$ 590	\$ 562	\$ 640	\$ 2,299
Risk Management & Insurance Brokerage - International	524	507	478	565	2,074
Reinsurance Brokerage & Related Services	242	226	232	202	902
Claims Services	88	88	85	91	352
Total Risk & Insurance Brokerage Services	<u>1,361</u>	<u>1,411</u>	<u>1,357</u>	<u>1,498</u>	<u>5,627</u>
Consulting:					
Benefits, Compensation, Management & Communications Consulting	209	224	214	251	898
Human Resource Outsourcing	71	68	70	78	287
Total Consulting	<u>280</u>	<u>292</u>	<u>284</u>	<u>329</u>	<u>1,185</u>
Insurance Underwriting:					
Accident & Health and Life	399	377	416	402	1,594
Warranty, Credit and Property & Casualty	310	315	326	338	1,289
Total Insurance Underwriting	<u>709</u>	<u>692</u>	<u>742</u>	<u>740</u>	<u>2,883</u>
Corporate & Other	31	40	14	40	125
Intersegment Revenues	(12)	(16)	(21)	(19)	(68)
Total	<u>\$ 2,369</u>	<u>\$ 2,419</u>	<u>\$ 2,376</u>	<u>\$ 2,588</u>	<u>\$ 9,752</u>
Income (loss) from continuing operations before income tax and minority interest					
Risk & Insurance Brokerage Services	\$ 234	\$ 180	\$ 192	\$ 243	\$ 849
Consulting	21	22	20	47	110
Insurance Underwriting	63	64	58	11	196
Corporate & Other	(50)	(6)	(28)	61	(23)
Total	<u>\$ 268</u>	<u>\$ 260</u>	<u>\$ 242</u>	<u>\$ 362</u>	<u>\$ 1,132</u>
Income from continuing operations before income tax - margins					
Risk & Insurance Brokerage Services	17.2%	12.8%	14.1%	16.2%	15.1%
Consulting	7.5%	7.5%	7.0%	14.3%	9.3%
Insurance Underwriting	8.9%	9.2%	7.8%	1.5%	6.8%
Total	11.3%	10.7%	10.2%	14.0%	11.6%

(millions)	2002				
	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Full Year
Revenue					
Risk & Insurance Brokerage Services:					
Risk Management & Insurance Brokerage - Americas	\$ 448	\$ 517	\$ 534	\$ 607	\$ 2,106
Risk Management & Insurance Brokerage - International	420	413	403	459	1,695
Reinsurance Brokerage & Related Services	199	192	210	189	790
Claims Services	77	80	87	85	329
Total Risk & Insurance Brokerage Services	1,144	1,202	1,234	1,340	4,920
Consulting:					
Benefits, Compensation, Management & Communications Consulting	183	194	193	226	796
Human Resource Outsourcing	48	52	74	76	250
Total Consulting	231	246	267	302	1,046
Insurance Underwriting:					
Accident & Health and Life	389	441	415	394	1,639
Warranty, Credit and Property & Casualty	260	309	303	290	1,162
Total Insurance Underwriting	649	750	718	684	2,801
Corporate & Other	45	(95)	8	21	(21)
Total	\$ 2,069	\$ 2,103	\$ 2,227	\$ 2,347	\$ 8,746
Income (loss) from continuing operations before income tax and minority interest					
Risk & Insurance Brokerage Services	\$ 192	\$ 146	\$ 213	\$ 254	\$ 805
Consulting	27	24	26	45	122
Insurance Underwriting	68	2	41	44	155
Corporate & Other	(7)	(147)	(51)	(37)	(242)
Total	\$ 280	\$ 25	\$ 229	\$ 306	\$ 840
Income from continuing operations before income tax - margins					
Risk & Insurance Brokerage Services	16.8%	12.1%	17.3%	19.0%	16.4%
Consulting	11.7%	9.8%	9.7%	14.9%	11.7%
Insurance Underwriting	10.5%	0.3%	5.7%	6.4%	5.5%
Total	13.5%	1.2%	10.3%	13.0%	9.6%

(millions)	2001				
	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Full Year
Revenue					
Risk & Insurance Brokerage Services:					
Risk Management & Insurance Brokerage - Americas	\$ 423	\$ 480	\$ 441	\$ 576	\$ 1,920
Risk Management & Insurance Brokerage - International	375	342	322	374	1,413
Reinsurance Brokerage & Related Services	175	171	174	148	668
Claims Services	79	90	93	100	362
Total Risk & Insurance Brokerage Services	1,052	1,083	1,030	1,198	4,363
Consulting:					
Benefits, Compensation, Management & Communications Consulting	169	181	180	210	740
Human Resource Outsourcing	43	47	50	53	193
Total Consulting	212	228	230	263	933
Insurance Underwriting:					
Accident & Health and Life	348	354	357	370	1,429
Warranty, Credit and Property & Casualty	280	255	284	273	1,092
Total Insurance Underwriting	628	609	641	643	2,521
Corporate & Other	(85)	(14)	3	(75)	(171)
Total	\$ 1,807	\$ 1,906	\$ 1,904	\$ 2,029	\$ 7,646
Income (loss) from continuing operations before income tax and minority interest					
Risk & Insurance Brokerage Services	\$ 166	\$ 79	\$ 142	\$ 178	\$ 565
Consulting	24	24	29	50	127
Insurance Underwriting	68	60	45	(5)	168
Corporate & Other	(169)	(94)	(76)	(152)	(491)
Total	\$ 89	\$ 69	\$ 140	\$ 71	\$ 369
Income (loss) from continuing operations before income tax - margins					
Risk & Insurance Brokerage Services	15.8%	7.3%	13.8%	14.9%	12.9%
Consulting	11.3%	10.5%	12.6%	19.0%	13.6%
Insurance Underwriting	10.8%	9.9%	7.0%	-0.8%	6.7%
Total	4.9%	3.6%	7.4%	3.5%	4.8%

(millions)	2000				
	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Full Year
Revenue					
Risk & Insurance Brokerage Services:					
Risk Management & Insurance Brokerage - Americas	\$ 420	\$ 456	\$ 448	\$ 544	\$ 1,868
Risk Management & Insurance Brokerage - International	370	332	301	332	1,335
Reinsurance Brokerage & Related Services	156	149	163	157	625
Claims Services	60	61	63	68	252
Total Risk & Insurance Brokerage Services	1,006	998	975	1,101	4,080
Consulting:					
Benefits, Compensation, Management & Communications Consulting	143	147	148	198	636
Human Resource Outsourcing	33	33	34	34	134
Total Consulting	176	180	182	232	770
Insurance Underwriting:					
Accident & Health and Life	319	323	330	349	1,321
Warranty, Credit and Property & Casualty	267	286	264	275	1,092
Total Insurance Underwriting	586	609	594	624	2,413
Corporate & Other	30	22	25	(6)	71
Total	\$ 1,798	\$ 1,809	\$ 1,776	\$ 1,951	\$ 7,334
Income (loss) from continuing operations before income tax and minority interest					
Risk & Insurance Brokerage Services	\$ 177	\$ 178	\$ 179	\$ 127	\$ 661
Consulting	19	23	26	38	106
Insurance Underwriting	68	82	85	90	325
Corporate & Other	(48)	(56)	(46)	(92)	(242)
Total	\$ 216	\$ 227	\$ 244	\$ 163	\$ 850
Income from continuing operations before income tax - margins					
Risk & Insurance Brokerage Services	17.6%	17.8%	18.4%	11.5%	16.2%
Consulting	10.8%	12.8%	14.3%	16.4%	13.8%
Insurance Underwriting	11.6%	13.5%	14.3%	14.4%	13.5%
Total	12.0%	12.5%	13.7%	8.4%	11.6%