

AON PLC

FORM 11-K (Annual Report of Employee Stock Plans)

Filed 06/29/98 for the Period Ending 12/31/97

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 11-K

(Annual Report of Employee Stock Plans)

Filed 6/29/1998 For Period Ending 12/31/1997

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

Generated by EDGAR Online Pro
<http://pro.edgar-online.com>



Contact EDGAR Online
Customer Service: 203-852-5666
Corporate Sales: 212-457-8200

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 11-K

Annual Report Pursuant to Section 15(d) of the Securities
Exchange Act of 1934

For the fiscal year ended December 31, 1997

OR

Transition Report Pursuant to Section 15(d) of the
Securities Exchange Act of 1934

A. Full title of the plan and the address of the plan, if different from the issuer named below:

Aon Savings Plan

B. Name of the issuer of the securities held pursuant to the plan and the address of its principal executive office:

Aon Corporation

123 N. Wacker Drive
Chicago, Illinois 60606

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Plan, by the Plan Administrator, the Committee, has caused this annual report to be signed on its behalf by the undersigned, thereunto duly authorized, in the County of Cook and the State of Illinois on the 26th day of June, 1998.

AON SAVINGS PLAN

BY THE COMMITTEE

/s/ THOMAS STACHURA

Thomas Stachura

/s/ JOHN A. RESCHKE

John A. Reschke

/s/ VIRGINIA G. SCHOOLEY

Virginia G. Schooley

/s/ ROBERT HURWITZ

Robert Hurwitz

/s/ FRED PRUDHOMME

Fred Prudhomme

AUDITED FINANCIAL STATEMENTS AND SCHEDULES

AON SAVINGS PLAN

1997

WITH

REPORT OF INDEPENDENT AUDITORS

AON SAVINGS PLAN

INDEX TO AUDITED FINANCIAL STATEMENTS AND SCHEDULES

	Page

Report of Independent Auditors	1
Financial Statements:	
Statements of Net Assets Available for Plan Benefits at December 31, 1997 and 1996	2
Statements of Changes in Net Assets Available for Plan Benefits for the years ended December 31, 1997 and 1996	3
Notes to Financial Statements	4
Financial Statement Schedules:	
Schedule I Assets Held for Investment as of December 31, 1997	9
Schedule II Net Assets Available for Plan Benefits by Investment Program at December 31, 1997 and 1996	13
Schedule III Changes in Net Assets Available for Plan Benefits by Investment Program for the years ended December 31, 1997 and 1996	15
Schedule IV Transactions or Series of Transactions in Excess of 5% of the Current Value of Plan Assets for the year ended December 31, 1997	17

REPORT OF INDEPENDENT AUDITORS

The Participants and Administrative Committee Aon Savings Plan

We have audited the accompanying statements of net assets available for plan benefits of Aon Savings Plan as of December 31, 1997 and 1996, and the related statements of changes in net assets available for plan benefits for the years then ended. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for plan benefits of the Plan at December 31, 1997, and 1996, and the changes in its net assets available for plan benefits for the years then ended, in conformity with generally accepted accounting principles.

Our audits were for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying supplemental schedules of assets held for investment as of December 31, 1997 (Schedule I) and transactions or series of transactions in excess of 5% of the current value of plan assets (Schedule IV) for the year then ended, are presented for purposes of complying with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, and are not a required part of the financial statements. The supplemental schedules have been subjected to the auditing procedures applied in our audits of the financial statements and, in our opinion, are fairly stated in all material respects in relation to the financial statements taken as a whole.

ERNST & YOUNG LLP

June 12, 1998

AON SAVINGS PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR PLAN BENEFITS

	December 31	
(thousands)	1997	1996
	-----	-----
ASSETS		
Investments, at Fair Value (Notes 1,2, and 3):		
United States Government and Government Agency Issues	\$ 54,658	\$ 82,043
Corporate Bonds and Notes	--	6,312
Other Bonds	--	1,028
Common Stocks:		
Aon Corporation	392,871	292,189
Other	12	44,202
Preferred Stocks	--	1,616
Investments held in the Aon Funds:		
Aon Money Market Fund	29,678	25,754
Aon Government Securities Fund	16,768	12,526
Aon Asset Allocation Fund	79,836	51,743
Aon S&P 500 Index Fund	114,739	70,708
Aon REIT Index Fund	17,923	5,591
Aon International Equity Fund	17,234	11,866
Other Long-Term Investments	14	16
Short-Term Investments	70,779	11,100
	794,512	616,694
Unallocated Guaranteed Insurance Contracts, at Contract Value	43,526	79,198
Total Investments	838,038	695,892
Receivables:		
Contribution Receivable from Aon Corporation	14,754	13,396
Contributions Receivable from Participants	479	289
Loans Receivable	581	206
Accrued Dividends and Interest	260	824
Due from Broker	16,303	2,977
	-----	-----
Total Receivables	32,377	17,692
	-----	-----
Total Assets	870,415	713,584
	-----	-----
LIABILITIES		
Accounts Payable and Accrued Expenses	--	--
	-----	-----
Total Liabilities	--	--
	-----	-----
Net Assets Available for Plan Benefits	\$870,415	\$713,584
	=====	=====

See notes to financial statements.

AON SAVINGS PLAN

STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR PLAN BENEFITS

	Year Ended December 31	
(thousands)	1997	1996
	-----	-----
ADDITIONS:		

Investment Income:		
Interest and Income from Unallocated		
Guaranteed Insurance Contracts	\$ 10,013	\$ 10,947
Aon Corporation Dividends	7,057	6,909
Other Dividends	7,674	1,679
	-----	-----
	24,744	19,535
Contributions:		
Aon Corporation	14,754	14,056
ESOP Diversification	286	87
Participants	38,762	31,740
	-----	-----
	53,802	45,883
	-----	-----
	78,546	65,418
DEDUCTIONS:		

Benefits Paid to Participants	91,982	76,929
Administrative Expenses	861	832
Investment Expenses	199	201
	-----	-----
	93,042	77,962
	=====	=====
	(14,496)	(12,544)
Net Realized and Unrealized Appreciation in Fair Value of Investments (Note 3)	170,952	86,907
	-----	-----
Net Increases	156,456	74,363
Net Assets Available for Plan Benefits at Beginning of Year	713,584	639,221
Plan Mergers	375	--
	-----	-----
Net Assets Available for Plan Benefits at End of Year	\$ 870,415	\$ 713,584
	=====	=====
See notes to financial statements.		

AON SAVINGS PLAN

NOTES TO FINANCIAL STATEMENTS

1997 and 1996

I. Description of Plan

A. General

The Aon Savings Plan (the "Plan") was authorized by the Board of Directors of Aon Corporation (the "Company"). The Plan has been designed as a salary reduction plan under Section 401(k) of the Internal Revenue Code of 1986, as amended (the "Code").

The Plan is subject to and is designed to comply with the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA") applicable to defined contribution profit sharing plans, specifically "Title I - Protection of Employee Benefits Rights," which includes regulatory provisions regarding reporting and disclosure, participation and vesting, funding, fiduciary responsibility, administration and enforcement. The minimum funding standards of Title I do not, however, apply to the Plan.

Certain of the Plan's investments are held by the Aon Funds, an affiliated, open-end management investment company.

B. Eligibility and Participation

Participation in the Plan is limited to employees who have completed one year of service and attained the age of 21 or employees who were eligible under another Plan that was merged into the Aon Savings Plan. An employee must be employed in the United States on a permanent basis in order to participate.

C. Contributions

Participant - Participant contributions are made by means of regular payroll deductions. Non-highly compensated Participants, as defined by the Code, may elect to make contributions of between 2% and 10% of their compensation, as defined by the Plan. Highly compensated participants, as defined by the Code, may elect to make contributions of between 2% and 6% of their compensation, as defined by the Plan. Participant contributions are limited to amounts allowed under the Tax Reform Act of 1986. Accordingly, the maximum Participant contribution was \$9,500 in 1997 and 1996.

Company - The Company will contribute an amount equal to 100% of a Participant's contributions, on the first 3% of compensation contributed for the year. The Plan requires that a Participant be actively employed and contributing to the Plan as of the last day of the Plan year in order to receive a Company contribution.

D. Investment Provisions

Contributions to the Plan may be invested in one or more of the following investment funds:

Money Market Fund - Invested principally in shares of the Aon Money Market Fund of the Aon Funds. The portfolio invests in various types of high-quality, short-term money market instruments, including certificates of deposit, commercial paper, U.S. Treasury and Agency securities and other similar instruments.

Aon Common Stock Fund - Invested principally in common stock of the Company that is purchased on the open market or in private transactions.

Investment Contract Fund - Invested principally in unallocated guaranteed insurance contracts, U.S. Treasury bills and short-term investment funds. In 1995, members of the Company's Investment Department became managers of this Fund. The Investment Manager is a fiduciary within the meaning of ERISA Section 3(21). Certain restrictions and penalties may apply with regard to the termination of unallocated guaranteed insurance contracts prior to the scheduled maturity date.

Government Securities Fund - Invested principally in shares of the Aon Government Securities Fund of the Aon Funds. The portfolio invests in intermediate and long-term debt securities issued or guaranteed by the U.S. Government, its agencies or instrumentalities.

Total Return Fund - Invested principally in shares of the Aon Asset Allocation Fund of the Aon Funds. The portfolio invests in equity securities, long-term debt securities and money market instruments.

Common Stock Index Fund - Invested principally in shares of the Aon S&P 500 Index Fund of the Aon Funds. The portfolio invests in common stocks traded on the New York Stock Exchange and the American Stock Exchange and, to a limited extent, in the over-the-counter markets.

Real Estate Securities Fund - Invested principally in shares of the Aon REIT Index Fund of the Aon Funds. The portfolio invests primarily in the securities of REITs comprising the Morgan Stanley REIT Index, which are principally engaged in or related to the real estate industry, including ownership of significant real estate assets. This portfolio does not invest directly in real estate.

International Equity Fund - Invested principally in shares of the Aon International Equity Fund of the Aon Funds. The portfolio invests primarily in equity and equity-related securities of companies that are organized outside the United States or whose securities are principally traded outside the United States.

The Plan's net assets available for plan benefits by investment program and changes in net assets available for plan benefits by investment program are set forth on Schedules II and III, respectively, and are incorporated herein by reference.

Effective January 1, 1998, the Balanced Fund was terminated as planned. Remaining net assets in the Balanced Fund were transferred to the Money Market Fund.

E. Account Balances

Each Participant's account is credited with the Participant's contribution and an allocation of a) the Company's contribution, b) Plan earnings, and c) Forfeitures of terminated Participants' non-vested accounts.

Participants are fully vested in their contributions plus actual earnings thereon. Participants become 100% vested in the remainder of their account balance after five years of Plan Service, according to a graded schedule. Forfeitures of non-vested accounts are allocated to the remaining Participants. The amount of forfeitures allocated to Participants was \$823,000 and \$825,000 for 1997 and 1996, respectively.

On termination of service, a participant may elect to receive either a lump sum amount equal to the value of his or her account and/or monthly installments over a period not to exceed ten years.

F. Plan Termination

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of plan termination, participants will become 100% vested in their account balances.

G. Loan Administration

Under the Plan, Participants do not have the ability to borrow from their accounts. Prior to certain plan mergers, the predecessor plans permitted Participants to borrow from the vested portion of their account. At the date of merger, Participants under the former plans could no longer borrow from the vested portion of their account. However, the Plan will continue to administer those loans that existed prior to the mergers.

H. Summary Plan Description

Participants of the Plan should refer to the Summary Plan Description for a more complete description of the Plan.

2. Summary of Significant Accounting Policies

A. Investments

Investments, except for unallocated guaranteed insurance contracts, are carried at fair value, which for marketable securities is based on quotations obtained from national securities exchanges and various other sources. Investments in unallocated guaranteed insurance contracts are valued at contract value, which represents contributions made under the contract, plus interest at the contract rate, less any administrative charges. The Plan believes contract value approximates fair value.

Interest income is recorded as earned. Dividend income is recorded on the ex-dividend date. Realized gains or losses on investments are the difference between the proceeds received and the cost of investments sold as determined on a first-in, first-out basis. The change in the difference between fair value and the cost of investments is reported as unrealized appreciation or depreciation of investments.

B. Operating Expenses

Administrative expenses of the Plan, including expenses of the Trustees, are paid from the Plan assets, except to the extent that the Company at its discretion, may decide to pay such expenses. Administrative expenses include \$860,000 and \$830,000 in 1997 and 1996, respectively, paid to subsidiaries of the Company.

C. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles re- management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

3. Investments

The Northern Trust Company is the custodian of the Plan assets and Trustee for the Aon Stock Fund. The remaining Trustees for the Plan are members of the Company's Investment Department, and they have been given the discretion and authority to manage the investments. The Trustees are named fiduciaries under ERISA.

The net realized and unrealized appreciation (depreciation) in fair value of Plan investments is as follows:

	1997	1996
	-----	-----
(thousands)		
United States Government and Government Agency Issues	\$ 96	\$ (1,305)
Corporate Bonds and Notes	(179)	(308)
Other Bonds	(13)	(24)
Common Stock:		
Aon Corporation	118,016	58,485
Other	10,871	10,012
Preferred Stocks	335	502
Investment held in the Aon Funds:		
Aon Money Market Fund	--	--
Aon Government Securities Fund	559	(148)
Aon Asset Allocation Fund	15,437	982
Aon S&P 500 Index Fund	23,751	(649)
Aon REIT Index Fund	1,935	498
Aon International Equity Fund	143	177
Investment held in the Life of Virginia Series Funds:		
Money Market Portfolio	--	1,249
Government Securities Portfolio	--	155
Total Return Portfolio	--	4,028
Common Stock Index Portfolio	--	12,324
Real Estate Securities Portfolio	--	697
International Equity Portfolio	--	230
Unallocated Guaranteed Insurance Contracts	1	2
	\$ 170,952	\$ 86,907
	=====	=====

The aggregate cost of investments was \$536,739,000 and \$508,809,000 at December 31, 1997 and 1996, respectively.

The following investments exceed 5% of the Plan's net assets available for plan benefits:

	<u>December 31</u>	
(thousands)	1997 -----	1996 -----
Aon Corporation, Common Stock	\$392,871	\$292,189
Short-Term Investment Fund, Collective Trust Funds of The Northern Trust Company	70,779	--
Investments held in the Aon Funds:		
Aon Asset Allocation Fund	79,836	51,743
Aon S&P 500 Index Fund	114,739	70,708
U.S. Treasury Bills due 1-2-97	--	44,000

The Plan has an unallocated guaranteed insurance contract with a contract value of \$5,077,000 that is issued by an insurance subsidiary of the Company.

The average yield on all other guaranteed investment contracts is equal to the stated interest rate of the particular contract.

4. Federal Income Taxes

The Plan received a favorable determination letter on April 10, 1995. The Plan is required to operate in conformity with the Code to maintain its qualification. The Plan Administrative Committee believes the Plan is a qualified salary reduction plan under Section 401(k) of the Code. The Plan's Administrative Committee is not aware of any course of action or series of events that have occurred that might adversely affect the Plan's qualified status.

5. Subsequent Events

In early 1997, Aon Corporation acquired Alexander and Alexander Services Inc. The Thrift Plan for Employees of Alexander and Alexander Services Inc. was merged with the Aon Savings Plan effective January 1, 1998. Accordingly, net assets available for plan benefits of approximately \$269 million were transferred to the Plan effective January 1, 1998.

6. Year 2000 Issue (unaudited)

The Company has developed a plan to modify its internal information technology to be ready for the year 2000 and has begun converting critical data processing systems. The project also includes determining whether third party service providers have reasonable plans in place to become year 2000 compliant. The Company currently expects the project to be substantially complete by mid 1999. The Company does not expect this project to have a significant effect on plan operations.

Schedule I
AON SAVINGS PLAN
ASSETS HELD FOR INVESTMENT
December 31, 1997

Schedule I represents the investments of the Aon Savings Plan. The investments are allocated to the various investment funds in which the Plan's Participants may elect to invest their funds. Schedule II, following on page 13, represents the composition of these investment funds for the Aon Savings Plan.

Issue	Number of Shares ----- Principal Amount	Cost (thousands)	Fair Value (thousands)
Money Market Fund -----			
Mutual Fund			
Investments held in the Aon Funds			
Money Market Fund	29,678,360	\$ 29,678	\$ 29,678
Short-Term Investments			
Short-Term Investment Fund, Collective Trust Funds of The Northern Trust Company	\$ 95,290	95 -----	95 -----
Total Money Market Fund		\$ 29,773 =====	\$ 29,773 =====
Balanced Fund -----			
Common Stock			
Security Capital Group, Inc. Class B Warrant	2,198	\$ --	\$ 12
Short-Term Investments			
Short-Term Investment Fund, Collective Trust Funds of The Northern Trust Company	\$ 64,366,442	\$ 64,366 -----	\$ 64,366 -----
Total Balanced Fund		\$ 64,366 =====	\$ 64,378 =====
Aon Stock Fund -----			
Common Stock			
Aon Corporation Common Stock, \$1.00 par	6,701,423	\$ 126,163	\$ 392,871
Short-Term Investments			
Short-Term Investment Fund, Collective Trust Funds of The Northern Trust Company	\$ 420,862	\$ 421 -----	\$ 421 -----
Total Aon Stock Fund		\$ 126,584 =====	\$ 393,292 =====

Issue	Number of Shares	Cost	Fair Value
	Principal Amount	(thousands)	(thousands)
Investment Contract Fund			
Unallocated Insurance Contracts			
Combined Insurance Co. of America Contract #CG1000 7.12% due 9/30/96, 6/30/99	\$ 5,076,729	\$ 5,077	\$ 5,077
Commonwealth Life Insurance Co. Contract #ADA00551FR 5.35% due 6/30/98	3,064,998	3,065	3,065
The Life Insurance Company of Virginia Contract #GS2753 5.67% due 9/30/98	12,456,990	12,457	12,457
Protective Life Insurance Company Contract # GR-9039 7.36% due 3/31/99	5,034,955	5,035	5,035
Provident Life & Accident Insurance Co. Contract #627-05641 5.79% due 12/31/98	5,254,833	5,255	5,255
Prudential Contract #6458 5.20% due 6/30/98	6,119,728	6,119	6,119
Sun Life Insurance Co. Contract #GICFA-484 6.02% due 12/31/98	5,315,763	5,316	5,316
Travelers Insurance Co. Contract #GR-9039 4%, Reset annually	1,202,353	\$ 1,202	\$ 1,202
Total Unallocated Guaranteed Insurance Contracts		43,526	43,526
U.S. Government and Government Agency Issues			
U.S. Treasury Bill due 2/15/1998	\$ 15,000,000	14,803	14,898
U.S. Treasury Bill due 2/19/1998	24,000,000	23,790	23,837
U.S. Treasury Bill due 2/5/1998	16,000,000	15,806	15,923
		54,399	54,658
Other			
Wachovia Real Estate Fund	28	21	14
		21	14

Issue	Number of Shares ----- Principal Amount	Cost (thousands)	Fair Value (thousands)
Short-Term Investments			
Short-Term Investment Fund, Collective Trust Funds of The Northern Trust Company	\$ 4,914,148	4,914 -----	4,914 -----
Total Short-Term Investments		4,914 -----	4,914 -----
Total Investment Contract Fund		\$ 102,860 =====	\$ 103,112 =====
Government Securities Fund -----			
Mutual Fund			
Investments held in the Aon Funds Government Securities Fund	1,589,430	\$ 16,344	\$ 16,768
Short-Term Investments			
Short-Term Investment Fund, Collective Trust Funds of The Northern Trust Company	\$ 76,330	76 -----	76 -----
Total Government Securities Fund		\$ 16,420 =====	\$ 16,844 =====
Total Return Fund -----			
Mutual Fund			
Investments held in the Aon Funds Asset Allocation Fund	4,862,145	\$ 66,739	\$ 79,836
Short-Term Investments			
Short-Term Investment Fund, Collective Trust Funds of The Northern Trust Company	\$ 139,715	140 -----	140 -----
Total Total Return Fund		\$ 66,879 =====	\$ 79,976 =====
Common Stock Index Fund -----			
Mutual Fund			
Investments held in the Aon Funds S&P 500 Index Fund	8,001,294	\$ 96,182	\$ 114,739
Short-Term Investments			
Short-Term Investment Fund, Collective Trust Funds of The Northern Trust Company	\$ 572,886	573 -----	573 -----
Total Common Stock Index Fund		\$ 96,755 =====	\$ 115,312 =====

Issue	Number of Shares ----- Principal Amount	Cost (thousands)	Fair Value (thousands)
Real Estate Securities Fund			

Mutual Fund			
Investments held in the Aon Funds REIT Index Fund	1,304,440	\$ 15,711	\$ 17,923
Short-Term Investments			
Short-Term Investment Fund, Collective Trust Funds of The Northern Trust Company	\$ 50,682	51 -----	51 -----
Total Real Estate Securities Fund		\$ 15,762 =====	\$ 17,974 =====
International Equity Fund			
Mutual Fund			
Investments held in the Aon Funds International Equity Fund	1,597,241	\$ 17,196	\$ 17,234
Short-Term Investments			
Short-Term Investment Fund, Collective Trust Funds of The Northern Trust Company	\$ 143,452	143 -----	143 -----
Total International Equity Fund		\$ 17,339 =====	\$ 17,377 =====
Total Investments		\$ 536,738 =====	\$ 838,038 =====

Schedule II

AON SAVINGS PLAN
NET ASSETS AVAILABLE FOR PLAN BENEFITS BY INVESTMENT PROGRAM
DECEMBER 31, 1997

(thousands)	Money Market Fund	Balanced Fund	Aon Stock Fund	Investment Contracts Fund	Government Securities Fund	Total Return Fund
ASSETS	-----	-----	-----	-----	-----	-----
Investments, at Fair Value:						
United States Government and Government Agency Securities				\$ 54,658		
Corporate Bonds and Notes				-		
Other Bonds				-		
Common Stocks:						
Aon Corporation			\$ 392,871	-		
Other		\$ 12	-	-		
Preferred Stocks		-	-	-		
Investments held in the Aon Funds:						
Aon Money Market Fund	\$ 29,678	-	-	-		
Aon Government Securities Fund	-	-	-	-	\$ 16,768	
Aon Asset Allocation Fund	-	-	-	-	-	\$ 79,836
Aon S&P 500 Index Fund	-	-	-	-	-	-
Aon REIT Index Fund	-	-	-	-	-	-
Aon International Equity Fund	-	-	-	-	-	-
Other Long-Term Investments	-	-	-	14	-	-
Short-Term Investments	95	64,366	421	4,914	76	140
	-----	-----	-----	-----	-----	-----
	29,773	64,378	393,292	59,586	16,844	79,976
Unallocated Guaranteed Insurance Contracts, at Contract Value	-	-	-	43,526	-	-
	-----	-----	-----	-----	-----	-----
Total Investments	29,773	64,378	393,292	103,112	16,844	79,976
Receivables:						
Contribution Receivable from Aon Corporation	794	-	5,327	1,581	756	1,701
Contributions Receivable from Participants	28	(2)	162	45	20	57
Loans Receivable	-	-	-	-	-	-
Accrued Dividends and Income	1	213	3	38	1	2
Due from Broker	-	1,265	925	14,113	-	-
Fund Transfers	(717)	286	418	3	18	152
	-----	-----	-----	-----	-----	-----
Total Receivables	106	1,762	6,835	15,780	795	1,912
	-----	-----	-----	-----	-----	-----
Net Assets Available for Plan Benefits	\$ 29,879	\$ 66,140	\$ 400,127	\$ 118,892	\$ 17,639	\$ 81,888
	=====	=====	=====	=====	=====	=====

Schedule II

AON SAVINGS PLAN
NET ASSETS AVAILABLE FOR PLAN BENEFITS BY INVESTMENT PROGRAM
DECEMBER 31, 1997
(CONTINUED)

(thousands)	Common Stock Index Fund	Real Estate Securities Fund	International Equity Fund	Loan Account	Total
ASSETS	-----	-----	-----	-----	-----
Investments, at Fair Value:					
United States Government and Government Agency Securities					\$ 54,658
Corporate Bonds and Notes					-
Other Bonds					-
Common Stocks:					
Aon Corporation					392,871
Other					12
Preferred Stocks					-
Investments held in the Aon Funds:					
Aon Money Market Fund					29,678
Aon Government Securities Fund					16,768
Aon Asset Allocation Fund					79,836

Aon S&P 500 Index Fund	\$ 114,739				114,739
Aon REIT Index Fund	-	\$ 17,923			17,923
Aon International Equity Fund	-	-	\$ 17,234		17,234
Other Long-Term Investments	-	-	-		14
Short-Term Investments	573	51	143		70,779
	-----	-----	-----	-----	-----
	115,312	17,974	17,377		794,512
Unallocated Guaranteed Insurance Contracts, at Contract Value	-				43,526
	-----	-----	-----	-----	-----
Total Investments	115,312	17,974	17,377		838,038
Receivables:					
Contribution Receivable from Aon Corporation	3,439	507	649		14,754
Contributions Receivable from Participants	121	21	27		479
Loans Receivable	-	-	-	\$ 581	581
Accrued Dividends and Income	2	-	-	-	260
Due from Broker	-	-	-	-	16,303
Fund Transfers	(414)	103	151	-	-
	-----	-----	-----	-----	-----
Total Receivables	3,148	631	827	581	32,377
	-----	-----	-----	-----	-----
Net Assets Available for Plan Benefits	\$ 118,460	\$ 18,605	\$ 18,204	\$ 581	\$ 870,415
	=====	=====	=====	=====	=====

Schedule II

AON SAVINGS PLAN
NET ASSETS AVAILABLE FOR PLAN BENEFITS BY INVESTMENT PROGRAM
DECEMBER 31, 1996

(thousands)

ASSETS	Money Market Fund	Balanced Fund	Aon Stock Fund	Investment Contracts Fund	Government Securities Fund	Total Return Fund
Investments, at Fair Value:						
United States Government and Government Agency Securities		\$ 38,043		\$ 44,000		
Corporate Bonds and Notes		6,312		-		
Other Bonds		1,028		-		
Common Stocks:						
Aon Corporation		-	\$ 292,189	-		
Other		44,202	-	-		
Preferred Stocks		1,616	-	-		
Investments held in the Aon Funds:						
Aon Money Market Fund	\$ 25,754	-	-	-		
Aon Government Securities Fund	-	-	-	-	\$ 12,526	
Aon Asset Allocation Fund	-	-	-	-	-	\$ 51,743
Aon S&P 500 Index Fund	-	-	-	-	-	-
Aon REIT Index Fund	-	-	-	-	-	-
Aon International Equity Fund	-	-	-	-	-	-
Other Long-Term Investments	-	-	-	16	-	-
Short-Term Investments	106	4,183	475	5,015	176	422
	25,860	95,384	292,664	49,031	12,702	52,165
Unallocated Guaranteed Insurance Contracts, at Contract Value	-	-	-	79,198	-	-
Total Investments	25,860	95,384	292,664	128,229	12,702	52,165
Receivables:						
Contribution Receivable from Aon Corporation	776	-	4,712	1,880	955	1,569
Contributions Receivable from Participants	18	(38)	60	49	1	52
Loans Receivable	-	-	-	-	-	-
Accrued Dividends and Income	1	791	2	26	1	1
Due from Broker	-	(398)	2,750	-	75	550
Fund Transfers	(386)	(85)	60	56	41	73
Total Receivables	409	270	7,584	2,011	1,073	2,245
Net Assets Available for Plan Benefits	\$ 26,269	\$ 95,654	\$ 300,248	\$ 130,240	\$ 13,775	\$ 54,410

Schedule II

AON SAVINGS PLAN
NET ASSETS AVAILABLE FOR PLAN BENEFITS BY INVESTMENT PROGRAM
DECEMBER 31, 1996
(CONTINUED)

(thousands)

ASSETS	Common Stock Index Fund	Real Estate Securities Fund	International Equity Fund	Loan Account	Total
Investments, at Fair Value:					
United States Government and Government Agency Securities					\$ 82,043
Corporate Bonds and Notes					6,312
Other Bonds					1,028
Common Stocks:					
Aon Corporation					292,189
Other					44,202
Preferred Stocks					1,616
Investments held in the Aon Funds:					
Aon Money Market Fund					25,754
Aon Government Securities Fund					12,526
Aon Asset Allocation Fund					51,743
Aon S&P 500 Index Fund	\$ 70,708				70,708

Aon REIT Index Fund	-	5,591		\$	5,591
Aon International Equity Fund	-	-	\$	11,866	11,866
Other Long-Term Investments	-	-			16
Short-Term Investments	456	48	219		11,100
	-----	-----	-----	-----	-----
	71,164	5,639	12,085		616,694
Unallocated Guaranteed Insurance Contracts, at Contract Value	-				79,198
	-----	-----	-----	-----	-----
Total Investments	71,164	5,639	12,085		695,892
Receivables:					
Contribution Receivable from Aon Corporation	2,925	155	424		13,396
Contributions Receivable from Participants	125	5	17		289
Loans Receivable	-	-	-	\$	206
Accrued Dividends and Income	1	-	1		824
Due from Broker	-	-	-		2,977
Fund Transfers	167	34	40		-
	-----	-----	-----	-----	-----
Total Receivables	3,218	194	482	206	17,692
	-----	-----	-----	-----	-----
Net Assets Available for Plan Benefits	\$ 74,382	\$ 5,833	\$ 12,567	\$ 206	\$ 713,584
	=====	=====	=====	=====	=====

Schedule III

AON SAVINGS PLAN
 CHANGES IN NET ASSETS AVAILABLE FOR PLAN BENEFITS BY INVESTMENT PROGRAM
 YEAR ENDED DECEMBER 31, 1997

(thousands)

ADDITIONS	Money Market Fund	Balanced Fund	Aon Stock Fund	Investment Contracts Fund	Government Securities Fund	Total Return Fund
Investment Income:						
Interest and Income from Unallocated Guaranteed Insurance Contracts	\$ 12	\$ 2,349	\$ 55	\$ 7,533	\$ 8	\$ 15
Aon Corporation Dividends	-	-	7,057	-	-	-
Other Dividends	1,600	1,007	-	-	833	1,281
	1,612	3,356	7,112	7,533	841	1,296
Contributions:						
Aon Corporation	794	-	5,327	1,581	756	1,701
ESOP Diversification Participants	5	-	76	124	13	29
	2,585	-	13,063	3,609	1,932	4,592
	3,384	-	18,466	5,314	2,701	6,322
	4,996	3,356	25,578	12,847	3,542	7,618
DEDUCTIONS						
Benefits Paid to Participants	9,129	13,778	32,525	16,597	2,131	6,023
Administrative Expenses	33	99	373	139	16	69
Investment Expenses	9	36	46	65	9	9
	9,171	13,913	32,944	16,801	2,156	6,101
	(4,175)	(10,557)	(7,366)	(3,954)	1,386	1,517
Net Realized and Unrealized Appreciation in Fair Value of Investments	-	11,026	118,016	85	559	15,437
Net Increases (Decreases)	(4,175)	469	110,650	(3,869)	1,945	16,954
Net Assets Available for Plan Benefits at Beginning of Year	26,269	95,654	300,248	130,240	13,775	54,410
Plan Mergers	-	-	-	-	-	-
Fund Transfers	7,785	(29,983)	(10,771)	(7,479)	1,919	10,524
Net Assets Available for Plan Benefits at End of Year	\$ 29,879	\$ 66,140	\$400,127	\$118,892	\$ 17,639	\$ 81,888

Schedule III

AON SAVINGS PLAN
 CHANGES IN NET ASSETS AVAILABLE FOR PLAN BENEFITS BY INVESTMENT PROGRAM
 YEAR ENDED DECEMBER 31, 1997
 (CONTINUED)

(thousands)

ADDITIONS	Common Stock Index Fund	Real Estate Securities Fund	International Equity Fund	Loan Account	Total
Investment Income:					
Interest and Income from Unallocated Guaranteed Insurance Contracts	\$ 28	\$ 6	\$ 7		\$ 10,013
Aon Corporation Dividends	-	-	-		7,057
Other Dividends	1,730	572	651		7,674

	1,758	578	658		24,744
Contributions:					
Aon Corporation	3,439	507	649		14,754
ESOP Diversification	31	3	5		286
Participants	9,119	1,841	2,021		38,762
	-----	-----	-----	-----	-----
	12,589	2,351	2,675		53,802
	-----	-----	-----	-----	-----
	14,347	2,929	3,333		78,546
DEDUCTIONS					
Benefits Paid to Participants	8,346	1,590	1,863		91,982
Administrative Expenses	102	13	17		861
Investment Expenses	9	8	8		199
	-----	-----	-----	-----	-----
	8,457	1,611	1,888		93,042
	-----	-----	-----	-----	-----
	5,890	1,318	1,445		(14,496)
Net Realized and Unrealized Appreciation in Fair Value of Investments	23,751	1,935	143		170,952
	-----	-----	-----	-----	-----
Net Increases (Decreases)	29,641	3,253	1,588		156,456
Net Assets Available for Plan Benefits at Beginning of Year	74,382	5,833	12,567	\$ 206	713,584
Plan Mergers	-	-	-	375	375
Fund Transfers	14,437	9,519	4,049	-	-
	-----	-----	-----	-----	-----
Net Assets Available for Plan Benefits at End of Year	\$ 118,460	\$ 18,605	\$ 18,204	\$ 581	\$870,415
	=====	=====	=====	=====	=====

Schedule III

AON SAVINGS PLAN
 CHANGES IN NET ASSETS AVAILABLE FOR PLAN BENEFITS BY INVESTMENT PROGRAM
 YEAR ENDED DECEMBER 31, 1996

(thousands)

ADDITIONS	Money Market Fund	Balanced Fund	Aon Stock Fund	Investment Contracts Fund	Government Securities Fund	Total Return Fund
Investment Income:						
Interest and Income from Unallocated Guaranteed Insurance Contracts	\$ 11	\$ 3,364	\$ 71	\$ 7,446	\$ 8	\$ 16
Aon Corporation Dividends	-	-	6,909	-	-	-
Other Dividends	124	1,196	-	-	51	120
	135	4,560	6,980	7,446	59	136
Contributions:						
Aon Corporation	813	-	4,967	1,987	996	1,645
ESOP Diversification Participants	1	-	20	32	2	10
	1,778	-	11,247	4,415	2,169	4,068
	2,592	0	16,234	6,434	3,167	5,723
	2,727	4,560	23,214	13,880	3,226	5,859
DEDUCTIONS						
Benefits Paid to Participants	8,038	10,146	24,818	21,275	1,641	4,464
Administrative Expenses	33	127	328	180	16	64
Investment Expenses	9	38	43	68	9	9
	8,080	10,311	25,189	21,523	1,666	4,537
	(5,353)	(5,751)	(1,975)	(7,643)	1,560	1,322
Net Realized and Unrealized Appreciation in Fair Value of Investments						
	1,250	8,705	58,485	174	7	5,009
Net Increases (Decreases)	(4,103)	2,954	56,510	(7,469)	1,567	6,331
Net Assets Available for Plan						
Benefits at Beginning of Year	25,111	105,540	248,718	152,936	13,159	45,494
Fund Transfers	5,261	(12,840)	(4,980)	(15,227)	(951)	2,585
Net Assets Available for Plan Benefits at End of Year	\$ 26,269	\$ 95,654	\$300,248	\$130,240	\$ 13,775	\$ 54,410

Schedule III

AON SAVINGS PLAN
 CHANGES IN NET ASSETS AVAILABLE FOR PLAN BENEFITS BY INVESTMENT PROGRAM
 YEAR ENDED DECEMBER 31, 1996
 (CONTINUED)

(thousands)

ADDITIONS	Common Stock Index Fund	Real Estate Securities Fund	International Equity Fund	Loan Account	Total
Investment Income:					
Interest and Income from Unallocated Guaranteed Insurance Contracts	\$ 24	\$ 2	\$ 5		\$ 10,947
Aon Corporation Dividends	-	-	-		6,909
Other Dividends	104	68	16		1,679
	128	70	21		19,535

Contributions:					
Aon Corporation	3,049	162	437		14,056
ESOP Diversification	10	3	9		87
Participants	6,886	302	875		31,740
	-----	-----	-----	-----	-----
	9,945	467	1,321		45,883
	-----	-----	-----	-----	-----
	10,073	537	1,342		65,418
DEDUCTIONS					
Benefits Paid to Participants	5,443	372	725	\$ 7	76,929
Administrative Expenses	71	4	9	-	832
Investment Expenses	9	8	8	-	201
	-----	-----	-----	-----	-----
	5,523	384	742	7	77,962
	-----	-----	-----	-----	-----
	4,550	153	600	(7)	(12,544)
Net Realized and Unrealized					
Appreciation					
in Fair Value of Investments	11,675	1,195	407	-	86,907
	-----	-----	-----	-----	-----
Net Increases (Decreases)	16,225	1,348	1,007	(7)	74,363
Net Assets Available for Plan					
Benefits at Beginning of Year	43,761	1,152	2,952	398	639,221
Fund Transfers	14,396	3,333	8,608	(185)	-
	-----	-----	-----	-----	-----
Net Assets Available for					
Plan Benefits					
at End of Year	\$ 74,382	\$ 5,833	\$ 12,567	\$ 206	\$713,584
	=====	=====	=====	=====	=====

Schedule IV

**AON SAVINGS PLAN
TRANSACTIONS OR SERIES OF TRANSACTIONS IN EXCESS OF 5%
OF THE CURRENT VALUE OF PLAN ASSETS For the Year Ended
December 31, 1997**

The following schedule represents the 5% reportable transactions for the year ended December 31, 1997 of the Aon Savings Plan. This summary is intended to satisfy the disclosure requirements set forth in Sections 2520.103-6 of the Department of Labor Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

AON SAVINGS PLAN
 SCHEDULE OF TRANSACTIONS OR SERIES OF TRANSACTIONS IN
 EXCESS OF 5% OF THE CURRENT VALUE OF PLAN ASSETS
 For the Year Ended December 31, 1997

(thousands)	Cost of Asset	Current Value of Asset at Transaction Date	Net Gain
	-----	-----	-----
Short-Term Investment Fund, Collective			
Trust Funds of The Northern Trust Company			
\$202,410 increases on 689 days	\$ 202,410	\$ 202,410	
\$142,619 decreases on 374 days	142,619	142,619	
\$189,807 increases on 194 days	189,807	189,807	
\$189,919 decreases on 102 days	189,919	189,919	

		\$ 724,755	
		=====	
U.S. Treasury Bill due 1-2-97			
\$43,631 sold in 1 transaction	\$ 43,631	\$ 43,631	
U.S. Treasury Bill due 2-4-97			
\$19,785 purchased in 1 transaction	\$ 19,785	\$ 19,785	
\$19,785 sold in 1 transaction	19,785	19,785	

		\$ 39,570	
		=====	
U.S. Treasury Bill due 4-24-97			
\$19,739 purchased in 1 transaction	\$ 19,739	\$ 19,739	
\$19,739 sold in 1 transaction	19,739	19,739	

		\$ 39,478	
		=====	
U.S. Treasury Bill due 9-18-97			
\$24,725 purchased in 2 transactions	\$ 24,725	\$ 24,725	
\$24,725 sold in 1 transaction	24,725	24,725	

		\$ 49,450	
		=====	
U.S. Treasury Bill due 10-23-97			
\$19,745 purchased in 1 transaction	\$ 19,745	\$ 19,745	
\$19,745 sold in 1 transaction	19,745	19,745	

		\$ 39,490	
		=====	
U.S. Treasury Bill due 11-15-97			
\$36,714 purchased in 4 transactions	\$ 36,714	\$ 36,714	\$ -
\$36,714 sold in 1 transaction	36,714	37,200	486

		\$ 73,914	\$ 486
		=====	
U.S. Treasury Bill due 12-18-97			
\$24,689 purchased in 1 transaction	\$ 24,689	\$ 24,689	
\$24,689 sold in 1 transaction	24,689	24,689	

		\$ 49,378	
		=====	

Exhibit 23(a)

CONSENT OF ERNST & YOUNG LLP, INDEPENDENT AUDITORS

We consent to the incorporation by reference in the Registration Statement (Form S-8, No. 33-27894) pertaining to the Aon Savings Plan of Aon Corporation of our report dated June 12, 1998, with respect to the financial statements and schedules of the Aon Savings Plan included in this Annual Report (Form 11-K) for the year ended December 31, 1997.

ERNST & YOUNG LLP

Chicago, Illinois
June 24, 1998

June 26, 1998

Securities and Exchange Commission
450 Fifth Street, N.W.
Washington, D.C. 20549

**RE: REPORT ON FORM 11-K FOR THE AON SAVINGS PLAN
REGISTRANT: AON CORPORATION
COMMISSION FILE NO.: 1-7933**

Gentlemen and Ladies:

Enclosed with this EDGAR transmission is the above referenced Form 11-K for the Aon Savings Plan.

Pursuant to Securities Act Release No. 33-7331, no filing fee is being paid herewith as it was eliminated effective October 7, 1996.

Please contact the undersigned at 312/701-3835 if you have any questions.

Very truly yours,

/S/ JEROME S. HANNER

*Jerome S. Hanner
Senior Counsel*

JSH/adc
Enclosures

End of Filing

Powered By **EDGAR**
Online

© 2005 | EDGAR Online, Inc.