SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

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

For quarter ended September 30, 1994

Marsh & McLennan Companies, Inc.
1166 Avenue of the Americas
New York, New York 10036
(212) 345-5000

Commission file number 1-5998
State of Incorporation: Delaware
I.R.S. Employer Identification No. 36-2668272

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes X . NO .

As of October 31, 1994, there were outstanding 73,729,590 shares of common stock, par value $1.00 per share, of the registrant.

PART I, FINANCIAL INFORMATION

MARSH & McLENNAN COMPANIES, INC.
AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
(In millions, except per share figures)
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	1994	1993	1994*	1993
Revenue	$826.9	$766.4	$2,577.6	$2,383.6
Expense	678.3	626.7	2,036.8	1,904.2
Operating Income	148.6	139.7	540.8	479.4
Interest Income	2.4	2.6	8.3	8.8
Interest Expense	(13.1)	(11.6)	(37.0)	(34.7)
Income Before Income Taxes and Cumulative Effect of Accounting Change	137.9	130.7	512.1	453.5
Income Taxes	54.5	54.6	202.3	183.7
Income Before Cumulative Effect of Accounting Change	83.4	76.1	309.8	269.8
Cumulative Effect of Accounting Change, Net of Income Tax Benefit	-	-	(10.5)	-
Net Income	$ 83.4	$ 76.1	$ 299.3	$ 269.8

Per Share Data:

Income Before Cumulative Effect of Accounting Change	$1.14	$1.04	$4.21	$3.68
Cumulative Effect of Accounting Change	-	-	(.14)	-
Net Income	$1.14	$1.04	$4.07	$3.68
Average Number of Shares Outstanding	73.3	73.4	73.6	73.4
Dividends Declared	$.725	$.675	$2.125	$2.025

* Reflects the adoption, effective January 1, 1994, of SFAS No. 112, "Employers' Accounting for Postemployment Benefits."

MARSH & McLENNAN COMPANIES, INC.
AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(In millions of dollars)
(Unaudited)

	September 30, 1994	December 31, 1993
ASSETS		
Current assets:		
Cash and cash equivalents (including interest-bearing amounts of $327.7 at September 30, 1994 and $315.7 at December 31, 1993)	$ 338.9	$ 332.0
Receivables-		
Commissions and fees	682.5	617.0
Advanced premiums and claims	76.0	80.7
Consumer finance and other	202.5	198.2
	961.0	895.9
Less - allowance for doubtful accounts	(46.1)	(42.9)
Net receivables	914.9	853.0
Other current assets	179.7	127.4
Total current assets	1,433.5	1,312.4
Consumer finance receivables, net	152.8	130.8
Long-term securities	290.5	363.6
Fixed assets (net of accumulated depreciation and amortization of $586.9 at September 30, 1994 and $538.8 at December 31, 1993)	703.5	688.1
Intangible assets	691.8	660.1
Other assets	501.3	391.6
	$3,773.4	$3,546.6

MARSH & McLENNAN COMPANIES, INC.
AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(In millions of dollars)
(Unaudited)

	September 30, 1994	December 31, 1993
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Short-term debt	$ 379.7	$ 273.8
Accrued compensation and employee benefits	173.1	173.5
Accounts payable and accrued liabilities	438.6	444.4

Accrued income taxes	257.0	237.1
Dividends payable	53.5	49.9
Total current liabilities	1,301.9	1,178.7
Fiduciary liabilities	1,673.6	1,623.6
Less - cash and investments held in a fiduciary capacity	(1,673.6)	(1,623.6)
	-	-
Long-term debt	408.1	409.8
Other liabilities	568.5	592.8
Commitments and contingencies	-	-
Stockholders' equity:		
Preferred stock, $1 par value, authorized 6,000,000 shares, none issued	-	-
Common stock, $1 par value, authorized 200,000,000 shares, issued 76,794,531 shares at September 30, 1994 and December 31, 1993	76.8	76.8
Additional paid-in capital	166.4	173.5
Retained earnings	1,488.5	1,345.7
Unrealized securities holding gains, net of income taxes	90.3	138.6
Cumulative translation adjustments	(95.7)	(157.5)
	1,726.3	1,577.1
Less - treasury shares, at cost, 2,996,003 shares at September 30, 1994 and 2,862,926 shares at December 31, 1993	(231.4)	(211.8)
Total stockholders' equity	1,494.9	1,365.3
	$3,773.4	$3,546.6

MARSH & McLENNAN COMPANIES, INC.
AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In millions of dollars)
(Unaudited)

	Nine Months Ended September 30, 1994	1993
Operating cash flows:		
Net income	$299.3	$269.8
Depreciation and amortization	90.8	88.2
Deferred income taxes	36.1	66.4
Other liabilities	(5.0)	19.8
Cumulative effect of accounting change	10.5	-
Prepaid dealer commissions	(109.7)	(188.0)
Other, net	(13.6)	(2.4)
Net changes in operating working capital other than cash and cash equivalents -		
Receivables	(40.4)	(54.9)
Other current assets	(24.1)	7.1
Accrued compensation and employee benefits	(.4)	(5.3)
Accounts payable and accrued liabilities	(3.5)	(42.3)
Accrued income taxes	3.5	16.3
Effect of exchange rate changes	14.8	(.8)
Net cash generated from operations	258.3	173.9
Financing cash flows:		
Net change in debt	96.0	88.5
Purchase of treasury shares	(94.6)	(33.1)
Issuance of common stock	65.1	73.8
Dividends paid	(152.9)	(148.4)
Other, net	(22.4)	1.1
Net cash used for financing activities	(108.8)	(18.1)
Investing cash flows:		
Additions to fixed assets	(87.9)	(74.3)
Acquisitions	(10.3)	(3.6)
Other, net	(53.2)	(54.6)

Net cash used for investing activities	(151.4)	(132.5)
Effect of exchange rate changes on cash and cash equivalents	8.8	(7.5)
Increase in cash & cash equivalents	6.9	15.8
Cash & cash equivalents at beginning of period	332.0	371.1
Cash & cash equivalents at end of period	$338.9	$386.9

MARSH & McLENNAN COMPANIES, INC.
AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

1. The consolidated financial statements included herein have been prepared by the Company pursuant to the rules and regulations of the Securities and Exchange Commission. Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been omitted pursuant to such rules and regulations, although the Company believes that the disclosures are adequate to make the information presented not misleading. These consolidated financial statements should be read in conjunction with the financial statements and the notes thereto included in the Company's latest annual report on Form 10-K.

   The financial information contained herein reflects all adjustments, which are, in the opinion of management, necessary for a fair presentation of the results of operations for the three and nine month periods ended September 30, 1994 and 1993.

2. Fiduciary Assets and Liabilities

   In its capacity as an insurance broker or agent, the Company collects premiums from insureds and, after deducting its commissions, remits the premiums to the respective insurance underwriters; the Company also collects claims or refunds from underwriters on behalf of insureds. Unremitted insurance premiums and claims are held in a fiduciary capacity. Interest income on these fiduciary funds, included in revenue, amounted to $56.8 million and $62.1 million for the nine months ended September 30, 1994 and 1993, respectively.

   Net uncollected premiums and claims and the related payables amounting to $2.8 billion at September 30, 1994 and $2.7 billion at December 31, 1993, are not included in the accompanying Consolidated Balance Sheets.

3. Net Income Per Share

   Net income per share is computed by dividing net income by the average number of shares of common stock outstanding. Common stock equivalents (relating principally to stock options), which have been excluded from the calculation because their dilutive effect is immaterial, are shown below for the three and nine month periods ended September 30, 1994 and 1993.

   (In millions of shares)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	1994	1993	1994	1993
Primary	.8	1.1	.8	1.1
Fully Diluted	.8	1.1	.8	1.1

4. Supplemental Disclosure to the Consolidated Statements of Cash Flows

   The following schedule provides details of changes in the

Company's short-term and long-term debt. Although a portion of the Company's commercial paper borrowings is classified as long-term debt in the Consolidated Balance Sheets, borrowings and repayments of commercial paper are shown below based on original maturities.

	Nine Months Ended September 30,	
(In millions of dollars)	1994	1993
Net change in debt with maturities of three months or less	$331.9	($ 37.5)
Borrowings with maturities over three months	47.9	435.7
Repayments of debt with maturities over three months	(283.8)	(309.7)
Net increase in debt	$ 96.0	$ 88.5

Interest paid during the nine months ended September 30, 1994 and 1993 was $36.7 million and $34.0 million, respectively.

Income taxes paid during the nine months ended September 30, 1994 and 1993 were $164.5 million and $85.4 million, respectively.

5. Income Taxes

Taxing authorities periodically challenge positions taken by the Company on its tax returns. On the basis of present information and advice received from counsel, it is the opinion of the Company's management that any assessments resulting from current tax audits will not have a material adverse effect on the Company's consolidated results of operations or its consolidated financial position.

6. Claims, Lawsuits and Other Contingencies

The Company and its subsidiaries are subject to claims and lawsuits that arise in the ordinary course of business, consisting principally of alleged errors and omissions in connection with the placement of insurance or reinsurance and in rendering consulting and investment services. Some of these claims and lawsuits seek damages, including punitive damages, in amounts which could, if assessed, be significant.

Among these is a group of claims relating to reinsurance contracts placed by reinsurance broking subsidiaries of the Company that were called into question by certain reinsurers. In general, these contracts concern so-called run-off exposures under which some or all remaining liability for claims against Lloyd's syndicates or other London insurers on policies written during a specified period of time were assumed by the reinsurers. The initial disputes concerning these contracts, primarily between reinsurers and cedants, have largely been resolved by negotiation, arbitration or litigation. More recently, related disputes have arisen, including litigation, between the members of syndicates, their underwriting and members' names agencies and, to a lesser extent, subsidiaries of the Company. The Company believes that its subsidiaries performed their reinsurance broking services in conformity with accepted and customary practices in the London market.

A subsidiary of the Company, Balis & Co., Inc., is one of several defendants in lawsuits pending in the United States District Court for the Eastern District of Pennsylvania which emanated from a fire that occurred at One Meridian Plaza Center in Philadelphia, Pennsylvania, on February 23 and 24, 1991. It is alleged that the fire started on a floor occupied by Balis, that Balis violated an alleged duty to segregate, store and safekeep flammable and combustible liquids, and that Balis negligently failed to properly supervise a contractor who it is alleged used and improperly stored such materials. Balis is responding to the claims asserted against it.

Subsidiaries of the Company in the course of their consulting and insurance activities advised certain clients in connection with their investments in guaranteed investment contracts and annuities issued by Executive Life

Insurance Company, which is currently being rehabilitated under the supervision of the California Insurance Department. Some of those clients as well as the Company's subsidiaries have been subject to claims or lawsuits relating to losses that may be realized in connection with those investments. In some instances, the subsidiaries have entered into agreements extending the time in which possible claims may be asserted against them, or have otherwise negotiated the deferral of claims and litigation. The Company believes that its subsidiaries acted in a proper and professional manner in connection with these matters.

On the basis of present information, available insurance coverage and advice received from counsel, it is the opinion of the Company's management that the disposition or ultimate determination of these claims and lawsuits will not have a material adverse effect on the Company's consolidated results of operations or its consolidated financial position.

7. Cumulative Effect of Accounting Change

Effective January 1, 1994, the Company adopted SFAS No. 112 "Employers' Accounting for Postemployment Benefits," which requires the Company to accrue for the cost of certain benefits provided to former or inactive employees after employment but before retirement. The cumulative effect of adopting this standard resulted in a noncash charge, net of income taxes, of $10.5 million or $.14 per share.

8. Reclassification

Certain reclassifications have been made to the prior year financial statements to conform with the current year presentation.

Marsh & McLennan Companies, Inc. and Subsidiaries
Management's Discussion and Analysis of
Financial Condition and Results of Operations
Third Quarter and Nine Months Ended September 30, 1994

General

Marsh & McLennan Companies, Inc. and Subsidiaries (the "Company") is a professional services firm with insurance services, consulting and investment management businesses. More than 25,000 employees provide analysis, advice and transactional capabilities to clients worldwide.

This management's discussion and analysis of financial condition and results of operations should be read in conjunction with the Company's latest annual report on Form 10-K.

	Third Quarter		Nine Months	
(In millions of dollars)	1994	1993	1994	1993
Revenue:				
Insurance Services	$435.5	$419.0	,$1,428.5	$1,368.0
Consulting	237.9	213.1	690.8	644.2
Investment Management	153.5	134.3	458.3	371.4
	826.9	766.4	2,577.6	2,383.6
Expense:				
Compensation and Benefits	426.7	402.5	1,283.8	1,222.3
Other Operating Expenses	251.6	224.2	753.0	681.9
	678.3	626.7	2,036.8	1,904.2
Operating Income	$148.6	$139.7	$ 540.8	$ 479.4
Operating Income Margin	18.0%	18.2%	21.0%	20.1%

Revenue, derived mainly from commissions and fees, increased 8% from the third quarter of 1993, and grew by 8% for the nine months, primarily reflecting strong growth by the Company's investment management segment. The nine month results include incremental income of approximately $29 million realized by Marsh

& McLennan Risk Capital on a portion of its holdings in insurance and reinsurance entities that the Company was instrumental in originating.

Operating expenses increased 8% from the third quarter of 1993, and 7% for the nine months, largely due to ongoing system automation initiatives in the insurance services operation and to additional costs in the investment management segment commensurate with the higher volume of business.

Insurance Services

	Third Quarter		Nine Months	
(In millions of dollars)	1994	1993	1994	1993
Revenue:				
Insurance Broking	$265.3	$255.8	$913.5	$ 874.2
Reinsurance Broking	71.1	70.6	235.3	222.9
Insurance Program Management	77.5	72.4	222.9	208.8
Interest Income on Fiduciary Funds	21.6	20.2	56.8	62.1
	435.5	419.0	1,428.5	1,368.0
Expense	360.3	342.7	1,089.3	1,050.6
Operating Income	$ 75.2	$ 76.3	$ 339.2	$ 317.4
Operating Income Margin	17.3%	18.2%	23.7%	23.2%

Insurance Broking Revenue
Insurance broking revenue, received from a predominantly corporate clientele, increased 4% for both the third quarter and for the nine months as compared with the same periods last year. The third quarter results reflect higher client revenue from operations in Continental Europe, primarily resulting from new business. In the United States, premium rates for property coverage in coastal regions remain firm, while the casualty market continues to be competitive with renewal rates flat to slightly down on a year-over-year basis.

Reinsurance Broking Revenue
Reinsurance broking revenue in the third quarter of 1994 was essentially the same as a year ago reflecting lower demand in the London market. Premium rates for property catastrophe reinsurance have begun to react to the growth of worldwide market capacity and have declined somewhat. Revenue for the nine months increased 6% from the comparable period of 1993. Approximately $12 million of this increase resulted from the realization of a portion of a holding in a reinsurer in the first quarter of 1994.

Insurance Program Management Revenue
Insurance program management revenue increased 7% for both the third quarter of 1994 and the nine months. Within North America, third quarter revenue increased 8% from last year reflecting revenue growth from increased services provided to corporations and institutions and insurance placed on behalf of small businesses, as well as growth in professional liability programs. In the United Kingdom, revenue grew 6% over the third quarter of 1993.

Interest Income on Fiduciary Funds
Interest income on fiduciary funds increased 7% in the third quarter of 1994. For the nine months, fiduciary interest decreased 9%. U.S. and Canadian yields have risen steadily during the year and throughout the third quarter. However, these increases have been partially offset by lower interest rates in the United Kingdom and Continental Europe. If the current level of short-term interest rates in the United States is maintained, fiduciary interest income should exceed 1993 amounts for the fourth quarter.

Expense
Expenses for insurance services rose 5% in the third quarter of 1994 reflecting the impact of ongoing spending on technology and systems automation initiatives. Expenses for the nine months increased 4% as compared with the same period last year primarily due to these initiatives and provisions for excess office space on certain leases.

Consulting

(In millions of dollars)	Third Quarter 1994	1993	Nine Months 1994	1993
Revenue	$237.9	$213.1	$690.8	$644.2
Expense	210.3	188.3	615.9	576.5
Operating Income	$ 27.6	$ 24.8	$ 74.9	$ 67.7
Operating Income Margin	11.6%	11.6%	10.8%	10.5%

Revenue
Revenue for consulting services increased 12% in 1994 compared with the third quarter of 1993. After adjusting for the net impact of several small acquisitions, revenue for consulting grew 10% during the quarter. Retirement consulting and related 401(k) recordkeeping services revenue, which represented approximately 46% of the consulting segment, increased 3% in a very price-competitive environment. Health care consulting, primarily U.S. based, grew 4%. Strong demand in the global practices of general management and compensation consulting resulted in growth of 18% and 14%, respectively. For the nine months revenue grew by 7% over 1993 levels.

Expense
Expenses for the consulting segment increased 12% in the third quarter of 1994 partially due to the impact of acquisitions, while expenses for the nine months increased 7%. The remaining growth reflects higher staff levels consistent with increased demand in general management consulting as well as systems-related expenses to expand and increase efficiency in service delivery.

Investment Management

(In millions of dollars)	Third Quarter 1994	1993	Nine Months 1994	1993
Revenue	$153.5	$134.3	$458.3	$371.4
Expense	100.0	88.9	302.4	246.3
Operating Income	$ 53.5	$ 45.4	$155.9	$125.1
Operating Income Margin	34.8%	33.8%	34.0%	33.7%

Assets managed by Putnam, which consist of approximately 60% fixed income and 40% equity securities, are presented below:

(In billions of dollars)	Third Quarter 1994	1993
Quarter-end Assets:		
Mutual Funds	$68.2	$60.3
Institutional Accounts	27.9	24.1
	$96.1	$84.4
Average Assets	$94.9	$81.0

Assets under management are affected by fluctuations in bond and stock market prices, by investments and withdrawals for current and new fund shareholders and clients, by the development of new investment products and by investment performance and service to clients.

Revenue
Revenue for Putnam increased 14% compared with the third quarter 1993 and 23% for the nine months, reflecting strong growth in the level of assets under management on which management fees are earned. The higher asset level primarily reflects institutional and mutual fund sales offset, in part, by a decline in securities market valuations, particularly in the first half of the year.

Expense

Expenses for Putnam increased 12% in the third quarter of 1994 and 23% for the nine months. Compensation and benefits expense increased due to growth in staff necessary to meet the demands of new business, higher incentive compensation levels commensurate with strong operating performance and normal salary progressions. Other operating expenses for the nine months rose due to the increased volume of business and higher client service-related expenses, such as communications and information system costs.

Interest Income and Expense
Interest income earned on corporate funds of $2.4 million in the third quarter of 1994 was essentially the same as the comparable period of 1993 and decreased slightly for the nine months. Interest expense increased 13% in the third quarter of 1994 from 1993, due to an increase in commercial paper borrowings and higher interest rates. For the nine months interest expense increased to $37.0 million from $34.7 million in 1993.

Income Taxes
The Company's consolidated domestic and foreign tax rates were 39.5% of income before income taxes for the third quarter and nine months of 1994 compared with 41.8% and 40.5% for the comparable periods last year. The reduction in the consolidated tax rate reflects savings attributable to tax planning strategies implemented throughout the world.

Liquidity and Capital Resources
The Company's cash and cash equivalents aggregated $338.9 million on September 30, 1994, as compared with $332.0 million on December 31, 1993. In the nine months ended September 30, 1994, the Company generated $258.3 million of cash from operations compared with $173.9 million in 1993.

Cash flow from operations includes the net cash requirements of Putnam's prepaid dealer commissions, which amounted to $109.7 million for the nine months ended September 30, 1994, compared with $188.0 million during the same period of 1993. The long-term portion of these prepaid dealer commissions is included in other assets in the Consolidated Balance Sheets.

Effective January 1, 1994, the Company adopted Statement of Financial Accounting Standards (SFAS) No. 112, "Employers' Accounting for Postemployment Benefits." A noncash charge reflecting the cumulative effect of this accounting change, net of income taxes, which totaled $10.5 million or $.14 per share, was recorded in the first quarter of 1994.

The Company's capital expenditures, which amounted to $87.9 million in the first nine months of 1994 and $74.3 million in 1993, have primarily related to computer equipment purchases and the refurbishing and modernizing of office facilities.

The other liabilities in the Consolidated Balance Sheets, which totaled $568.5 million on September 30, 1994 and $592.8 million at December 31, 1993, include the Company's long-term pension liability; reserves related to the Company's professional liability insurance coverage; and the postretirement liability for certain health care and life insurance benefits.

PART II, OTHER INFORMATION

MARSH & McLENNAN COMPANIES, INC.
AND SUBSIDIARIES

INFORMATION REQUIRED FOR FORM 10-Q QUARTERLY REPORT

SEPTEMBER 30, 1994

Item 6. Exhibits and Reports on Form 8-K.

(a) Exhibits.

27. Financial Data Schedule.

(b) Reports on Form 8-K.

None.

MARSH & McLENNAN COMPANIES, INC.
AND SUBSIDIARIES

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Company has duly caused this report to be signed this 14th day of November, 1994 on its behalf by the undersigned, thereunto duly authorized and in the capacity indicated.

MARSH & McLENNAN COMPANIES, INC.

By:/s/FRANK J. BORELLI

Senior Vice President and
Chief Financial Officer

This schedule contains summary financial information extracted from the
consolidated Marsh & McLennan Companies, Inc. and subsidiaries September 30,
1994 financial statements and is qualified in its entirety by reference to
such financial statements.

QTR-3
DEC-31-1994
SEP-30-1994
338,900,000
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46,100,000
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