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MARSH & MCLENNAN COMPANIES INC
Form 8-K
December 15, 2004

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

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

Date of report (Date of earliest event reported) December 15, 2004

Marsh & McLennan Companies, Inc.

(Exact Name of Registrant as Specified in Charter)

Delaware

1-5998

36-2668272

(State or Other Jurisdiction
of Incorporation)

(Commission File Number)

(IRS Employer
Identification No.)

1166 Avenue of the Americas, New York, NY

10036

(Address of Principal Executive Offices)

(Zip Code)

Registrant's telephone number, including area code (212) 345-5000

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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Section 1--Registrant's Business and Operations Section 2--Financial Information

- Item 1.01. Entry into a Material Definitive Agreement.
Item 2.03. Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant

On December 15, 2004, Marsh & McLennan Companies, Inc. ("MMC") entered into definitive documentation with respect to a new \$1.3 billion term loan facility (the "Term Loan Facility") and the amendment of \$1.7 billion of existing revolving facilities (the "Revolving Facilities" and together with the Term Loan Facility, the "Facilities"). The Term Loan Facility replaced MMC's existing \$700 million and \$355 million revolving credit facilities.

The Term Loan Facility will mature on December 31, 2006, \$1 billion of the amended Revolving Facilities will mature on June 13, 2007 and \$700 million of the amended Revolving Facilities will mature on June 9, 2009.

The Facilities are unconditionally guaranteed by Marsh Inc., Putnam Investments Trust and Mercer Inc. The Facilities require additional subsidiary guarantees to be provided if certain guaranty coverage levels are not satisfied.

The covenants contained in the Facilities include a maximum leverage ratio and a minimum fixed charge coverage ratio. The Term Loan Facility also requires mandatory prepayments from the net proceeds of specified asset sales and debt issuances.

Citigroup Global Markets Inc., as global coordinator, along with Banc of America Securities LLC and Deutsche Bank AG New York Branch, were joint lead arrangers for the Facilities. Citibank, N.A., is Administrative Agent and Bank of America, N.A., and Deutsche Bank AG New York Branch are Syndication Agents for the Term Loan Facility. JPMorgan Chase Bank, N.A., is Administrative Agent and Citibank, N.A., is Syndication Agent for the Revolving Facilities. MMC has a number of other commercial relationships with the lenders under the Facilities.

The foregoing summary is qualified in its entirety by reference to the agreements for the Facilities, copies of which are filed herewith or incorporated by reference herein.

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Section 9--Financial Statements and Exhibits

- Item 9.01. Financial Statements and Exhibits.

(c) Exhibits

- 10.1 The Credit Agreement [2 Year Term Loan] dated as of December 15, 2004 among the Marsh & McLennan Companies, Inc. ("MMC"), Citibank, N.A, as Administrative Agent, and the banks listed therein.
- 10.2 Amendment No. 1 dated as of December 15, 2004 to the Credit Agreement [5 Year] dated as of June 9, 2004 among MMC, and JPMorgan Chase Bank, as Administrative Agent, and the banks listed therein.

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10.3 Amendment No. 1 dated as of December 15, 2004 to the Credit Agreement [5 Year] dated as of June 13, 2002 among MMC, and JPMorgan Chase Bank, as Administrative Agent, and the banks listed therein.

INFORMATION CONCERNING FORWARD-LOOKING STATEMENTS

Marsh & McLennan Companies, Inc. and its subsidiaries ("MMC") and their representatives may from time to time make verbal or written statements (including certain statements contained in this report and other MMC filings with the Securities and Exchange Commission and in our reports to stockholders) relating to future results, which are forward-looking statements as that term is defined in the Private Securities Litigation Reform Act of 1995. Such statements may include, without limitation, discussions concerning revenues, expenses, earnings, cash flow, elimination of market services agreements ("MSA"), capital structure, existing credit facilities, access to public capital markets, including commercial paper markets, pension funding, the adverse consequences arising from market-timing issues at Putnam, including fines and restitution, the matters raised in the complaint filed by the New York Attorney General's Office stating a claim for, among other things, fraud and violations of New York State antitrust and securities laws, as well as market and industry conditions, premium rates, financial markets, interest rates, foreign exchange rates, contingencies, and matters relating to MMC's operations and income taxes. Such forward-looking statements are based on available current market and industry materials, experts' reports and opinions, and long-term trends, as well as management's expectations concerning future events impacting MMC. Forward-looking statements by their very nature involve risks and uncertainties. Factors that may cause actual results to differ materially from those contemplated by any forward-looking statements contained herein include, in the case of MMC's risk and insurance services business, changes in competitive conditions, the impact of litigation and other matters concerning the claims brought by the New York Attorney General's Office and state insurance regulators, loss of clients, inability to collect previously accrued MSA revenue, movements in premium rate levels, the

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conditions for the transfer of commercial risk and other changes in the global property and casualty insurance markets, natural catastrophes, mergers between client organizations, and insurance or reinsurance company insolvencies. Factors to be considered in the case of MMC's investment management business include changes in worldwide and national equity and fixed income markets, actual and relative investment performance, the level of sales and redemptions, and the ability to maintain investment management and administrative fees at historic levels; and with respect to all of MMC's activities, the ability to successfully access the public capital markets to meet long term financing needs, the continued strength of MMC's relationships with its employees and clients, the ability to successfully integrate acquired businesses and realize expected synergies, changes in general worldwide and national economic conditions, the impact of terrorist attacks, changes in the value of investments made in individual companies and investment funds, fluctuations in foreign currencies, actions of competitors or regulators, changes in interest rates or in the ability to access financial markets, developments relating to claims, lawsuits and contingencies, prospective and retrospective changes in the tax or accounting treatment of MMC's operations, and the impact of tax and other legislation and regulation in the jurisdictions in which MMC operates.

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Forward-looking statements speak only as of the date on which they are made, and MMC undertakes no obligation to update any forward-looking statement to reflect events or circumstances after the date on which it is made or to reflect the occurrence of unanticipated events. Please refer to Marsh & McLennan Companies' 2003 Annual Report on Form 10-K for "Information Concerning Forward-Looking Statements," its reports on Form 8-K, and quarterly reports on Form 10-Q.

MMC is committed to providing timely and materially accurate information to the investing public, consistent with our legal and regulatory obligations. To that end, MMC and its operating companies use their websites to convey meaningful information about their businesses, including the anticipated release of quarterly financial results and the posting of updates of assets under management at Putnam. Monthly updates of total assets under management at Putnam will be posted to the MMC website the first business day following the end of each month. Putnam posts mutual fund and performance data to its website regularly. Assets for most Putnam retail mutual funds are posted approximately two weeks after each month-end. Mutual fund net asset value (NAV) is posted daily. Historical performance and Lipper rankings are also provided. Investors can link to MMC and its operating company websites through www.mmc.com.

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SIGNATURES

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

MARSH & MCLENNAN COMPANIES, INC.

By: /s/ Bart Schwartz

Name: Bart Schwartz

Title: Deputy General Counsel

Date: December 15, 2004