

News Release

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WILLIS RE ISSUES ANNUAL REINSURANCE RENEWALS REVIEW

Willis Re 1st View: The Tipping Point?

New York, NY, January 2, 2007 – Willis Group Holdings (NYSE:WSH), the global insurance broker, has released its reinsurance review of the marketplace for the January 1, 2007 renewals entitled “The Tipping Point?”

Willis’ market commentary is the first from a major broker analyzing the 1/1/07 renewals season. The report comprehensively covers over 25 territories and 17 classes of business.

The key findings of the report are:

- Rates for both property and casualty exposures are generally flat or falling modestly. In Europe (with the exception of wind exposed Northern European multi- territory covers where rates are firm), Asia, Australia, Latin America and those areas and classes of business of the United States not prone to natural catastrophes, rates are flat or have fallen by 5% to 10%.
- The major exception to this trend is United States property business, where an insurer has significant East Coast or Gulf Coast wind-exposed business. This business is experiencing rate increases due to five macro factors:
 1. Reinsurers have sought to bring January renewals of Nationwide and/or Critical Cat accounts in-line with the mid-year 2006 pricing levels with cedants experiencing rate increases of around 40%.
 2. Reinsurance pricing is reflecting the perception of increased volatility that is embedded in the latest property catastrophe models.
 3. Reinsurers are trying to recoup losses from the catastrophes of 2005.
 4. Reinsurers and their investors have a new appreciation for the insured values and the resulting catastrophe exposures in the Northeast of the United States – the third “peak zone”.
 5. There is simply not enough retrocession capacity for reinsurers to spread their catastrophe risks. Reinsurers, as a consequence, require greater returns to compensate for this increased retained exposure.

Looking forward to 2007, the atmosphere of relief is almost tangible as the market takes advantage of the current respite and works to apply the hard learned risk management lessons of the 2004 and 2005 underwriting years. Reinsurers are rebuilding both their balance sheets

and their commercial confidence while in parallel insurers are creating and implementing sophisticated enterprise risk management programs.

Willis Group Holdings Limited is a leading global insurance broker, developing and delivering professional insurance, reinsurance, risk management, financial and human resource consulting and actuarial services to corporations, public entities and institutions around the world. With over 300 offices in more than 100 countries, its global team of 15,400 Employees and Associates serves clients in some 190 countries. Willis is publicly traded on the New York Stock Exchange (NYSE: WSH). Additional information on Willis may be found on its web site: www.willis.com.

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Editors Note: The full report is available at:

http://www.willis.com/news/Publications/Willis_Re_view_07.pdf