

Willis CEO Says No Change to Stand on Contingent Commissions

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July 30, 2013 • [Reprints](#)

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NEW YORK--Willis Group Holdings' new chief executive has provided a sign of continuity, following the principals of former CEO Joe Plumeri on the issue of contingent commissions--on a case-by-case basis.

In a press conference prior to the insurance brokerage firm's Investor Day, CEO Dominic Casserley says when it comes to contingents the firm will continue to operate under three principals: they are in the client's best interest; they are transparent to the client, they are sustainable from a regulatory standard.

However, he ruled out "simple volume based contingents" because they do not pass the first test. He notes that last year when the firm decided it [would take contingents](#) on employee benefits business Willis discussed the issue with clients and carriers and a decision was reached that it would be in their best interest.

Discussing his strategy for the firm, Casserley says that with Willis' broad reach of business on many continents, and four business groups (North America, Global, Reinsurance and Specialty) the firm has much potential to grow and he expects revenues to expand in the mid-single digits. He says the emphasis needs to go beyond placing products for a customer and deal with managing risk—which clients are demanding.

"The whole world of risk is becoming more analytical," says Casserley. "The client demand for analysis has gone way up."

Since coming to the firm after working at McKinsey & Co. for close to 30 years, he says he has gotten to know Willis much better and “is more excited” about the talent and capabilities. He believes the areas of growth will be North America, Brazil and China.

The company can grow further with the acquisition of Gras Savoye, the major French brokerage firm it has a 30 percent stake in, if “the numbers work.” The acquisition would open additional opportunities for Willis including Africa. Willis has an agreement to make a decision about the purchase Gras Savoye’s remaining shares by 2016.