Risk Factors Comparison 2024-02-12 to 2023-02-13 Form: 10-K

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You should consider the risks described below in conjunction with the other information presented in this report. These risks have the potential to materially adversely affect the Company' s business, results of operations or financial condition. SUMMARY RISK FACTORS Some of the factors that could materially and adversely affect our business, financial condition, results of operations or prospects, include the following: • Our results of operations and investments could be adversely affected by geopolitical or macroeconomic conditions; • We ~~the litigation that can flow~~ **are subject to significant uninsured exposures arising** from ~~them~~ **errors and omissions** , **breach** ~~it is possible that an adverse outcome in a particular matter could have a material adverse effect on the Company' s business,results~~ of ~~operations or financial condition.~~ **fiduciary duty and other claims;•** We cannot guarantee that we are or will be in compliance with all current and potentially applicable U.S.federal and state or foreign laws and regulations,and actions by regulatory authorities or changes in legislation and regulation in the jurisdictions in which we operate could have a material adverse effect on our business ~~.~~ **;•** Our ~~activities are subject~~ **business or reputation could be harmed by our reliance on third- party providers or introducers;• We may not be able** to ~~extensive regulation under the laws~~ **effectively identify and manage actual and apparent conflicts** of **interest;• We** ~~the United States and its various states,the United~~ could incur significant liability or our reputation could be damaged if our information systems are breached or we otherwise fail to protect client or Company data or information systems; • The costs to comply with, or our failure to comply with, U. S. and foreign laws related to privacy, data security and data protection, such as the **EU' s** ~~E. U.~~ General Data Protection Regulation (GDPR) and the California **Consumer Privacy Act, as amended by the California** Privacy Rights Act **,** (~~CPRA~~ **CCPA**), could adversely affect our financial condition, operating results and our reputation; • Our business performance and growth plans could be negatively affected if we are not able to develop and implement improvements in technology or respond effectively to the threat of digital disruption and other technological change **such as AI** ; • We are subject to significant...... manage actual and apparent conflicts of interest ; • The loss of members of our senior management team or other key colleagues, or if we are unsuccessful in our efforts to attract, retain and develop talent, could have a material adverse effect on our business; • Failure to maintain our corporate culture, particularly in a hybrid work environment, could damage our reputation; • Increasing scrutiny and changing laws and expectations from regulators, investors, clients and our colleagues with respect to our environmental, social and governance (ESG) practices and disclosure may impose additional costs on us or expose us to new or additional risks; • We face significant competitive pressures in each of our businesses, including from disintermediation, as our competitive landscape continues to evolve; • We rely on a large number of vendors and other third parties to perform key functions of our business operations and to provide services to our clients. These vendors and third parties may **act or fail to** act in ways that could harm our business; • Our inability to successfully recover should we experience a disaster or other business continuity or data recovery problem could cause material financial loss, loss of human capital, regulatory actions, reputational harm or legal liability; • We face risks when we acquire **or dispose of** businesses; • If we are unable to collect our receivables, our results of operations and cash flows could be adversely affected; • We may not be able to obtain sufficient financing on favorable terms; • Our defined benefit pension plan obligations could cause the Company' s financial position, earnings and cash flows to fluctuate; • Our significant non- U. S. operations expose us to exchange rate fluctuations and various risks that could impact our business; • Our quarterly revenues and profitability may fluctuate significantly; • Credit rating downgrades would increase our financing costs and could subject us to operational risk; • Our current debt level could adversely affect our financial flexibility; • The current U. S. tax regime ~~makes~~ **has provisions which have unintended consequences and may also impact** our ~~results more difficult to predict~~ **tax rate in varying degrees based on where our global income is earned** ; • We are exposed to multiple risks associated with the global nature of our operations; • Results in our Risk and Insurance Services segment may be adversely affected by a general decline in economic activity; • Volatility or declines in premiums and other market trends may significantly impede our ability to grow revenues and profitability; • Adverse legal developments and future regulations concerning how intermediaries are compensated by insurers or clients, as well as allegations of anti- competitive behavior or conflicts of interest ~~more broadly~~ , could have a material adverse effect on Marsh' s business, results of operations and financial condition; • Mercer' s Wealth business is subject to a number of risks, including risks related to public and private capital market fluctuations, third- party asset managers **and custodians** , ~~operational~~ **operations** and technology risks, conflicts of interest, ESG and greenwashing, asset performance and regulatory compliance, that, if realized, could result in significant damage to our business; • Revenues for the services provided by our Consulting segment may decline for various reasons, including as a result of changes in economic conditions, the value of equity, debt and other asset classes, our clients' or an industry' s financial condition or government regulation or an accelerated trend away from actively managed investments to passively managed investments; • Factors affecting defined benefit pension plans and the services we provide relating to those plans could adversely affect Mercer; and • The profitability of our Consulting segment may decline if we are unable to achieve or maintain adequate utilization and pricing rates for our consultants. RISKS RELATING TO THE COMPANY GENERALLY Macroeconomic Risks Our results of operations and investments could be adversely affected by geopolitical or macroeconomic conditions. Geopolitical and macroeconomic conditions, including **from multiple major wars, escalating** ~~conflicts~~ - **conflict throughout** ~~such as~~ the ~~war~~ **Middle East and rising tension** in ~~Ukraine~~ **the South China Sea** , slower GDP growth or recession **, lower interest rates** , capital markets volatility and inflation affect our clients' businesses and the markets they serve. These conditions, including inflationary expense pressure with our clients, may reduce demand for our services or depress pricing for those services, which could have a material adverse effect on our results of operations. For example, the war in Ukraine ~~has continued to~~ **and the escalating conflict throughout the Middle East have** ~~result~~ **resulted** in worldwide geopolitical and macroeconomic uncertainty and may negatively impact other regional and global economic markets (including Europe ~~and~~ **,** the ~~United States~~ **Middle East and the U. S.**), companies in other countries (particularly those that have done business with Russia **or have substantial exposure to, or operations in, impacted countries**) and various sectors, industries and markets for securities and commodities globally, such as oil and natural gas, and may increase financial market volatility and adversely impact regional and global economic markets, industries and companies. Moreover, ~~for nearly three years,~~ the COVID- 19 pandemic ~~has~~ impacted businesses, including our clients, third- party vendors and business partners, globally in every geography in which we operate. ~~The ultimate extent of the impact of COVID- 19, including the impact of hybrid working arrangements, on us will depend on future developments that we are unable to predict.~~ In addition, the ~~continuing legal uncertainty, negotiations and~~ potentially divergent laws and regulations as a result of Brexit may continue to lead to economic and legal uncertainty, causing increased economic volatility or disrupting the markets and clients we serve. Changes in macroeconomic and geopolitical conditions could also shift demand to services for which we do not have a competitive advantage, and this could negatively affect the amount of business that we are able to obtain. More generally, our investments, including our minority investments in other companies as well as our cash investments and those held in a fiduciary capacity, are subject to general credit, liquidity, counterparty, foreign exchange, market and interest rate risks. For example, **fluctuations** in **interest** ~~2022, market conditions caused exchange~~ rates **and** ~~to fluctuate significantly. These fluctuations in~~ foreign exchange rates between the U. S. dollar and foreign currencies may adversely affect our results of operations **. Lower interest rates may lead to a decline in our fiduciary income** . These risks may be exacerbated by global macroeconomic conditions, market volatility and regulatory, financial and other difficulties affecting the companies in which we have invested or that may be faced by financial institution counterparties. During times of stress in the banking industry, counterparty risk can quickly escalate, potentially resulting in substantial trading and investment losses for corporate and other investors. In addition, we may incur investment losses as a result of unusual and unpredictable market developments, and we may ~~continue to~~ experience **lower** ~~reduced investment~~ earnings if the yields on investments ~~deemed~~ **begin** to **decline** ~~be low risk remain at or near their current low levels~~ . If the banking system or the fixed income, interest rate, credit or equity markets deteriorate, the value and liquidity of our investments could be adversely affected. Finally, the value of the Company' s assets held in other jurisdictions, including cash holdings, may decline due to foreign exchange fluctuations ~~and implementation of the client' s investment policy.We provide these services to a broad client base,including clients in the public sector.Matters may relate to services provided by the Company dating back many years.Such claims may subject us to significant liability for monetary damages,including punitive and treble damages,negative publicity and reputational harm,and may divert personnel and management resources.We may be unable to effectively limit our~~ potential liability in certain jurisdictions,including through insurance,or in connection with certain types of claims,particularly those concerning claims of a breach of fiduciary duty.In establishing liabilities for E & O claims **under** ~~in accordance with~~ U.S.generally accepted accounting principles (" U.S.GAAP"),the Company uses case level reviews by inside and outside counsel,actuarial analysis by Oliver Wyman,a subsidiary of the Company,and other methods to estimate potential losses.A liability is established when a loss is both probable and reasonably estimable.The liability is assessed quarterly and adjusted as developments warrant.In many cases,the Company has not recorded a liability,other than for legal fees to defend ~~a~~ **the** claim,because we are unable,at the present time,to make a determination that a loss is both probable and reasonably estimable.Given the judgment involved in estimating and establishing ~~such~~ liabilities **in accordance with U.S.GAAP** ,as well as the unpredictability of E & O claims and the litigation that can flow from them,it is possible that an adverse outcome in a particular matter could have a material adverse effect on the Company' s business,results of operations or financial condition.We cannot guarantee that we are or will be in compliance with all current and potentially applicable U.S.federal and state or foreign laws and regulations,and actions by regulatory authorities or changes in legislation and regulation in the jurisdictions in which we operate could have a material adverse effect on our business.Our activities are subject to extensive regulation under the laws of the **United States** ~~U.S.~~ and its various states,the United Kingdom,the European Union and its member states,Australia and the other jurisdictions in which we operate.We are also subject to trade sanctions laws relating to countries such as Afghanistan,Belarus,Cuba,Iran,North Korea,Russia,Syria,Ukraine (Russia- controlled territories) and Venezuela,and anti- corruption laws such as the U.S.Foreign Corrupt Practices Act and the U.K.Bribery Act.We are subject to numerous other laws on matters as diverse as internal control over financial reporting and disclosure controls and procedures,securities regulation,data privacy and protection,cybersecurity,taxation,anti- trust and competition,immigration,wage- and- hour standards and employment and labor relations.The U.S.and foreign laws and regulations that apply to our operations are complex and may change rapidly,and our efforts to comply and keep up with them require significant resources.In some cases,these laws and regulations may decrease the need for our services,increase our costs,negatively impact our revenues or impose operational limitations on our business,including on the products and services we may offer or on the amount or type of compensation we may collect.In addition,the financial and operational impact of complying with laws and regulations has increased in the current environment of increased regulatory activity and enforcement.Changes with respect to the applicable laws and regulations may impose additional and unforeseen costs on us or pose new or previously immaterial risks to us.There can be no assurance that current and future government regulations will not adversely affect our business,and we cannot predict new regulatory priorities,the form,content or timing of regulatory actions,and their impact on our business and operations.In addition,geopolitical conflict,such as the war in Ukraine ~~and the escalating conflict throughout the Middle East~~ ,has resulted in,and may continue to result in,new and rapidly evolving trade sanctions,which may increase our costs,negatively impact our revenues or impose additional operational limitations on our businesses.While we attempt to comply with applicable laws and regulations,there can be no assurance that we,our employees,our consultants and our contractors and other agents are in full compliance with such laws and regulations or interpretations at all times,or that we will be able to comply with any future laws or regulations.If we fail to comply or are accused of failing to comply with applicable laws and regulations,including those referred to above,or new and evolving regulations regarding cybersecurity, ~~AI~~ **artificial intelligence** or environmental,social and governance matters,we may become subject to investigations,criminal penalties,civil remedies or other consequences,including fines,injunctions,loss of an operating license or approval,increased scrutiny or oversight by regulatory authorities,the suspension of individual employees,limitations on engaging in a particular business or redress to clients or other parties,and we may become exposed to negative publicity or reputational damage.Moreover,our failure to comply with laws or regulations in one jurisdiction may result in increased regulatory scrutiny by other regulatory agencies in that jurisdiction or regulatory agencies in other jurisdictions.These inquiries consume significant management attention,and the cost of compliance and the consequences of failing to be in compliance could therefore have a material adverse effect on our business.In **addition,we may be responsible for the legal and regulatory liabilities of companies that we acquire.In particular,upon the consummation of the acquisition of JLT,the Company assumed the legal liabilities and became responsible for JLT' s litigation and regulatory exposures as of April 1,2019.Additional information regarding certain ongoing investigations and certain other legal and regulatory proceedings is set forth in Note 16,Claims,Lawsuits and Other Contingencies,in the notes to the consolidated financial statements included under Part II,Item 8 of this report.In** most jurisdictions,government regulatory authorities have the power to interpret and amend or repeal applicable laws and regulations,and have discretion to grant,renew and revoke the various licenses and approvals we need to conduct our activities.Such authorities may require the Company to incur substantial costs in order to comply with such laws and regulations.In some areas of our businesses,we act on the basis of our own or the industry' s interpretations of applicable laws or regulations,which may conflict from state to state or country to country.In the event those interpretations eventually prove different from the interpretations of regulatory authorities,we may be penalized or precluded from carrying on our previous activities.Moreover,the laws and regulations to which we are subject may conflict among the various jurisdictions and countries in which we operate,which increases the likelihood of our businesses being non- compliant in one or more jurisdictions. ~~In addition,we may be responsible for the legal and regulatory liabilities of companies that we acquire.Additional information regarding certain ongoing investigations and certain other legal and regulatory proceedings is set forth in Note 16,Claims,Lawsuits and Other Contingencies,in the notes to the consolidated financial statements included under Part II,Item 8 of this report.~~ Our business or reputation could be harmed by our reliance on third- party providers or introducers.We currently utilize the services of hundreds of third- party providers to meet the needs of our clients around the world.There is a risk **that our third- party providers or introducers engage in business practices that are prohibited by our internal policies or violate applicable laws and regulations,such as the U.S.Foreign Corrupt Practices Act and the U.K.Anti- Bribery Act.We** . Cybersecurity, Data Protection and Technology Risks We could incur significant liability or our reputation could be damaged if our information systems are breached or we otherwise fail to protect client or Company data or information systems. In operating our business and providing services and solutions to clients, we collect, use, store, transmit and otherwise process certain electronic information, including personal, confidential, proprietary and sensitive data such as ~~information related to~~ financial records, health care, mergers and acquisitions and personal data of our clients, colleagues and vendors. We rely on the efficient, uninterrupted and secure operation of complex information technology systems and networks to operate our business and securely process, transmit and store electronic information. In the normal course of business, we also share electronic information with our vendors and other third parties. This electronic information comprises sensitive and confidential data, including information related to financial records, health care, mergers and acquisitions and clients' personal data. Our information technology systems and ~~safety~~ **information security** control systems, and those of our numerous third- party providers, as well as the control systems of critical infrastructure they rely on, such as power grids, and undersea cables, are potentially vulnerable to unauthorized access, damage or interruption from a variety of external threats, including **software bugs,** physical attack, cyberattacks, computer viruses and other malware , ransomware and other types of data......, among other things, computer viruses , malicious or destructive code, ransomware, social engineering attacks (including ~~phishing~~ - **phising** and **digital or telephonic** impersonation), hacking ~~and~~ **,** denial- of- service attacks **and other types of data and systems- related modes of attack** . **The** ~~Because these~~ techniques **used to achieve such unauthorized access, damage or interruption** change frequently and new techniques may not be identified until they are launched against a target, **and** we may be unable to anticipate these techniques or implement adequate preventative **or remedial** measures, resulting in potential data loss, data unavailability, data corruption or other damage to information technology systems. In addition, ~~an increased level of~~ remote and hybrid work arrangements **have** ~~post COVID- 19 has~~ increased the risk of phishing and other cybersecurity attacks ~~or~~ **,** unauthorized dissemination of personal, confidential, proprietary or sensitive data , **ransomware** and ~~unauthorized access to company computing assets~~ **other types of data and systems- related modes of attack** . **A** ~~Further,a~~ disruption of physical infrastructure could impact our ability to conduct business and service clients.This may include deliberate or unintentional disruption of service to electrical systems,satellite communications,undersea or terrestrial cable systems,Internet services,or other systems our colleagues or third parties rely on us to conduct business in a multitude of jurisdictions across the globe.Disruptions may be the result of weather,natural disaster,war,terrorism,pandemic,or other natural or geopolitical ~~events~~ - **event** .Our systems are also subject to compromise from internal threats such as ~~fraud,mistake,misconduct or other~~ improper action by employees,vendors and other third parties with otherwise legitimate access to our systems.Moreover,we face the ongoing challenge of managing access controls in a complex environment.The latency of a compromise is often measured in months but could be years,and we may not be able to detect a compromise in a timely manner ~~,and even if detected,there can be no assurance that we can mitigate or remediate such compromise in an adequate or timely manner~~ .We could experience significant financial and reputational harm if our information systems are breached,sensitive client or Company data are compromised,surreptitiously modified,rendered inaccessible for any period of time or maliciously made public,or if we fail to make adequate or timely disclosures to the public ~~,~~ **or** law enforcement agencies ~~or regulators~~ following any such event,whether due to delayed discovery or a failure to follow existing protocols.Cyberattacks are increasing in frequency and evolving in nature.We are at risk of attack by a variety of adversaries,including ~~nation states,~~ state- sponsored organizations,organized crime and hackers,through use of increasingly sophisticated methods of attack,including the deployment of ~~AI~~ **artificial intelligence** to find and exploit vulnerabilities," deep fakes",long-term,persistent attacks (referred to as advanced persistent threats) and the use of the IT supply chain to introduce malware through software updates or compromised suppliers accounts or hardware.In particular, **we** ~~the advance of AI and large~~ -- **are** ~~language models~~ **at increased risk of a cyberattack during periods of heightened geopolitical conflict,such** ~~has~~ - **as** ~~given rise to additional vulnerabilities~~ **the war in Ukraine,as diplomatic events** and ~~potential entry points~~ **economic policies may trigger espionage** ~~for~~ - **or retaliatory** cyber ~~threats~~ **incidents** . **The techniques used to obtain unauthorized access or sabotage systems include,among other things,computer viruses** . As the breadth and complexity of the technologies we use and the software and platforms we develop continue to grow, including as a result of the use of mobile devices, cloud services," open source" software, social media tools and the increased reliance on devices connected to the Internet (known as the" Internet of Things"), the potential risk of security breaches and cyber- attacks also increases. Despite ongoing efforts to improve our ability to protect data from compromise, we may not be able to protect all of our data across our diverse systems. Our efforts to improve and protect data from compromise may also identify previously undiscovered instances of security breaches or other cyber incidents. Our policies, employee training (including phishing prevention training), procedures and technical safeguards may also be insufficient to prevent ~~or~~ **,** detect **or remediate** improper access to confidential, personal or proprietary information. In addition, the competition for talent in the data privacy and cybersecurity space is intense, and we may also be unable to hire, develop or retain suitable talent capable of adequately detecting, mitigating or remediating these risks. Should an attacker gain access to our network using compromised credentials of an authorized user, we are at risk that the attacker might successfully leverage that access to compromise additional systems and data. Certain measures that could increase the security of our systems, such as data encryption (including encryption of data at rest), heightened monitoring and logging, scanning for source code errors or deployment of multi- factor authentication, take significant time and resources to deploy broadly, and such measures may not be deployed in a timely manner or be effective against an attack. The inability to implement, maintain and upgrade adequate safeguards could have a material adverse effect on our business. Our information systems must be continually updated, patched, and upgraded to protect against known vulnerabilities. The volume of new software vulnerabilities has increased markedly, as has the criticality of patches and other **mitigation and** remedial measures. In addition to **mitigating and** remediating newly identified vulnerabilities, previously identified vulnerabilities must also be continuously addressed. Accordingly, we are at risk that cyberattackers exploit these known vulnerabilities before they have been communicated by vendors or addressed. Due to the large number and age of the systems and platforms that we operate, the increased frequency at which vendors are issuing security patches to their products, the need to test patches and, in some cases coordinate with clients and vendors, before they can be deployed, we perpetually face the substantial risk that we cannot deploy patches in a timely manner. We are also dependent on third party vendors to keep their systems patched and secure in order to protect our data. Any failure related to these activities could have a material adverse effect on our business. We have numerous vendors and other third parties who receive personal information from us in connection with the services we offer our clients and our employees. We also use hundreds of IT vendors and software providers to maintain and secure our global information systems infrastructure. In addition, we have migrated certain data, and may increasingly migrate data, to the cloud **where it is** hosted by third- party providers. Some of these vendors and third parties also have direct access to our systems **or data** . We are at risk of a cyberattack involving a vendor or other third party, which could result in a breakdown of such third party' s data protection processes or the cyberattackers gaining access to our infrastructure **or data** through a supply chain attack. Highly publicized data security breaches, such as the ~~December~~ **October** ~~2020~~ **2023** ~~large- scale~~ attack on **Okta** ~~SolarWinds that created security vulnerabilities for public and private organizations around the world~~ may embolden malicious actors to target the IT supply chain and providers of business software. **Our control over and ability to monitor the cybersecurity practices of our third-party vendors and service providers, and** ~~Other~~ **other** ~~similar supply~~ **third parties with whom we do business, remains limited, and there** ~~chain~~ -- **can be no assurance that we can prevent, mitigate, or remediate the risk of any** ~~compromises~~ - **compromise** ~~could have~~ **or failure in the cybersecurity infrastructure owned or controlled by such third parties. Additionally, any contractual protections with such third parties, including our right to indemnification, if any, may be limited or insufficient to prevent** a ~~significant~~ negative impact on our ~~systems and operations~~ **business from such compromise or failure** . We have a history of making acquisitions and investments ~~, including the acquisition of JLT in 2019~~ . The process of integrating the information systems of any businesses we acquire is complex and exposes us to additional risk. For instance, we may not adequately identify weaknesses and vulnerabilities in an acquired entity' s information systems, either before or after the acquisition, which could affect the value we are able to derive from the acquisition, expose us to unexpected liabilities or make our own systems more vulnerable to a cyberattack. In addition, if we discover a historical compromise, security breach or other cyber incident related to the target' s information systems following the close of the acquisition, we may be liable and exposed to significant costs and other unforeseen liabilities. We may also be unable to integrate the systems of the businesses we acquire into our environment in a timely manner, which could further increase these risks until such integration takes place. We have experienced data incidents and cybersecurity breaches, such as malware incursions (including computer viruses and ransomware), vulnerabilities in the software on which we rely, users exceeding their data access authorization, employee misconduct and incidents resulting from human error, such as emails sent to the wrong recipient, loss of portable and other data storage devices or misconfiguration of software or hardware resulting in inadvertent exposure of personal, sensitive, confidential or proprietary information. In April 2021, an unauthorized actor leveraged a vulnerability in a third party' s software and gained access to a limited set of data in our environment. Like many companies, we are also subject to social engineering attacks such as WhatsApp scams and regular phishing email campaigns directed at our employees that can result in malware infections, fraud and data loss. Although these incidents have resulted in data loss and other damages, to date, they have not had a material adverse effect on our business or operations. In the future, these types of incidents could result in personal, sensitive, confidential or proprietary information **, including client, employee or Company data,** being lost or stolen, surreptitiously modified, rendered inaccessible for any period of time, or maliciously made public, ~~including client, employee or Company data,~~ which could have a material adverse effect on our business. In the event of a cyberattack, we might have to take our systems offline, which could interfere with services to our clients or damage our reputation. A cyberattack may also result in systems or data being encrypted or otherwise unavailable due to ransomware or other malware. We also may be unable to detect an incident, assess its severity or impact, or appropriately respond in a timely **or adequate** manner. In addition, our liability insurance, which includes cyber insurance, may not be sufficient in type or amount to cover us against claims related to security breaches, cyberattacks and other related data and system incidents. **Further, we cannot be sure that our existing coverage will continue to be available on acceptable terms or at all or that our insurers will not deny coverage as to any future claim.** The costs to comply with, or our failure to comply with, U. S. and foreign laws related to privacy, data security and data protection, such as the **EU' s** ~~E. U.~~ General Data Protection Regulation (GDPR) and the California **Consumer Privacy Act, as amended by the California** Privacy Rights Act **,** (~~CPRA~~ **CCPA**), could adversely affect our financial condition, operating results and our reputation. Improper collection, use **,** disclosure, cross border transfer, ~~and~~ retention **and other processing** of confidential, personal, or proprietary data could result in regulatory scrutiny, legal and financial liability, or harm to our reputation. In operating our business and providing services and solutions to clients, we store and transfer sensitive employee and client data, including personal data, in and across multiple jurisdictions. We collect data from client and individuals located all over the world and leverage systems and teams to process it. As a result, we are subject to a variety of laws and regulations in the ~~United States~~ **U. S.** , Europe and around the world regarding privacy, data protection, data security and cyber security. These laws and regulations are continuously evolving and developing. Some of these laws and regulations are increasing the level of data handling restrictions, including rules on data localization, all of which could affect our operations and result in regulatory liability and high fines. In particular, high- profile data breaches at major companies continue to be disclosed regularly, which is leading to even greater regulatory scrutiny and fines at the highest levels they have ever been. These fines are not limited to data breaches and regulators are increasingly focusing on other data processing activities including those related to ad- tech and " data subject " rights. The **number** ~~scope and interpretation~~ of ~~the~~ laws that **apply** ~~are or may be applicable~~ to us ~~are~~ **keeps increasing and the interpretation of such laws is** often uncertain and may be conflicting. ~~For~~ **At the international level, we are subject to an increasing number of comprehensive privacy laws including, for** example, **those passed in Indonesia, the Kingdom of Saudi Arabia and India. Many of these laws, which are modeled after** the GDPR, **have** ~~which became effective in May 2018,~~ greatly increased the ~~European Commission' s~~ jurisdictional reach of ~~its~~ **privacy** laws and added a broad array of requirements for handling personal data, such as the public disclosure of data breaches, ~~privacy~~ **data protection** impact assessments, data portability and the appointment of data protection officers in some cases. ~~In~~ **Following** the **UK' s withdrawal from** ~~U. S., CPRA was passed in late 2020 and has greatly expanded~~ the ~~requirements under~~ **EU, we are also subject to** the ~~California Consumer Privacy Act~~ **UK General Data Protection Regulation** (~~CCPA~~ **" UK GDPR "**) **, a version of the GDPR as implemented into UK law, and this law may not mirror the GDPR, thereby adding operational complexity and legal risk. Given the breadth and depth of changes in data protection obligations, including classifying data and committing to a range of administrative, technical and physical controls to protect data and enable data transfers across borders, our compliance with such laws will continue to require time, resources and review of the technology and systems we use** . Despite a proliferation of regulatory guidance papers, there remains uncertainty in key areas related to ~~the~~ **these laws** ~~GDPR and the CPRA~~ , and that uncertainty could result in potential liability for our failure to meet our obligations ~~under the GDPR and the CPRA. Given the breadth and depth of changes in data protection obligations~~ , including ~~classifying data and committing to a range of administrative, technical and physical controls to protect data and enable data transfers outside of~~ the ~~E~~ **possibility of significant fines some of which can amount to 4 % or more of our global revenue** . **Further, despite recent developments, including a new** U. **S.- EU Data Privacy Framework and the U. S.- UK Data Bridge** , ~~our compliance with laws such as the~~ **there remains a high level** ~~GDPR and the CPRA will continue to require time, resources and review~~ of ~~the technology and systems we use. Further, the European Union Court of Justice' s" Schrems II" decision and Brexit continue to generate~~ uncertainty **concerning** ~~with regard to~~ the future of the flow of personal information between the U. S. and ~~E.~~ **EU, between the** U **. S. and the UK** and between the **UK** ~~United Kingdom~~ and the **EU** ~~E. U.~~ , and that uncertainty may impair our ability to offer our existing and planned products and services or increase our cost of doing business. ~~Following the implementation of the GDPR, other jurisdictions have sought to amend, or propose legislation to amend, their existing data protection laws to align with the requirements of the GDPR with the aim of obtaining an adequate level of data protection to facilitate the transfer of personal data to most jurisdictions from the E. U. Accordingly, the challenges we face in the E. U. will likely also apply to other jurisdictions that adopt laws similar to the GDPR or regulatory frameworks of equivalent complexity. For example, Indonesia passed the Personal Data Protection Bill in 2022, Australia and Canada are seeking to make major amendments to their existing privacy laws and India is engaging in an ongoing effort to enact a new privacy law.~~ Some of the **global** laws enacted in recent years, including those in China and the Kingdom of Saudi Arabia, **also** ~~the laws~~ include data localization elements that will require that certain personal data stay within their borders. ~~In~~ **These requirements are complex and our efforts to comply with them require significant resources, and we cannot guarantee we are or will be in full compliance with such laws at all times. At** the U. S. **federal level** , **we are subject to various** ~~following the passage of the CCPA and CPRA, four other states (Colorado, Connecticut, Utah and Virginia) passed~~ privacy laws and **regulations, including those promulgated under** ~~there~~ -- **the** ~~remains continued legislative interest~~ **authority of the U. S. Federal Trade Commission, which has the authority to regulate and enforce against unfair or deceptive acts or practices** in ~~passing~~ **or affecting commerce, including with respect to data privacy and cybersecurity. At the U. S. state level, we are subject to** laws ~~in additional~~ **and regulations related to privacy, such as the CCPA which introduced concepts such as transparency and rights like access and**

deletion, that have been enacted by over a dozen states ~~, as well as~~ **with many more on the verge of enacting such laws. These laws establish** a ~~federal~~ privacy ~~law~~ **framework for covered businesses** , ~~though~~ **including various obligations imposed on** ~~the~~ **them** ~~prospects~~ **related to the personal information they collect and use, and offer various rights for their state residents. Some** of **these** ~~such a law~~ **laws** ~~passing soon have diminished~~ **provide a private right of action for violations and in some cases damages may be significant. Many of these laws diverge from the CCPA and create their own set of rules and this proliferation of inconsistent state level privacy laws will add operational complexity and increased risk of noncompliance or violations which could trigger enforcement action or litigation** . In addition to data protection **and data privacy** laws, **foreign** countries and **U. S.** states ~~in the U. S.~~ are enacting **AI and** cybersecurity laws and regulations. For example, in ~~2017~~ **late 2023** the New York State Department of Financial Services (NYDFS) issued **amendments to its previous** cybersecurity regulations which imposed **obligations** ~~an array of detailed security measures~~ on ~~covered entities. These requirements were phased in and~~ **companies such as Marsh McLennan, including for example, requiring companies to provide evidence of how** ~~the~~ **they are implementing their data retention** ~~last of them came into effect on March 1~~ , **data governance** ~~2019. The NYDFS has now proposed an~~ **and data classifications policies and procedures** ~~array of modifications to those rules which if passed would impose significant new requirements~~ . A number of states have also adopted laws covering data collected by insurance licensees that include security and breach notification requirements. ~~And at the federal level, the Securities and Exchange Commission is seeking to impose new cybersecurity requirements, including new reporting obligations, on publicly traded companies.~~ All of these evolving compliance and operational requirements impose significant costs that are likely to increase over time, may divert resources from other initiatives and projects and could restrict the way services involving data are offered, all of which may adversely affect our results of operations. Many statutory requirements, both in the ~~United States~~ **U. S.** and abroad, include obligations for companies to notify individuals of security breaches involving certain personal information, which could result from breaches experienced by us or our vendors. **For example, laws in all 50 U. S. states generally require businesses to provide notice under certain circumstances to consumers whose personal information has been disclosed as a result of a breach.** In addition to government regulation **, our agreements with certain third parties may require us to notify them in the event of a security breach. Further** , privacy advocates and industry groups have and may in the future propose self- regulatory standards ~~from time to time~~ . These **laws, rules** and ~~other~~ industry standards may legally or contractually apply to us, or we may elect to comply with **them** ~~such standards~~ . We expect that there will continue to be new proposed laws and regulations concerning data privacy and security, and we cannot yet determine the impact such future laws, regulations and standards may have on our business. ~~Data protection~~ **Many of these** laws **and rules** also include strict notification requirements for organizations related to confirmed or suspected breaches. ~~With such a limited time available~~ **This narrow notification window is often** ~~to~~ **too short to fully** validate ~~indicators~~ **the facts** , **and** there is an increased risk of reporting a false alarm or immaterial breach, which may lead to reputational damage despite there not being an actual data breach. **We post public privacy policies and other documentation regarding our collection, use, disclosure, cross- border transfer, retention, and other processing of personal information. Although we endeavor to comply with our published policies and other documentation, we may at times fail to do so or may be perceived to have failed to do so. Moreover, despite our efforts, we may not be successful in achieving compliance if our employees, contractors, service providers, vendors or other third parties with whom we do business fail to comply with our published policies and documentation. Such failures could carry similar consequences or subject us to potential enforcement actions or investigations if they are found to be deceptive, unfair or misrepresentative of our actual practices.** Furthermore, enforcement actions and investigations by regulatory authorities related to data security incidents and privacy violations, including ~~a recent~~ **an ongoing** focus on **compliance related to** website" cookies" ~~compliance~~ **and other online trackers, as well as the use of online session recording tools** in some countries **or U. S. states** , continue to increase. Privacy violations, including unauthorized use disclosure or transfer of sensitive **, personal** or confidential client or Company data, whether through systems failure, employee negligence, fraud or misappropriation, by the Company, our vendors or other parties with whom we do business (if they fail to meet the standards we impose) could damage our reputation and subject us to significant litigation, monetary damages, regulatory enforcement actions, fines and criminal prosecution in one or more jurisdictions. Given the complexity of operationalizing the various privacy laws **mentioned above** ~~such as the GDPR and the CPRA~~ , the maturity level of proposed compliance frameworks and the continued lack of certainty on how to implement their requirements, we and our clients are at risk of enforcement actions taken by ~~E. U. and other~~ data protection authorities **around the world** or litigation from consumer advocacy groups acting on behalf of data subjects. We may not be able to respond quickly or effectively to regulatory, legislative and other developments, and these changes may in turn impair our ability to offer our existing or planned products and services and increase our cost of doing business. Our business performance and growth plans could be negatively affected if we are not able to develop and implement improvements in technology or respond effectively to the threat of digital disruption and other technological change **such as AI** . We depend in large part on our technology systems for conducting business, as well as for providing the data and analytics we use to manage our business. As a result, our business success is dependent on maintaining the effectiveness of existing technology systems and on continuing to develop and enhance technology systems that support our business processes and strategic initiatives in a cost and resource efficient manner, particularly as our business processes become more digital. We have a number of strategic initiatives involving investments in or partnerships with technology companies as part of our growth strategy, as well as investments in technology **, including generative AI,** and infrastructure to support our own systems. These investments may be costly and require significant capital expenditures, may not be profitable or may be less profitable than what we have experienced historically. In addition, investments in technology systems may not deliver the benefits or perform as expected, or may be replaced or become obsolete more quickly than expected, which could result in operational difficulties or additional costs. In some cases, we also depend on key vendors and partners to provide technology and other support for our strategic initiatives. If these vendors or partners fail to perform their obligations or otherwise cease to work with us, our ability to execute on our strategic initiatives could be adversely affected. If we do not keep up with technological changes or execute effectively on our strategic initiatives, our business and results of operations could be adversely impacted. In addition, to remain competitive in many of our business areas, we must anticipate and respond effectively to the threat of digital disruption and other technological change **such as generative AI** . The threat comes from traditional players, such as insurers, through disintermediation as well as from new entrants, such as technology companies," Insurtech" start- up companies and others. In the past few years, there has been a substantial increase in private equity investments into these Insurtech companies. These players are focused on using technology and innovation, including ~~artificial intelligence (~~ AI ~~)~~ , digital platforms, data analytics, robotics and blockchain, to simplify and improve the client experience, increase efficiencies, alter business models and effect other potentially disruptive changes in the industries in which we operate. ~~Legal and Regulatory Risks~~ We are **actively investing in generative AI tools** ~~subject to significant uninsured exposures arising from errors and omissions, breach of fiduciary duty and other claims~~ . ~~Our businesses provide numerous professional services~~ **While our internal generative AI tool** , **LenAI** ~~including the placement of insurance and the provision of consulting~~ , ~~investment advisory, investment management and actuarial services, to clients around the world. As a result, the Company and its subsidiaries are subject to a significant number of errors and omissions, breach of fiduciary duty, breach of contract and similar claims, which we refer to collectively as~~ **was designed** ~~" E & O claims." In our Risk and Insurance Services segment, such claims include allegations of damages arising from our failure~~ to ~~assess clients'~~ **meet our standards for data security and to address and mitigate the** risks ~~, advise clients, place coverage, or notify insurers of potential claims on behalf of clients in accordance with our obligations to them. For example, these claims could include allegations related to losses incurred by policyholders arising from the COVID- 19 pandemic, or losses from cyberattacks~~ associated with ~~policies where cyber~~ **this new technology, our use of generative AI in certain products and services may present** ~~risk~~ **risks** ~~was not specifically~~ **and challenges that remain uncertain due to the relative novelty of this technology. These risks may** ~~included~~ - **include enhanced governmental** ~~or excluded in policies, commonly referred to as " silent cyber. " In our~~ - **or** ~~Consulting segment~~ **regulatory scrutiny** , ~~where~~ **litigation or ethical concerns. While** we **are** increasingly act in a fiduciary capacity through...... the selection of investment managers and implementation --- **implementing** ~~of~~ **certain mitigation measures and governance to** the **proliferation of AI tools,** ~~client' s investment policy. We provide~~ these **measures** ~~services to a broad client base, including clients in the public sector for our investment services. Matters often relate to services provided by the Company dating back many years. Such claims may subject us to significant liability for monetary damages, including punitive and treble damages, negative publicity and reputational harm, and may divert personnel and management resources. We~~ may be **inadequate** ~~unable to effectively limit our~~ - **or** potential liability in certain jurisdictions, including....... Anti- Bribery Act. We may not **meet** ~~be able to effectively identify and manage actual and apparent conflicts of interest. Given the significant volume of our engagements, potential conflicts of interest may arise across our businesses. There is~~ a **growing number** ~~risk that we may not effectively identify and manage potential conflicts~~ of **legal** ~~interest, including but not limited to where our services to a client conflict, or are perceived to conflict, with the interests of another client or our own interests, where we receive revenue or benefits from third- parties with whom we conduct business (including but not limited to insurers, investment managers~~ and **regulatory requirements related to AI** ~~vendors) and where our colleagues have personal interests~~ . Competitive Risks The loss of members of our senior management team or other key colleagues, or if we are unsuccessful in our efforts to attract, retain and develop talent, could have a material adverse effect on our business. We rely upon the contributions of our senior management team to establish and implement our business strategy and to manage the future growth of our business. We may be unable to retain them, particularly if we do not offer employment terms that are competitive with the rest of the labor market. The loss of any of the senior management team could limit our ability to successfully execute our business strategy or adversely affect our ability to retain existing and attract new clients. Moreover, we could be adversely affected if we fail to adequately plan for the succession of members of our senior management team or if our succession plans do not operate effectively. Across all of our businesses, our colleagues are critical to developing and retaining client relationships as well as performing the services on which our revenues are earned. It is therefore important for us to attract, incentivize and retain significant revenue- producing employees and the key managerial and other professionals who support them. We face numerous challenges in this regard, including the intense competition for talent, which has accelerated ~~through the pandemic~~ **in recent years** . Such challenges include the ~~general~~ **increased** mobility of colleagues **in light** ~~that has increased as a result~~ of ~~the COVID- 19 pandemic as companies experiment with~~ more flexible working models, market dislocation resulting from proposed and actual combinations in the industry **, raids by competitors** , and fostering an inclusive and diverse workplace. Losing colleagues who manage or support substantial client relationships or possess substantial experience or expertise could adversely affect our ability to secure and complete client engagements, which could adversely affect our results of operations. If a key employee were to join an existing competitor or form a competing company, some of our clients could choose to use the services of that competitor instead of our services. If a colleague joins us from a competitor and is subject to enforceable restrictive covenants, we may not be able to secure client engagements or maximize the colleague' s potential. In addition, regulation or legislation impacting the workforce, such as the proposed U. S. Federal Trade Commission rule regarding noncompete clauses, may lead to increased uncertainty and competition for talent. Failure to maintain our corporate culture, particularly in a hybrid work environment, could damage our reputation. We strive to foster a culture in which our colleagues act with integrity and feel comfortable speaking up about potential misconduct. We are a people business, and our ability to attract and retain colleagues and clients is dependent upon our commitment to an inclusive and diverse workplace, trustworthiness, ethical business practices and other qualities. Our colleagues are the cornerstone of this culture, and acts of misconduct by any colleague, and particularly by senior management, could erode trust and confidence and damage our reputation among existing and potential clients and other stakeholders. Remote and hybrid work arrangements **, particularly following the COVID- 19 pandemic,** may also negatively impact our ability to maintain and promote our culture, as we believe being together is integral to promoting our culture. Increasing scrutiny and changing laws and expectations from regulators, investors, clients and our colleagues with respect to our environmental, social and governance (ESG) practices and disclosure may impose additional costs on us or expose us to new or additional risks. There is increased focus, including from governmental organizations, regulators (including the SEC in the ~~United States~~ **U. S.**), investors, colleagues and clients, on ESG issues such as environmental stewardship, climate change, greenhouse gas emissions, inclusion and diversity, human rights, racial justice, pay equity, workplace conduct, cybersecurity and data privacy. Negative public perception, adverse publicity or negative comments in social media could damage our reputation if we do not, or are not perceived to, adequately address these issues. Any harm to our reputation could impact colleague engagement and retention and the willingness of clients and our partners to do business with us. Additionally, there has been increased regulatory focus on ESG and sustainability. For example, laws and regulations related to ESG issues continue to evolve, including in the U. S., the U. K., the EU and Australia, and these regulations may impose additional compliance or disclosure obligations on us. In particular, heightened demand for, and scrutiny of, ESG and sustainable- related products, funds, investment strategies and advice has increased the risk that we could be perceived as, or accused of, making inaccurate or misleading statements, commonly referred to as" greenwashing" or that we have otherwise run afoul of regulation. Such perceptions or accusations could damage our reputation, result in litigation or regulatory enforcement actions, and adversely affect our business. Furthermore, perceptions of our efforts to achieve ESG goals or advance ESG and sustainable- related products, funds, investment strategies or advice may differ widely among stakeholders and could present risks to our reputation and business ~~. Moreover~~ , **including litigation risk. For example, in the U. S. there** ~~as~~ **has been increased legal scrutiny** ~~we continue to align with the recommendations of the Financial Stability Board' s Task Force~~ on ~~Climate~~ **inclusion and diversity** - related ~~Financial Disclosures (TCFD)~~ **programs and initiatives. Moreover** , **as ESG reporting standards continue to evolve, including with guidance from** the **International** Sustainability ~~Accounting~~ Standards Board (~~SASB~~ - **ISSB**) **and the European Sustainability Reporting Standards (ESRS) under the Corporate Sustainability Reporting Directive (CSRD)** , **we continue to evaluate and update our public disclosures in these areas, including refining our disclosure of metrics and goals in accordance with the guidance** and our own ESG assessments and priorities ~~, we have expanded our public disclosures in these areas, including providing additional metrics and goals~~ . These disclosures, metrics and goals and any failure to accurately report or comply with federal, state or international ESG laws and regulations, or to achieve progress on our metrics and goals on a timely basis, or at all, may result in legal and regulatory proceedings against us and negatively impact our reputation. Implementation of our ESG initiatives also depends in part on third- party performance or data that is outside the Company' s control. In addition, organizations that provide information to investors on corporate governance and related matters have developed ratings processes for evaluating companies on their approach to ESG matters, and unfavorable ratings of our company or our industries may lead to negative investor sentiment and the diversion of investment to other companies or industries, exclusion of our stock from ESG- oriented indices or investment funds or harm our relationships with regulators and the communities in which we operate. We face significant competitive pressures in each of our businesses, including from disintermediation, as our competitive landscape continues to evolve. As a global professional services firm, the Company faces competition in each of its businesses, and the competitive landscape continues to change and evolve. Our ability to compete successfully depends on a variety of factors, including the quality and expertise of our colleagues, our geographic reach, the sophistication and quality of our services, our pricing relative to competitors, our clients’ ability to self- insure or use internal resources instead of consultants, and our ability to respond to changes in client demand and industry conditions. **Any failure by us to design and execute operating model changes that capture opportunities and efficiencies at the intersections of our businesses and maximize the value we deliver to clients and stakeholders could have an adverse impact on our business. Additionally,** ~~Some~~ **some** of our competitors may have greater financial resources, or may be better positioned to respond to technological and other changes in the industries we serve, and they may be able to compete more effectively. ~~Additionally~~ **Furthermore** , the competition for talent ~~has only~~ **continues to** ~~accelerated~~ - **accelerate** ~~following the COVID- 19 pandemic and recent dislocation in the market resulting from proposed and actual combinations among our competitors~~ . Across our Risk and Insurance Services segment, we operate in a variety of markets and face different competitive landscapes. In addition to the challenges posed by capital market alternatives to traditional insurance and reinsurance, we compete against a wide range of other insurance and reinsurance brokerage and risk advisory firms that operate on a global, regional, national or local scale for both client business and employee talent. In recent years, private equity sponsors have invested tens of billions of dollars into the insurance brokerage sector, transforming existing players and creating new ones to compete with large brokers. We also compete with insurance companies that market and service their insurance products directly to consumers and reinsurance companies that market and service their products directly to insurance companies, in each case without the assistance of brokers or other market intermediaries, and with various other companies that provide risk- related services or alternatives to traditional brokerage services, including those that rely almost exclusively on technological solutions or platforms. This competition is intensified by an often" syndicated" or" distributed" approach to the purchase of insurance and reinsurance brokerage services, where a client engages multiple brokers to service different portions of the client' s account. In addition, third party capital providers have entered the insurance and reinsurance risk transfer market offering products and capital directly to our clients that serve as substitutes for traditional insurance. In our Consulting segment, we compete for business with numerous consulting firms and similar organizations, many of which also provide, or are affiliated with firms that provide, accounting, information systems, technology and financial services. Such competitors may be able to offer more comprehensive products and services to potential clients, which may give them a competitive advantage. Some of our competitors also may be able to invest more significant capital in technology and digital solutions. In certain sub- segments, we compete in highly fragmented markets or with start- ups that may be able to offer solutions at a lower price or on more favorable conditions. In addition, companies in the industries that we serve may seek to achieve economies of scale and other synergies by combining with or acquiring other companies. If two or more of our current clients merge, or consolidate or combine their operations, it may decrease the amount of work that we perform for these clients. We rely on a large number of vendors and other third parties to perform key functions of our business operations and to provide services to our clients. These vendors and third parties may act **or fail to act** in ways that could harm our business. We rely on a large number of vendors and other third parties, and in some cases subcontractors, to provide services, data and information such as technology, information security, funds transfers, business process management, and administration and support functions that are critical to the operations of our business. These third parties include correspondents, agents and other brokers and intermediaries, insurance markets, data providers, plan trustees, payroll service providers, software and system vendors, health plan providers, investment managers, custodians, risk modeling providers, and providers of human resource functions, such as recruiters. Many of these providers are located outside the U. S., which exposes us to business disruptions and political risks inherent when conducting business outside of the U. S. As we do not control many of the actions of these third parties, we are subject to the risk that their decisions or operations may adversely impact us and replacing these service providers could create significant delay in services or operations and additional expense. A failure by the third parties to (i) comply with service level agreements in a high quality and timely manner, particularly during periods of our peak demand for their services, (ii) maintain adequate internal controls that may impact our own financial reporting, or (iii) adequately maintain the confidentiality of any of our data or trade secrets or adequately protect or properly use other intellectual property to which they may have access, could result in economic and reputational harm to us. These third parties also face their own technology, operating, business and economic risks, and any significant failures by them, including the improper use or disclosure of our confidential client, employee, or Company information or failure to comply with applicable law, could cause harm to our reputation or otherwise expose us to liability. An interruption in or the cessation of service by any service provider as a result of systems failures, capacity constraints, non- compliance with legal, regulatory or contractual obligations, financial difficulties or for any other reason could disrupt our operations, impact our ability to offer certain products and services, and result in contractual or regulatory penalties, liability claims from clients or employees, damage to our reputation and harm to our business. Business Resiliency Risks Our inability to successfully recover should we experience a disaster or other business continuity or data recovery problem could cause material financial loss, loss of human capital, regulatory actions, reputational harm or legal liability. If we experience a local or regional disaster or other business continuity event, such as an earthquake, hurricane, flood, terrorist attack, pandemic, war or other geopolitical tensions, protests or riots, security breach, cyberattack (including manipulating the control systems of critical infrastructure), power loss or telecommunications failure, our ability to operate will depend, in part, on the continued availability of our personnel, our office facilities and the proper functioning of our computer, telecommunication and other related systems and operations. In such an event, we could experience operational challenges that could have a material adverse effect on our business. The risk of business disruption is more pronounced in certain geographic areas, including major metropolitan centers, like New York or London, where we have significant operations and approximately 3, ~~500~~ **700** and 5, ~~600~~ **700** colleagues in those respective locations, and in certain countries and regions in which we operate that are subject to higher potential threat of terrorist attacks or military conflicts. Our operations depend in particular upon our ability to protect our technology infrastructure against damage. If a business continuity event occurs, we could lose client or Company data or experience interruptions to our operations or delivery of services to our clients, which could have a material adverse effect. Such risks have increased significantly due to ~~the~~ hybrid **and remote** work ~~environment~~ **environments** ~~following the COVID- 19 pandemic~~ . A cyberattack or other business continuity event affecting us or a key vendor or other third party could result in a significant and extended disruption in the functioning of our information technology systems or operations or our ability to recover data, requiring us to incur significant expense to address and remediate or otherwise resolve such issues. For example, hackers have increasingly targeted companies by attacking internet- connected industrial control and safety control systems. An extended outage could result in the loss of clients and a decline in our revenues. In the worst case, any manipulation of the control systems of critical infrastructure may even result in the loss of life. We regularly assess and take steps to improve our existing business continuity, disaster recovery and data recovery plans and key management succession. However, a disaster or other continuity event on a significant scale or affecting certain of our key operating areas within or across regions, or our inability to successfully recover from such an event, could materially interrupt our business operations and result in material financial loss, loss of human capital, regulatory actions, reputational harm, damaged client relationships and legal liability. Our business disruption insurance may also not fully cover, in type or amount, the cost of a successful recovery in the event of such a disruption. Acquisitions and Dispositions Risks We face risks when we acquire **or dispose of** businesses. We have a history of making acquisitions and investments, including a total of ~~93~~ **80** in the period from ~~2017~~ **2019** to ~~2022~~ **2023** . We may not be able to successfully integrate the businesses that we acquire into our own business, or achieve any expected cost savings or synergies from the integration of such businesses. Subject to standard contractual protections, we may also be responsible for legacy liabilities of companies that we acquire. In addition, if in the future the performance of our reporting units or an acquired business varies from our projections or assumptions, or estimates about future profitability of our reporting units or an acquired business change, the estimated fair value of our reporting units or an acquired business could change materially and could result in an impairment of goodwill and other acquisition- related intangible assets recorded on our balance sheet or in adjustments in contingent payment amounts. Given the significant size of the Company' s goodwill and intangible assets, an impairment could have a material adverse effect on our results of operations in any given period. We expect that acquisitions will continue to be a key part of our business strategy. Our success in this regard will depend on our ability to identify and compete for appropriate acquisition candidates and to finance and complete the transactions we decide to pursue on favorable terms with positive results. When we dispose of businesses, we may continue to be subject to certain liabilities of that business after its disposition relating to the prior period of our ownership and may not be able to negotiate for limitations on those liabilities. We are also subject to the risk that the sales price is less than the amount reflected on our balance sheet. Financial Risks If we are unable to collect our receivables, our results of operations and cash flows could be adversely affected. Our business depends on our ability to obtain payment from our clients of the amounts they owe us for the work we perform. As of December 31, ~~2022~~ **2023**, our receivables for our commissions and fees were approximately $ 5. ~~3~~ **8** billion, or approximately one- quarter of our total annual revenues, and portions of our receivables are increasingly concentrated in certain businesses and geographies. Macroeconomic or geopolitical conditions, such as a slower economic growth or recession, the war in Ukraine **and the escalating conflict throughout the Middle East**, inflationary pressures or supply chain challenges, could result in financial difficulties for our clients, which could cause clients to delay payments to us, request modifications to their payment arrangements that could increase our receivables balance or default on their payment obligations to us. We may not be able to obtain sufficient financing on favorable terms. The maintenance and growth of our business, including our ability to finance acquisitions, the payment of dividends and our ability to make share repurchases rely on our access to capital, which depends in large part on cash flow generated by our business and the availability of equity and debt financing. Certain of our businesses also rely on financings by the Company to fund the underwriting of their client' s debt and equity capital raising transactions. There can be no assurance that our operations will generate sufficient positive cash flow to finance all of our capital needs or that we will be able to obtain equity or debt financing on favorable terms, particularly in an environment of rising interest rates. In addition, our ability to obtain financing will depend in part upon prevailing conditions in credit and capital markets, which are beyond our control. Our defined benefit pension plan obligations could cause the Company' s financial position, earnings and cash flows to fluctuate. Our defined benefit pension obligations and the assets set aside to fund those obligations are sensitive to certain changes in the financial markets. Any such changes may result in increased pension expense or additional cash payments to fund these plans. The Company has significant defined benefit pension obligations to its current and former employees, totaling approximately $ ~~11~~ **12**. ~~8~~ **2** billion, and related plan assets of approximately $ 13. ~~0~~ **5** billion, at December 31, ~~2022~~ **2023** on a U. S. GAAP basis. The Company' s policy for funding its defined benefit pension plans is to contribute amounts at least sufficient to meet the funding requirements set forth by law. In the ~~United States~~ **U. S.**, contributions to these plans are based on ERISA guidelines. Outside the United States, contributions are generally based on statutory requirements and local funding practices, which may differ from measurements ~~under~~ **in accordance with** U. S. GAAP. In the U. K., for example, the assumptions used to determine pension contributions are the result of legally- prescribed negotiations between the Company and the plan trustees. Currently, the use of these assumptions results in a lower funded status than determined ~~under~~ **in accordance with** U. S. GAAP and may result in contributions irrespective of the U. S. GAAP funded status. The financial calculations relating to our defined benefit pension plans are complex. Pension plan assets could decrease as the result of poor future asset performance. In addition, the estimated return on plan assets would likely be impacted by changes in the interest rate environment and other factors, including equity valuations, since these factors reflect the starting point used in the Company' s projection models. For example, a reduction in interest rates may result in a reduction in the estimated return on plan assets. Also, pension plan liabilities, periodic pension expense and future funding amounts could increase as a result of a decline in the interest rates we use to discount our pension liabilities, longer lifespans than those reflected in our mortality assumptions, changes in investment markets that result in lower expected returns on assets, actual investment return that is less than the expected return on assets, adverse changes in laws or regulations and other variables. **Finally, changes in the aggregated, smoothed asset returns as future years replace prior years, has an impact on both the level and the volatility of pension expense.** While we have taken steps to mitigate the impact of pension volatility on our earnings and cash funding requirements, these strategies may not be successful. Accordingly, given the magnitude of our worldwide pension plans, variations in or reassessment of the preceding or other factors or potential miscalculations relating to our defined benefit pension plans could cause significant fluctuation from year to year in our earnings and cash flow, as well as our pension plan assets and liabilities, and may result in increased levels of contributions to our pension plans. Our significant non- U. S. operations expose us to exchange rate fluctuations and various risks that could impact our business. Approximately ~~51~~ **53** % of our total revenue reported in ~~2022~~ **2023** was from business outside of the ~~United States~~ **U. S**. We are subject to exchange rate movement because we must translate the financial results of our foreign subsidiaries into U. S. dollars and also because some of our subsidiaries receive revenue other than in their functional currencies. Exchange rate movements may change over time, and they could have a material adverse impact on our financial results and cash flows reported in U. S. dollars. For additional discussion, see" Market Risk and Credit Risk- Foreign Currency Risk" in Part II, Item 7A (" Quantitative and Qualitative Disclosures about Market Risk") of this report. Our quarterly revenues and profitability may fluctuate significantly. Quarterly variations in revenues and operating results may occur due to several factors. These include: • the number of client engagements during a quarter; • the possibility that clients may decide to delay or terminate a current or anticipated project as a result of factors unrelated to our work product or progress; • fluctuations in capacity and utilization rates and clients' ability to terminate engagements without penalty; • our net colleague hires and related compensation and benefits expense; • potential limitations on the clients or industries we serve resulting from increased regulation or changing stakeholder expectations on ESG issues; • the impact of changes in accounting standards or in our accounting estimates or assumptions; • the impact on us or our clients of changes in legislation, regulation and legal guidance or interpretations in the jurisdictions in which we operate, in particular as a result of increased regulatory activity and enforcement; • seasonality due to the impact of regulatory deadlines, policy renewals and other timing factors to which our clients are subject; • the success of our acquisitions or investments; • macroeconomic factors such as changes in foreign exchange rates, interest rates and global public and private capital markets, particularly in the case of Mercer, where fees in its investments business and certain other business lines are derived from the value of assets under management, advisement or administration; and • general economic conditions, including factors beyond our control affecting economic conditions such as global health crises or pandemics, severe weather, climate change, geopolitical unrest such as the war in Ukraine **and the escalating conflict throughout the Middle East**, protests and riots or other catastrophic events, since our results of operations are directly affected by the levels of business activity of our clients, which in turn are affected by the level of economic activity in the industries and markets that they serve. A significant portion of our total operating expenses is relatively fixed in the short term. Therefore, a variation in the number of client assignments or in the timing of the initiation or the completion of client assignments can cause significant variations in quarterly operating results for these businesses. Credit rating downgrades would increase our financing costs and could subject us to operational risk. Currently, the Company' s senior debt is rated A- by S & P **, A3** ~~and Fitch and Baa1~~ by Moody' s **and A- by Fitch** . The Company carries a Stable outlook with ~~both~~ S & P **,** ~~and Fitch and Positive outlook with~~ Moody' s **and Fitch** . If we need to raise capital in the future (for example, in order to maintain adequate liquidity, fund maturing debt obligations or finance acquisitions or other initiatives), credit rating downgrades would increase our financing costs, and could limit our access to financing sources. A downgrade to a rating below investment- grade could result in greater operational risks through increased operating costs and increased competitive pressures. Our current debt level could adversely affect our financial flexibility. As of December 31, ~~2022~~ **2023** , we had total consolidated debt outstanding of approximately $ ~~11~~ **13** . 5 billion. The level of debt outstanding could adversely affect our financial flexibility by reducing our cash flows and our ability to use cash from operations for other purposes, including working capital, dividends to shareholders, share repurchases, acquisitions, capital expenditures and general corporate purposes. In addition, we are subject to risks that, at the time any of our outstanding debt matures, we will not be able to retire or refinance the debt on terms that are acceptable to us. The current U. S. tax regime ~~makes~~ **has provisions which have unintended consequences and may also impact** our ~~results more difficult to predict~~ **tax rate in varying degrees based on where our global income is earned** . Our effective tax rate may fluctuate in the future as a result of the current U. S. tax regime and the continuing issuance of interpretive guidance related to the operations of U. S.- based multinational corporations. These include significant provisions in U. S. income tax law that may have a meaningful impact on our income tax expense and require significant judgments and estimates in interpretation and calculations. Current tax legislation includes, among other provisions, limitations on the deductibility of net interest expense, a minimum tax on most non- U. S. income called Global Intangible Low-Taxed Income (" GILTI"), and the Base Erosion and Anti- Abuse Tax (" BEAT"). In addition, a recently enacted book minimum tax could increase the impact of these provisions on our income tax expense. Given the significant complexity of the rules, and the potential for additional guidance from the U. S. Treasury, the Securities and Exchange Commission, the Financial Accounting Standards Board or other regulatory authorities, recognized impacts in future periods could be significantly different from our current estimates. Such uncertainty may also result in increased scrutiny from, or disagreements with, tax authorities. As a U. S.- domiciled company, any such increases would likely have a disproportionate impact on us compared to our foreign-based competitors. Global Operations We are exposed to multiple risks associated with the global nature of our operations. We conduct business globally. In ~~2022~~ **2023** , approximately ~~51~~ **53** % of the Company' s total revenue was generated from operations outside the ~~United States~~ **U. S.** , and over one- half of our employees were located outside the ~~United States~~ **U. S** . In addition, we conduct our operations through four separate businesses. Potential conflicts of interest may arise across our businesses given the significant volume of our engagements. The geographic breadth of our activities also subjects us to significant legal, economic, operational, market, compliance and reputational risks. These include, among others, risks relating to: • economic and political conditions in the countries in which we operate; • client concentration in certain high- growth countries in which we operate; • the length of payment cycles and potential difficulties in collecting accounts receivable; • unexpected increases in taxes or changes in U. S. or foreign tax laws, rulings, policies or related legal and regulatory interpretations, including ~~upcoming~~ **recent** changes to the U. K. statutory rate; • the implementation of the Organization for Economic Cooperation and Development (OECD) international tax framework, including the **implementation of the** Pillar 2 minimum tax regime **by key jurisdictions in 2024** and the Pillar 1 profit reallocation regime, which could ~~substantially increase the Company' s~~ **have an adverse effect on our** effective tax rate **, tax payments and results of operations** ; • international initiatives to require multinational enterprises, like ours, to calculate and report profitability on a country- by- country basis, which could increase scrutiny by, or cause disagreements with, foreign tax authorities; • potential transfer pricing- related tax exposures that may result from the flow of funds among our subsidiaries and affiliates in the various jurisdictions in which we operate; • unexpected reassessment by tax authorities of interpretations of existing rules which may require companies to defend previously accepted positions and may create both new and prior- year exposures; • **litigation arising from ongoing and future controversies with tax authorities; •** permanent establishments created due to colleagues traveling to and doing work in countries where the ~~company~~ **Company** has no presence, or living in such countries and working remotely post- pandemic, which are not properly compensated through transfer pricing; • our ability to obtain dividends or repatriate funds from our non-U. S. subsidiaries, including as a result of the imposition of currency controls and other government restrictions on repatriation in the jurisdictions in which our subsidiaries operate, fluctuations in foreign exchange rates and the imposition of withholding and other taxes on such payments; • geopolitical tensions, such as the war in Ukraine **and the escalating conflict throughout the Middle East** , in countries where we operate, international hostilities, international trade disputes, terrorist activities, natural disasters, pandemics, and infrastructure disruptions; • local investment or other financial restrictions that foreign governments may impose; • potential lawsuits, investigations, market studies, reviews or other activity by foreign regulatory or law enforcement authorities or legislatively appointed commissions, which may result in potential modifications to our businesses, related private litigation or increased scrutiny from U. S. or other regulators; • potential costs and difficulties in complying with a wide variety of foreign laws and regulations (including tax systems) administered by foreign government agencies, some of which may conflict with U. S. or other sources of law; • potential costs and difficulties in complying, or monitoring compliance, with foreign and U. S. laws and regulations that are applicable to our operations abroad, including trade sanctions laws relating to countries such as Afghanistan, Belarus, Cuba, Iran, North Korea, Russia, Syria, Ukraine (Russia- controlled territories) and Venezuela, anti- corruption laws such as the U. S. Foreign Corrupt Practices Act and the U. K. Bribery Act 2010; • limitations or restrictions that foreign or U. S. governments and regulators may impose on the products or services we sell, the methods by which we sell our products and services and the manner in which and the amounts we are compensated; • potential limitations or difficulties in protecting our intellectual property in various foreign jurisdictions; • limitations that foreign governments may impose on the conversion of currency or the payment of dividends or other remittances to us from our non- U. S. subsidiaries; • engaging and relying on third parties to perform services on behalf of the Company; and • potential difficulties in monitoring employees in geographically dispersed locations. RISKS RELATING TO OUR RISK AND INSURANCE SERVICES SEGMENT Our Risk and Insurance Services segment, conducted through Marsh and Guy Carpenter, represented ~~61~~ **62** % of the Company' s total revenue in ~~2022~~ **2023** . Our business in this segment is subject to particular risks. Results in our Risk and Insurance Services segment may be adversely affected by a general decline in economic activity. Demand for many types of insurance and reinsurance generally rises or falls as economic growth expands or slows. This dynamic affects the level of commissions and fees generated by Marsh and Guy Carpenter. To the extent our clients become adversely affected by declining business conditions, they may choose to limit their purchases of risk services and insurance and reinsurance coverage, as applicable, which would adversely impact our commission revenue and other revenue based on premiums placed and services provided by us. Also, the insurance they seek to obtain through us may be impacted by changes in their assets, property values, sales or number of employees, which may reduce our commission revenue, and they may decide not to purchase our risk advisory or other services, which would inhibit our ability to generate fee revenue. Moreover, insolvencies and combinations associated with an economic downturn, especially insolvencies and combinations in the insurance industry, could adversely affect our brokerage business through the loss of clients or by limiting our ability to place insurance and reinsurance business, as well as our revenues from insurers. Guy Carpenter is especially susceptible to this risk given the limited number of insurance company clients and reinsurers in the marketplace. Volatility or declines in premiums and other market trends may significantly impede our ability to grow revenues and profitability. A significant portion of our Risk and Insurance Services revenue consists of commissions paid to us out of the premiums that insurers and reinsurers charge our clients for coverage. We do not determine the insurance premiums on which our commissions are generally based. Our revenues and profitability are subject to change to the extent that premium rates fluctuate or trend in a particular direction. The potential for changes in premium rates is significant, due to the normal cycles of pricing in the commercial insurance and reinsurance markets. As traditional insurance companies continue to rely on non- affiliated brokers or agents to generate premium, those insurance companies may seek to reduce their expenses by lowering their commission rates. The reduction of these commission rates, along with general volatility or declines in premiums, may significantly affect our revenue and profitability. Because we do not determine the timing or extent of premium pricing changes, it is difficult to accurately forecast our commission revenues, including whether they will significantly decline. As a result, we may have to adjust our plans for future acquisitions, capital expenditures, dividend payments, loan repayments and other expenditures to account for unexpected changes in revenues, and any decreases in premium rates may adversely affect the results of our operations. In addition to movements in premium rates, our (and Mercer' s Health business' s) ability to generate premium- based commission revenue may be challenged by disintermediation and the growing availability of alternative methods for clients to meet their risk- protection needs. This trend includes a greater willingness on the part of corporations to self- insure, the expanded use of captive insurers, and the presence of capital markets- based solutions for traditional insurance and reinsurance needs. Further, the profitability of our Risk and Insurance Services segment depends in part on our ability to be compensated for the analytical services and other advice that we provide, including the consulting and analytics services that we provide to insurers. If we are unable to achieve and maintain adequate billing rates for all of our services, our margins and profitability could decline. Adverse legal developments and future regulations concerning how intermediaries are compensated by insurers or clients, as well as allegations of anti- competitive behavior or conflicts of interest ~~more broadly~~ , could have a material adverse effect on our business, results of operations and financial condition. The ways in which insurance intermediaries are compensated receive scrutiny from regulators in part because of the potential for anti- competitive behavior and conflicts of interest. The vast majority of the compensation that Marsh receives is in the form of retail fees and commissions that are paid by the client or paid from premium that is paid by the client. The amount of other compensation that we receive from insurance companies, separate from retail fees and commissions, has increased in the last several years, both on an underlying basis and through acquisition and represented approximately 6 % of Marsh' s revenue in ~~2022~~ **2023** . This other compensation includes payment for (i) consulting and analytics services provided to insurers; (ii) administrative and other services provided to insurers (including underwriting services and services relating to the administration and management of quota shares, panels and other facilities); and (iii) contingent commissions, primarily at MMA and outside the U. S., paid by insurers based on factors such as volume or profitability. These other revenue streams present potential regulatory, litigation and reputational risks that may arise from alleged anti- competitive behavior or conflicts of interest, (including those arising from Guy Carpenter' s role as intermediary and advisor for insurance companies), and future changes in the regulatory environment may impact our ability to collect such revenue. Adverse regulatory, legal or other developments could have a material adverse effect on our business and expose the Company to negative publicity and reputational harm. RISKS RELATING TO OUR CONSULTING SEGMENT Our Consulting segment, conducted through Mercer and Oliver Wyman Group, represented ~~39~~ **38** % of our total revenue in ~~2022~~ **2023** . Our businesses in this segment are subject to particular risks. Mercer' s Wealth business is subject to a number of risks, including risks related to public and private capital market fluctuations, third- party asset managers **and custodians** , ~~operational~~ **operations** and technology risks, conflicts of interest, ESG and greenwashing, asset performance and regulatory compliance, that, if realized, could result in significant damage to our business. Mercer' s Investments business provides clients with digital tools, investment consulting and investment management services. Mercer' s Investments business is subject to a number of risks, including risks related to litigation (both by clients and by plan participants, particularly as we increasingly act in a fiduciary capacity), liquidity and market volatility, **an inability to obtain contractual limitations of liability for errors & omissions in certain jurisdictions or parts of our business,** third- parties, our operations and technology **(including the use of AI)** , trading errors, conflicts of interest, asset performance and regulatory compliance and scrutiny, which could arise in connection with these offerings. For example, Mercer' s manager research or due diligence on an asset manager may fail to uncover material deficiencies or fraud that could result in investment losses to a client. There is a risk that Mercer will fail to properly or timely implement a client' s investment policy or direction, which could cause an incorrect or untimely allocation of client assets among asset classes, asset managers, or strategies. Mercer may also be perceived as making inaccurate or misleading statements regarding the investment strategies of our offerings **or investments** with respect to ESG or sustainability, commonly referred to as " greenwashing, " or recommending certain asset managers to clients or offering delegated solutions to an investment consulting client, solely to enhance its own compensation or due to other perceived conflicts of interest. Asset classes may perform poorly, or asset managers may underperform their benchmarks, due to poor market performance, a downturn in the global markets, negligence or other reasons, resulting in poor returns or loss of client assets. Changes in the value of equity, debt, currency **,** real estate, commodities, alternatives or other asset classes, in particular as a result of a downturn in the global markets, could cause the value of ~~our~~ assets under management or advisement, and the fees earned by Mercer to decline. Mercer or its clients may be subject to claims or class action litigation relating to advice given or investment decisions made by plan sponsors and plan fiduciaries, particularly relating to 401 (k) plans in the U. S. or pension schemes in the U. K. These risks, if realized, could result in significant liability and damage our business. Revenues for the services provided by our Consulting segment may decline for various reasons, including as a result of changes in economic conditions, the value of equity, debt and other asset classes, our clients' or an industry' s financial condition or government regulation or an accelerated trend away from actively managed investments to passively managed investments. Global economic conditions, including slower GDP growth or recession, inflationary pressure and foreign exchange rate volatility, may negatively impact businesses and financial institutions. Many of our clients, including financial institutions, corporations, government entities and pension plans, have reduced expenses, including amounts spent on consulting services, and used internal resources instead of consultants during difficult economic periods. The evolving needs and financial circumstances of our clients may reduce demand for our consulting services and could adversely affect our revenues and profitability. If the economy or markets in which we operate experience weakness or deteriorate, our business, financial condition and results of operations could be materially and adversely affected. If our clients reduce their headcounts, they will have fewer employee lives covered under their health plans, which may reduce premiums and the commission or supplemental compensation Mercer may receive. In addition, some of Mercer' s Investments business generate fees based upon the value of the clients' assets under management, advisement or administration. Changes in the value of equity, debt, currency, real estate, commodities, alternatives or other asset classes could cause the value of assets under management, advisement or administration, and the fees received by Mercer, to decline. Such changes could also cause clients to withdraw funds from Mercer' s Investments business in favor of other investment service providers. In either case, our business, financial condition and results of operations could be materially adversely affected. Mercer' s Investments business also could be adversely affected by an accelerated shift away from actively managed investments to passively managed investments with associated lower fees. Further, revenue received by Mercer as investment manager to the majority of the Mercer- managed investment funds is reported in accordance with U. S. GAAP on a gross basis rather than a net basis, with sub- advisor fees reflected as an expense. Therefore, the reported revenue for these offerings does not fully reflect the amount of net revenue ultimately attributable to Mercer. Demand for many of Mercer' s benefits services is affected by government regulation and tax laws, rulings, policies and interpretations, which drive our clients' needs for benefits- related services. Significant changes in government regulations affecting the value, use or delivery of benefits and human resources programs, including changes in regulations relating to health and welfare plans, defined contribution plans or defined benefit plans, may adversely affect the demand for or profitability of Mercer' s services. Factors affecting defined benefit pension plans and the services we provide relating to those plans could adversely affect Mercer. Mercer currently provides plan sponsors, plan trustees, multi- employer and public entity clients with actuarial, consulting and administration services relating to defined benefit pension plans. The nature of our work is complex. Many clients, particularly in the public sector, have sizeable pension deficits and are subject to impact from volatility in the global markets and interest rate fluctuations. A number of Mercer' s clients have frozen or curtailed their defined benefit plans and have moved to defined contribution plans resulting in reduced revenue for Mercer' s retirement business. These developments, fee compression pressures, and a continued or accelerated rate of decline in revenues for our defined benefit pension plans business could adversely affect Mercer' s business and operating results. In addition, our actuarial services involve numerous assumptions and estimates regarding future and contingent events, including interest rates used to discount future liabilities, estimated rates of return for a plan' s assets, healthcare cost trends, salary projections and participants' life expectancies. Mercer' s consulting services involve the drafting and interpretation of trust deeds and other complex documentation governing pension plans. Mercer' s administration services include calculating benefits within complicated pension plan structures. Mercer' s investments services include investment advice and management relating to defined benefit pension plan assets intended to fund present and future benefit obligations. Clients dissatisfied with our services have brought, and may bring, significant claims against us, particularly in the ~~United States~~ **U. S.** and the United Kingdom. Additionally, a rapid rise in interest rates could result in higher defined benefit pension plan funding levels. In some markets, this could accelerate clients' desire to conduct a buyout or third- party risk transfer. Such a transaction could result in additional short- term revenue for Mercer to the extent we advise the client on the transaction, but a loss in longer term recurring revenue related to the plan. The profitability of our Consulting businesses depends in part on ensuring that our consultants maintain adequate utilization rates (i. e., the percentage of our consultants' working hours devoted to billable activities). Our utilization rates are affected by a number of factors, including: • general economic conditions; • our ability to transition consultants promptly from completed projects to new assignments, and to engage newly- hired consultants quickly in revenue-generating activities; • our ability to continually secure new business engagements, particularly because a portion of our work is project- based rather than recurring in nature; • our ability to forecast demand for our services and thereby maintain appropriate headcount in each of our geographies and workforces; • our ability to retain key colleagues and consulting professionals; • unanticipated changes in the scope of client engagements; • the potential for conflicts of interest that might require us to decline client engagements that we otherwise would have accepted; • our need to devote time and resources to sales, training, professional development and other non- billable activities; and • the potential disruptive impact of acquisitions and dispositions. If the utilization rate for our consulting professionals declines, our revenues, profit margin and profitability could decline. In addition, the profitability of our Consulting businesses depends in part on the prices we are able to charge for our services. The prices we charge are affected by a number of factors, including: • clients' perception of our ability to add value through our services; • market demand for the services we provide; • our ability to develop new services and the introduction of new services by competitors; • the pricing policies of our competitors; and • the extent to which our clients develop in- house or other capabilities to perform the services that they might otherwise purchase from us. If we are unable to achieve and maintain adequate billing rates for our services, our profit margin and profitability could decline.