MARSH & MCLENNAN COMPANIES, INC.
Form 11-K
June 29, 2017

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 11-K

ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

FOR THE YEAR ENDED DECEMBER 31, 2016

SEC NO. 1-5998

A. Full title of the Plan:

MARSH & McLENNAN AGENCY 401(k) SAVINGS & INVESTMENT PLAN

B. Name of issuer of the securities held pursuant to the Plan and the address of its principal executive office:

MARSH & McLENNAN COMPANIES, INC.
1166 Avenue of the Americas
New York, NY 10036-2774

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Marsh & McLennan Companies Benefits Administration Committee has duly caused this annual report to be signed on its behalf by the undersigned hereunto duly authorized.

MARSH & McLENNAN AGENCY 401(k) SAVINGS & INVESTMENT PLAN

Date:	June 29, 2017	/s/ Alex P. Voitovich
		Authorized Representative of the Benefits Administration Committee

MARSH & McLENNAN AGENCY 401(k) SAVINGS & INVESTMENT PLAN

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Note: All other schedules required by Section 2520.103-10 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 have been omitted because they are not applicable.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors of Marsh & McLennan Companies, Inc.,
the Marsh & McLennan Companies Benefits Administration Committee,
and the Participants in Marsh & McLennan Agency 401(k) Savings & Investment Plan:

We have audited the accompanying statements of net assets available for benefits of Marsh & McLennan Agency 401(k) Savings & Investment Plan (the "Plan") as of December 31, 2016 and 2015, and the related statements of changes in net assets available for benefits for the year ended December 31, 2016. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Plan is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such financial statements present fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 2016 and 2015, and the changes in net assets available for benefits for the year ended December 31, 2016 in conformity with accounting principles generally accepted in the United States of America.

The supplemental schedule of assets (held at end of year) as of December 31, 2016 has been subjected to audit procedures performed in conjunction with the audit of the Plan’s financial statements. The supplemental schedule is the responsibility of the Plan’s management. Our audit procedures included determining whether the supplemental schedule reconciles to the financial statements or the underlying accounting and other records, as applicable, and performing procedures to test the completeness and accuracy of the information presented in the supplemental schedule. In forming our opinion on the supplemental schedule, we evaluated whether the supplemental schedule, including its form and content, is presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. In our opinion, such schedule is fairly stated, in all material respects, in relation to the financial statements as a whole.

/s/ Deloitte & Touche LLP
New York, New York
June 29, 2017

MARSH & McLENNAN AGENCY 401(k) SAVINGS & INVESTMENT PLAN
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
AS OF DECEMBER 31,

	2016	2015
ASSETS:		
PARTICIPANT DIRECTED INVESTMENTS:		
OTHER INVESTMENTS AT FAIR VALUE (NOTES 2 and 4)	$285,276,451	$236,843,109
PLAN INTEREST IN MASTER TRUST (NOTE 3)	39,907,823	29,706,170
TOTAL INVESTMENTS	325,184,274	266,549,279
RECEIVABLES:		
NOTES RECEIVABLE FROM PARTICIPANTS	7,714,387	6,607,510
CONTRIBUTIONS RECEIVABLE	1,403,672	136,147
INTEREST RECEIVABLE	280,996	21,757
TOTAL RECEIVABLES	9,399,055	6,765,414
NET ASSETS AVAILABLE FOR BENEFITS	$334,583,329	$273,314,693

See notes to financial statements.

MARSH & McLENNAN AGENCY 401(k) SAVINGS & INVESTMENT PLAN
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
FOR THE YEAR ENDED DECEMBER 31, 2016

INVESTMENT INCOME:	
NET APPRECIATION IN FAIR VALUE OF INVESTMENTS	$18,505,478
DIVIDENDS AND INVESTMENT INCOME	2,952,159
PLAN INTEREST IN MASTER TRUST	2,951,455
NET INVESTMENT GAIN	24,409,092
INTEREST INCOME ON NOTES RECEIVABLE FROM PARTICIPANTS	299,464
CONTRIBUTIONS:	
PARTICIPANT	28,932,281
EMPLOYER	8,699,010
ROLLOVERS	12,933,729
TOTAL CONTRIBUTIONS	50,565,020
BENEFITS PAID TO AND WITHDRAWALS BY PARTICIPANTS	(14,307,920)
INCREASE IN NET ASSETS BEFORE PLAN TRANSFERS	60,965,656
TRANSFERS IN FROM OTHER PLAN (NOTE 6)	353,812
TRANSFERS OUT TO OTHER PLAN (NOTE 6)	(50,832)
NET ASSETS AVAILABLE FOR BENEFITS:	
Beginning of year	273,314,693
End of year	$334,583,329

See notes to financial statements.

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MARSH & McLENNAN AGENCY 401(k) SAVINGS & INVESTMENT PLAN
NOTES TO FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2016 AND 2015 AND
FOR THE YEAR ENDED DECEMBER 31, 2016

(1) Description of the Plan

General

The Marsh & McLennan Agency 401(k) Savings & Investment Plan (the "Plan") is a defined contribution plan with 401(k) and 401(m) features, which allows eligible participants to contribute from their eligible compensation through payroll deductions on a before-tax, after-tax or Roth 401(k) basis. Under the Plan, employees who are paid on a U.S. payroll and are at least 18 years of age, as well as employees of any subsidiary or affiliate of Marsh & McLennan Agency LLC (the “Agency"), are eligible to contribute to the Plan. The Agency is a subsidiary of Marsh & McLennan Companies, Inc. (the “Company” or “Marsh & McLennan Companies”). The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (“ERISA”). Employees can make rollover contributions to the Plan as soon as the employee is eligible to participate in the Plan. The Plan became effective on January 1, 2010.

The before-tax and/or Roth 401(k) participant contribution percentage limit is 75% of eligible compensation. The after-tax contribution percentage limit is 15% of eligible compensation. The aggregate limit on before-tax, after-tax and Roth 401(k) contributions is 75% of eligible compensation. Participants age 50 or older by the end of the calendar year are permitted to make additional “catch-up” contributions.

The Plan's assets are held in trust. The trustee for the Plan is the Northern Trust Company (the “Trustee”). The Trustee is responsible for maintaining the assets of the Plan and performing all other acts deemed necessary or proper to fulfill its responsibility as set forth in the trust agreement pertaining to the Plan. Effective January 1, 2016 Transamerica Retirement Solutions, LLC (“Transamerica”) acquired the business of Mercer Benefits Administration ("Mercer Benefits"), previously a subsidiary of the Company. In connection with the acquisition, Mercer Benefits engaged Transamerica as a subcontractor to provide recordkeeping services for the Plan, which includes making distribution payments as directed by the Company. Prior to this transaction Mercer Benefits was the Plan's recordkeeper.

The Marsh & McLennan Companies Benefits Administration Committee is the plan administrator responsible for the overall administration and operation of the Plan. Certain administrative functions are performed by employees of the Company or its subsidiaries. All such costs as well as administrative expenses are borne directly by the Company. The Company also pays certain investment management fees.

Contributions

The Company makes matching contributions, after completion of one year of vesting service, of 50% on the first 6% of eligible compensation, which consists of base rate of pay, earned commissions and regular draw, that participants contribute to the Plan in any pay period.

Participant and company contributions are subject to certain limitations in accordance with Federal income tax regulations. When a participant reaches the Internal Revenue Code (“IRC”) annual before-tax contributions limit, the before-tax contributions are automatically made as after-tax contributions for the remainder of the calendar year unless the participant decides to discontinue contributions or the participant’s eligible compensation reaches the IRC compensation limit.

Participants are eligible to direct their Company matching contributions and all of their participant contributions to any of the available investment options. If a participant does not choose an investment direction for his or her future Company matching contributions or participant contributions, they are automatically invested in a default fund within the Plan. The BlackRock LifePath portfolios are the default funds within the Plan.

Participant Accounts

Individual accounts are maintained for each Plan participant. Each participant's account is credited with the participant's contribution and the Company's matching contribution, charged for withdrawals, and adjusted to reflect the performance of the investment options in which the account is invested. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Vesting and Forfeitures

Participants are vested immediately in their contributions plus actual earnings thereon. Participants vest in the Company's matching contribution as follows: 0% if less than two years of service, 33-1/3% after two years of service, 66-2/3% after three years of service and 100% after four years of service.

At December 31, 2016 and 2015 forfeited non-vested accounts totaled $157 and $2,481 respectively. The balances in forfeited non-vested accounts have been and will be used to fund future contributions due from the Company and/or reduce Plan expenses. During the year ended December 31, 2016, employer contributions of $146,794 were funded from forfeited non-vested accounts.

Payment of Benefits

Participants with vested balances greater than $1,000 who leave the Company may elect to leave their money in the Plan until April 1st of the year following the calendar year in which they attain the age of 70-1/2, or if later, the April 1st of the calendar year following the calendar year in which they terminated employment. Payment of benefits on termination of service varies depending upon the vested amount in the participant's account balance, the reason for termination (i.e. retirement, death, disability, termination of service for other reasons) and the payment options available (i.e. immediate lump sum payment, deferral of lump sum payment, installment payments, etc.) for a particular type of termination.

Notes Receivable from Participants

Plan participants may borrow from their accounts up to a maximum amount equal to the lesser of $50,000 or 50% of the vested value of his or her Plan account. Outstanding loans, which are secured by the participants' interest in the Plan, are generally repaid through weekly and semi-monthly payroll deductions or may be paid in full without penalty. Loan repayments, which include principal and interest, are credited directly to the participant's Plan account. Interest is charged on the outstanding balance at prime rate plus 1% based on the prime rate in effect at the time the loan is processed. Loan terms range from 1 to 5 years; however, terms may exceed 5 years for the purchase of a primary residence. As of December 31, 2016, participant loans have maturities through 2031. At December 31, 2016 outstanding participant loans have interest rates ranging from 4.25% to 4.75%.

The preceding description of the Plan provides only general information. Participants should refer to the plan document and the Summary Plan Description. The Summary Plan Description is located in the Marsh & McLennan Companies Benefits Handbook via https://connect.mmc.com and provides a more complete description of the Plan's provisions.

(2) Summary of Significant Accounting Policies

Basis of Accounting

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”).

New Accounting Pronouncements

In February 2017, Financial Accounting Standards Board (FASB) issued new guidance to clarify presentation requirements for a plan's interest in a master trust and required more detailed disclosures of the plan's interest in the master trust. The amendments (1) require a plan's interest in a master trust and any change in that interest must be presented in separate line items in the statement of net assets available for benefits and in the statement of changes in net assets available for benefits, respectively; (2) remove the requirement to disclose the percentage interest in the master trust for plans with divided interests and require that all plans disclose the dollar amount of their interest in each of those general types of investments; (3) require all plans to disclose their master trust's other asset and liability balances and the dollar amount of the plan's interest in each of those balances; and (4) eliminate redundant disclosures relating to 401(h) account assets. Part 4 is not applicable to the Plan. The guidance is effective for fiscal years beginning after December 15, 2018 and early adoption is permitted. The guidance must be applied on a retrospective basis to each periods for which financial statements are presented. The new guidance affects disclosures only and will not have an impact on the Plan's financial condition.

In May 2015, the Financial Accounting Standards Board (FASB) issued new guidance, which removes the requirement to present certain investments for which the practical expedient is used to measure fair value at net asset value within the fair value hierarchy table. Instead, a plan would be required to include those investments as a reconciling item so that the total fair value amount of investments in the disclosure is consistent with the fair value investment balance on the statement of net assets available for benefits. The Plan elected to early adopt the guidance effective December 31, 2015, as permitted. The adoption of this new guidance impacted disclosures only and had no effect on the statements of net assets available for benefits or the changes therein.

In July 2015, the FASB issued new guidance for fully benefit responsive investment contracts ("Part I"), plan investment disclosures ("Part II") and measurement date practical expedients ("Part III"). Part I eliminates the requirement to measure the fair value of fully benefit-responsive investment contracts and disclosures associated with those contracts. Contract value is the only required measure for fully benefit-responsive investment contracts. Part II eliminates the requirements to disclose individual investments that make up 5 percent or more of net assets available for benefits and the net appreciation or depreciation in fair value of investments by general type. Part II also simplifies the level of disaggregation of investments that are measured at fair value. Plans will continue to disaggregate investments by general type; however, plans are no longer required to also disaggregate investments by nature, characteristics and risks. Further, the disclosure of information about fair value measurements shall be provided by general type of plan asset. Part III is not applicable to the Plan. The Plan elected to early adopt this guidance effective December 31, 2015, as permitted. The adoption of this new guidance impacted disclosures only and had no effect on the amount reported as net assets available for benefits.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

Risks and Uncertainties

The Plan utilizes various investment instruments. Investment securities, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the financial statements. As mentioned below, the Plan participated in the Marsh & McLennan Companies Master Retirement Trust (the "Master Trust"). Included in the Master Trust's investments at December 31, 2016 and 2015 are shares of the Company's common stock amounting to $442,067,596 and $400,734,932, respectively. This investment represents 44% and 42% of the Master Trust's total investments at December 31, 2016 and 2015, respectively. A significant decline in the market value of the Company's common stock would significantly affect the Plan's net assets available for benefits.

Investment Valuation and Income Recognition

The Plan, along with the Marsh & McLennan Companies 401(k) Savings & Investment Plan, participates in the Master Trust. The Master Trust includes Marsh & McLennan Companies common stock, guaranteed investment contracts (“GICs”), security backed investment contracts (“synthetic GICs”), separate account GICs and short-term investments.

Investment contracts held by a defined contribution plan are required to be reported at contract value. Contract value is the amount Plan participants would receive if they were to initiate permitted transactions under the terms of the Plan.

The Plan also has other investments outside the Master Trust that are stated at fair value. Fair value of a financial instrument is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The shares of mutual funds are reflected in the accompanying statements of net assets available for benefits at quoted market prices. Shares of common/collective trusts are valued at the net asset value (“NAV”) of shares held by the Plan at year-end based upon the quoted market prices of the underlying investments. NAV is used as a practical expedient for estimating fair value of common/collective trusts.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Investment income and dividends include capital gains paid during the period. Dividends are recorded on the ex-dividend date. Net appreciation in fair value of investments includes the Plan’s gains and losses on investments bought and sold as well as held during the period.

Notes Receivable from Participants

Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Delinquent participant loans are recorded as distributions based on the terms of the plan document.

Administrative Expenses

Administrative expenses of the Plan are paid by the Company as provided in the plan document. Management fees and operating expenses charged to the Plan for investments in mutual funds and common/collective trusts are deducted from income earned on a daily basis and are reflected as a reduction of investment return for such investments. The Company also pays certain investment management fees.

Payment of Benefits

Benefit payments to participants are recorded upon distribution. Amounts allocated to persons who have elected to take a distribution from the Plan but had not yet been paid at December 31, 2016 and 2015 were insignificant.

Excess Contributions Payable

The Plan is required to return contributions received during the Plan year in excess of the IRC limits.

(3) Interest in Master Trust

The Master Trust holds investments consisting of Marsh & McLennan Companies common stock, GICs, synthetic GICs, separate account GICs and short-term investments. The Trustee holds the investment assets of the Master Trust as a commingled fund or commingled funds in which each separate plan is deemed to have a proportionate undivided interest in the investments in which they participate. The Plan's investment in the Master Trust consists of units owned in the Marsh & McLennan Companies Stock Fund or the Invesco Fixed Income Fund. At December 31, 2016 and 2015, the Plan's interest in the net assets of the Master Trust was approximately 4.0% and 3.1%, respectively.

The following table summarizes the net assets of the Master Trust as of December 31, 2016 and 2015:

	2016	2015
INVESTMENTS:		
Marsh & McLennan Companies Stock Fund		
Marsh & McLennan Companies common stock at fair value	$442,067,596	$400,734,932
Short-term investment fund at fair value	7,691,417	7,844,668
Receivable for securities sold	1,351,862	—
Accrued interest receivable	4,708	—
	451,115,583	408,579,600
Stable Value Fund		
Guaranteed investment contracts at contract value	83,857,960	5,307,833
Security backed investment contracts at contract value	444,142,714	502,300,948
Short-term investment fund at fair value	24,067,294	30,469,450
Accrued interest receivable	827,233	4,504
Liability for expenses incurred	(121,214)	(118,169)
Liability for security purchased	(836,597)	—
	551,937,390	