

News Release

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-- The Soft Market Continues Through Q2 2007 -- Willis Index Tracks Financial, Executive and Professional Risks

London, UK, July 17, 2007 – Rates continued to decrease in the second quarter of 2007 across all financial, executive and professional lines of insurance, according to a survey of London market insurers by Willis Group Holdings (NYSE: WSH), the global insurance broker.

The Willis Index – a quarterly survey conducted by Willis' Financial Executive and Professional Risks (FINEX) division – asks participants for their views on the underwriting market over the past three months and their predictions for the next three months.

Financial Institutions Insurance

The downward pressure on rates for Financial Institutions insurance in Q1 2007 has continued, and looks set to run until at least the end of the year. Most underwriters are predicting that the majority of assureds will continue to benefit from a discount of up to 10 percent on their renewal premium in the third quarter.

The survey found that insureds are still purchasing increased limits and maintaining their levels of self insurance. It also revealed a continued willingness from most markets to review and improve wordings when driven.

Directors and Officers Liability Insurance

The last quarter saw a significant and sudden drop in reported rates for Directors and Officers Liability insurance, with large reductions of up to 20% being seen again in underwriters' renewal books. This conforms to Willis' own experience where the broker has been witnessing even greater reductions on claims-free risks, and suggests that insurers are still prepared to battle it out for market position in an increasingly competitive environment.

Accountants and Auditors Professional Indemnity Insurance

It appears that, rather than external factors like the repercussions of the collapse of Enron, it will be more mundane occurrences (such as profitability of certain insurance lines) that will affect PI rates during the coming months. Accountants and Auditors Professional Indemnity rates have been consistently lower (and have decreased faster) than the PI market as a whole.

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This has led many reinsurers to move their interest and focus to other more profitable and stable lines. Consequently there has been an effect on the PI rates.

As the Willis Accountants and Auditors Index shows, many underwriters see their rates starting to flatten out, and even starting to increase again in the run-up to 2008. However, in the immediate term it is still a “buyer’s market”, especially for small-to-medium sized firms.

The Willis Index polls non-US insurance companies providing buyers of specific lines of coverage with an overview of the market reporting on relevant issues unique to their industry.

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Editor’s Note: The complete Willis Index is available on Willis.com via <http://www.willis.com/Extras/Publications.aspx>