

AON CORP
Form 8-K
March 23, 2011

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

**Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934**

Date of report (Date of earliest event reported): **March 17, 2011**

Aon Corporation

(Exact Name of Registrant as Specified in Charter)

Delaware
(State or Other Jurisdiction
of Incorporation)

1-7933
(Commission File Number)

36-3051915
(IRS Employer
Identification No.)

200 East Randolph Street, Chicago, Illinois
(Address of Principal Executive Offices)

60601
(Zip Code)

Registrant's telephone number, including area code: **(312) 381-1000**

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Not Applicable

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (*see* General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

(e)

Long-Term Incentives.

On March 17, 2011, the Organization and Compensation Committee (the Committee) of the Board of Directors of Aon Corporation (Aon) approved performance-based long-term incentive awards to certain of Aon's executive officers who will be named in the Summary Compensation Table for Fiscal Years 2010, 2009 and 2008 of Aon's Proxy Statement for the 2011 Annual Meeting of Stockholders (the Named Executive Officers). The awards for the Named Executive Officers and other eligible recipients were granted pursuant to the Leadership Performance Program (the LPP) and the Aon Hewitt Performance Program (the AHPP), which were approved and adopted by the Committee on March 17, 2011 as sub-plans of the Aon Stock Incentive Plan, as amended and restated. The LPP and AHPP form part of Aon's broad-based stock award strategy that is intended to drive the overall success of Aon while encouraging employee retention.

Each LPP award represents performance share units that will be earned and settled in Aon common stock based upon Aon's performance relative to a cumulative adjusted earnings per share target over the period beginning January 1, 2011 and ending December 31, 2013 (the LPP Performance Period).

Each AHPP award represents performance share units that will be earned and settled in Aon common stock based upon Aon Hewitt's performance relative to a cumulative adjusted segment pretax income target over the period beginning January 1, 2011 and ending December 31, 2013 (the AHPP Performance Period).

Under each of the LPP and the AHPP, the total performance score can range from a minimum of 0% to a maximum of 200% of target. In addition, under each of the LPP and the AHPP, the Committee has the discretion to adjust Aon's performance results or the target to take into account extraordinary or unusual items occurring during the respective performance period. The nominal value of the awards under each of the LPP and the AHPP was determined by the Committee, and the number of target performance share units was calculated as of the date of grant based upon the fair market value of Aon common stock as of such date. Upon completion of the LPP Performance Period and the AHPP Performance Period, awards under each program will be determined and settled in shares of Aon common stock.

The Named Executive Officers were awarded the following number of target performance share units:

Name	Target LPP Performance Share Units	Target AHPP Performance Share Units
Gregory C. Case	161,632	-0-
Christa Davies	53,079	-0-
Russell P. Fradin	38,603	38,603
Stephen P. McGill(1)	173,712	-0-
Michael J. O'Connor	38,603	-0-

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(1) The number of target performance share units shown for Mr. McGill includes: (i) a grant of performance share units having a target value of \$3 million as a regular annual long-term incentive award; and (ii) an additional grant of performance share units having a target value of \$6 million pursuant to the terms of his employment agreement dated as of December 7, 2010.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Aon CORPORATION

By: */s/ Jennifer L. Kraft*
Jennifer L. Kraft
Vice President and Secretary

Date: March 23, 2011