

Willis Towers Watson

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INSURANCE FORUM

Willis Towers Watson (WTW) is an insurance advisory and insurance broking company serving more than 140 countries and with over 40,000 employees worldwide. It not only is engaged in insurance broking and risk management but it also renders management

consultancy and other advisory services that it describes itself as a “solutions company”. WTW is the resulting entity when insurance broker Willis Group Holdings (Public Limited Company) based in London and Towers Watson & Company based in Arlington, Virginia, U.S. merged on January 5, 2016. WTW is domiciled in Ireland but with headquarters in London, England. The merger was originally announced on June 30, 2015.

Post-merger, the resulting equity was valued at US\$18 billion. Willis Group shareholders eventually owned 50.1% while Towers Watson shareholders owned 49.9% of the merged company. Its twelve board seats were shared equally between the two companies.

The leading rivals of WTW in the industry are Marsh & McLennan Companies with the biggest 2016 revenue at US\$13 billion, followed by Aon Plc with revenues of \$11.6 billion, and Gallagher & Company at \$5.5 billion. Towers Watson ranks fourth place with revenues of \$4.9 billion.

Willis Group originally had its incorporation in Bermuda but transferred to Ireland in September 2009 for tax purposes, among other reasons. It was in 1828 when Henry Willis began his career as a merchant selling imported goods in London. In 1841, Henry Willis & Company was established as an insurance broker, primarily dealing on the commodities he sold as well as in marine insurance. In 1896, Willis & Co. gained access to the U.S. market after establishing a relationship with Johnson & Higgins in the U.S. Eventually, Willis & Co. would become the Willis, Faber & Co. In 1928, it would become the Willis Faber & Dumas after a merger with Dumas & Wylie Limited. In 1971, Willis would become the insurance broker for the Moon Buggy - the land vehicle used during the moon explorations. In 2001, it will be listed on the New York Stock Exchange.

In 1878, Reuben Watson established the R. Watson & Sons, the world’s oldest actuarial firm. In the 1910s, R. Watson & Sons would become the lead advisor to the UK government on national insurance programs following the passage of the National Insurance Act of 1911. In 1995, Watson & Sons would consolidate with The Wyatt

Company to form Watson Wyatt. In 2000, it too would be listed on the New York Stock Exchange.

In 1934, Towers, Perrin Forster & Crosby was established. It was engaged in reinsurance brokerage, pensions, and employee benefit plans. In the 1960s, it would expand its portfolio of services to include health care, compensation, and organizational consulting. In 1987, the firm would be renamed as Towers Perrin. In a 2010 merger of equals, Towers Perrin and Watson Wyatt would form Towers Watson.

In 2016, Willis Group and Towers Watson would merge to become Willis Towers Watson.

The four business segments of WTW are: Corporate Risk and Broking; Exchange Solutions; Human Capital and Benefits; and Investment, Risk and Reinsurance. In the Philippines, the firm is headed by James Matti.

Dennis B. Funa (dennisfuna@yahoo.com) is the current Insurance Commissioner. He was appointed by President Rodrigo R. Duterte as the new Insurance Commissioner in December 2016.