

ST PAUL TRAVELERS COMPANIES INC

Form 11-K

June 28, 2004

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

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FORM 11-K

X Annual Report Pursuant to Section 15(d) of the  
--- Securities Exchange Act of 1934 (Fee Required)

or

Transition Report Pursuant to Section 15(d) of  
--- the Securities Exchange Act of 1934(no fee required)  
for the transition period from \_\_\_\_\_ to \_\_\_\_\_ .

For the fiscal year ended December 31, 2003

Commission file number 001-10898

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THE ST. PAUL COMPANIES, INC. STOCK OWNERSHIP PLAN

THE ST. PAUL COMPANIES, INC.  
385 WASHINGTON STREET  
ST. PAUL MINNESOTA 55102

(Full title of the Plan and address of the Plan)

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THE ST. PAUL COMPANIES, INC.  
385 WASHINGTON STREET  
ST. PAUL, MINNESOTA 55102

(Name and address of principal executive  
offices of the issuer of the securities)

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REQUIRED INFORMATION

The St. Paul Companies, Inc. Stock Ownership Plan (the "Plan") is subject to the provisions of the Employee Retirement Income Securities Act of 1974, as amended ("ERISA"), and for purposes of satisfying the requirements of Form 11-K has included for filing herewith the Plan financial statements and schedule prepared in accordance with the financial reporting requirements of ERISA.

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Report of Independent Registered Public Accounting Firm  
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The Plan Administrative Committee and Plan Participants  
The St. Paul Companies, Inc. Stock Ownership Plan:

We have audited the accompanying statements of net assets available for benefits of The St. Paul Companies, Inc. Stock Ownership Plan (the Plan) as of December 31, 2003 and 2002, and the related statements of changes in net assets available for benefits for the years then ended. These financial statements are the responsibility of the Plan's administrator. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those

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standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes 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, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of The St. Paul Companies, Inc. Stock Ownership Plan as of December 31, 2003 and 2002, and the changes in the net assets available for benefits for the years then ended in conformity with U.S. generally accepted accounting principles.

Our audits were performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedules of assets (held at end of year) and reportable transactions are presented for the purpose of additional analysis and are not a required part of the basic financial statements but are supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. These supplemental schedules are the responsibility of the Plan's administrator. The supplemental schedules have been subjected to the auditing procedures applied in the audits of the basic financial statements and in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

KPMG LLP  
-----  
KPMG LLP

Minneapolis, Minnesota  
June 25, 2004

THE ST. PAUL COMPANIES, INC. STOCK OWNERSHIP PLAN

Statement of Net Assets Available for Benefits  
December 31, 2003

	Allocated			
	Non-Participant	Participant		
	Directed	Directed	Unallocated	Total
	-----	-----	-----	-----
Assets:				
Investments:				
	-----			

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Preferred stock of The St. Paul Companies, Inc.	\$192,198,139	\$ -	\$24,443,556	\$216,641,695
Common stock of The St. Paul Companies, Inc.	166,992,795	66,308,123	-	233,300,918
Cash and short-term investments	1,726,807	612,355	2,015,987	4,355,149
	-----	-----	-----	-----
Total investments	360,917,741	66,920,478	26,459,543	454,297,762
Receivables:				
-----				
Participating companies' contributions	-	-	5,443,145	5,443,145
Accrued dividends and interest	1,224,643	484,977	1,712	1,711,332
Investments sold but not delivered	194,332	-	-	194,332
	-----	-----	-----	-----
Total receivables	1,418,975	484,977	5,444,857	7,348,809
	-----	-----	-----	-----
Total assets	362,336,716	67,405,455	31,904,400	461,646,571
	-----	-----	-----	-----
Liabilities:				
-----				
Long-term debt	-	-	22,664,215	22,664,215
Accrued expenses	65,745	-	887,682	953,427
Other payable	8,124	490,517	-	498,641
	-----	-----	-----	-----
Total liabilities	73,869	490,517	23,551,897	24,116,283
	-----	-----	-----	-----
Net assets available for benefits	\$362,262,847	\$66,914,938	\$8,352,503	\$437,530,288
	=====	=====	=====	=====

See accompanying notes to financial statements.

THE ST. PAUL COMPANIES, INC. STOCK OWNERSHIP PLAN

Statement of Net Assets Available for Benefits  
December 31, 2002

	Allocated			
Assets:	Non-Participant Directed	Participant Directed	Unallocated	Total
	-----	-----	-----	-----
Investments:				
-----				
Preferred stock of The St. Paul Companies, Inc.	\$154,061,804	\$ -	\$47,288,353	\$201,350,157

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Common stock of The St. Paul Companies, Inc.	161,439,222	60,341,605	-	221,780,827
Cash and short-term investments	1,910,368	450,544	2,174,782	4,535,694
Total investments	317,411,394	60,792,149	49,463,135	427,666,678
Receivables:				
-----				
Participating companies' contributions	-	-	5,337,124	5,337,124
Accrued dividends and interest	1,380,539	515,286	2,490	1,898,315
Other receivable	400,037	-	-	400,037
Total receivables	1,780,576	515,286	5,339,614	7,635,476
Total assets	319,191,970	61,307,435	54,802,749	435,302,154
Liabilities:				
-----				
Long-term debt	-	-	40,469,582	40,469,582
Accrued expenses	69,365	-	1,585,058	1,654,423
Other payable	48,287	366,213	-	414,500
Total liabilities	117,652	366,213	42,054,640	42,538,505
Net assets available for benefits	\$319,074,318	\$ 60,941,222	\$12,748,109	\$392,763,649
	=====	=====	=====	=====

See accompanying notes to financial statements.

THE ST. PAUL COMPANIES, INC. STOCK OWNERSHIP PLAN

Statement of Changes in Net Assets Available for Benefits  
Year Ended December 31, 2003

	Allocated			
	Non-Participant Directed	Participant Directed	Unallocated	Total
	-----	-----	-----	-----
Additions:				
-----				
Investment income:				
Dividends	\$11,709,760	\$1,976,580	\$1,677,529	\$15,363,869
Interest	23,293	7,297	14,731	45,321
Net appreciation				

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in market value of investments	48,681,351	9,687,310	5,688,294	64,056,955
Net investment income	60,414,404	11,671,187	7,380,554	79,466,145
Participating companies' contributions	-	-	12,896,541	12,896,541
Transfer from St. Paul Companies, Inc Savings Plus Plan	-	16,954,672	-	16,954,672
Total additions	60,414,404	28,625,859	20,277,095	109,317,358
Deductions:				
Interest expense	-	-	2,742,647	2,742,647
Administrative expenses	241,215	-	-	241,215
Other expense	690	2,130	-	2,820
Paid to participants in cash	25,575,444	2,650,988	-	28,226,432
Common stock distributed at market value	8,187,603	1,457,092	-	9,644,695
Transfer to St. Paul Companies, Inc. Savings Plus Plan	5,150,977	18,541,933	-	23,692,910
Total deductions	39,155,929	22,652,143	2,742,647	64,550,719
Net increase prior to interfund transfers	21,258,475	5,973,716	17,534,448	44,766,639
Interfund transfers:				
Allocation of 95,246 shares of preferred stock, at market	28,533,091	-	(28,533,091)	-
Transfer of dividend income for debt service	(6,603,037)	-	6,603,037	-
Net increase (decrease)	43,188,529	5,973,716	(4,395,606)	44,766,639
Net assets available for benefits:				
Beginning of year	319,074,318	60,941,222	12,748,109	392,763,649
End of year	\$362,262,847	\$66,914,938	\$ 8,352,503	\$437,530,288

See accompanying notes to financial statements.

THE ST. PAUL COMPANIES, INC. STOCK OWNERSHIP PLAN

Statement of Changes in Net Assets Available for Benefits  
Year Ended December 31, 2002

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	Allocated			
	Non-Participant Directed	Participant Directed	Unallocated	Total
Additions (reductions):				
Investment income (loss):				
Dividends	\$ 11,794,868	\$ 2,016,588	\$ 2,707,940	\$16,519,396
Interest	46,084	15,894	25,313	87,291
Net depreciation in in market value of investments	(88,630,403)	(18,757,739)	(19,575,570)	(126,963,712)
Net investment loss	(76,789,451)	(16,725,257)	(16,842,317)	(110,357,025)
Participating companies' contributions	-	-	11,190,849	11,190,849
Other income	2,276	-	-	2,276
Transfer from St. Paul Companies, Inc. Savings Plus Plan	-	81,817,119	-	81,817,119
Total additions (reductions)	(76,787,175)	65,091,862	(5,651,468)	(17,346,781)
Deductions:				
Interest expense	-	-	4,283,118	4,283,118
Administrative expenses	205,655	-	-	205,655
Other expense	-	6,977	-	6,977
Paid to participants in cash	24,697,001	2,808,812	-	27,505,813
Common stock distributed at market value	9,636,369	1,393,511	-	11,029,880
Transfer to St. Paul Companies, Inc. Savings Plus Plan	781,388	1,912,259	-	2,693,647
Total deductions	35,320,413	6,121,559	4,283,118	45,725,090
Net increase (decrease) prior to interfund transfers	(112,107,588)	58,970,303	(9,934,586)	(63,071,871)
Interfund transfers:				
Allocation of 82,383 shares of preferred stock, at market	23,277,838	-	(23,277,838)	-
Transfer of dividend income for debt service	(6,132,360)	-	6,132,360	-
Net increase (decrease)	(94,962,110)	58,970,303	(27,080,064)	(63,071,871)
Net assets available for benefits:				
Beginning of year	414,036,428	1,970,919	39,828,173	455,835,520
End of year	\$319,074,318	\$60,941,222	\$12,748,109	\$392,763,649

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See accompanying notes to financial statements.

THE ST. PAUL COMPANIES, INC. STOCK OWNERSHIP PLAN

Notes to Financial Statements

December 31, 2003 and 2002

Note 1 Description of the Plan

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General Provisions

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The following brief description of the St. Paul Companies, Inc. Stock Ownership Plan (the Plan) is provided for general information purposes. Plan participants should refer to the Plan document for more complete information.

Effective January 1, 1998, The St. Paul Companies, Inc. Savings Plus Preferred Stock Plan (PSOP) and The St. Paul Companies, Inc. Employee Stock Ownership Plan (ESOP) were merged into one plan, thereby creating the Plan. The Plan is a defined contribution plan under which guaranteed matching contributions are made, with respect to employees' pretax 401(k) contributions to The St. Paul Companies, Inc. Savings Plus Plan (Savings Plus Plan). The St. Paul Companies, Inc. (The Company) and certain of its subsidiaries, St. Paul Fire and Marine Insurance Company and St. Paul Reinsurance Management Corporation currently participate in the Plan. Octagon Risk Services, Inc. withdrew from the Plan effective October 5, 2003, pursuant to its sale by the Company.

U.S. Bank National Association is the Trustee for the ESOP Common Stock Fund portion of The St. Paul Companies, Inc. Stock Ownership Trust (Trust). Fidelity Management Trust Company (FMTC) is the Trustee for the remaining portion of the Trust. The Company has appointed an Administrative Committee which acts as Plan Administrator.

THE ST. PAUL COMPANIES, INC. STOCK OWNERSHIP PLAN

Notes to Financial Statements

December 31, 2003 and 2002

Note 1 Description of the Plan (continued)

-----  
Participation, Vesting and Allocations  
-----

Employees of the Company and participating subsidiaries, who participated in the ESOP or PSOP on December 31, 1997 became Plan participants on January 1, 1998. Employees of the Company and participating subsidiaries, who were not participants in the ESOP or PSOP on December 31, 1997 become participants as of the later of January 1, 1998 or their employment date.

Participants are fully vested in their pre-1999 matching, performance-based and ESOP allocations after six years of service. Participants become 20 percent vested in these allocations of Company stock after two years of service increasing an additional 20 percent for each additional year of service. Participants are immediately vested in their 1999-2002 matching allocations. Beginning January 1, 2003, participants are fully vested after three years of service. Participants also become fully vested in full upon retirement, permanent and total disability, death, or upon termination of the Plan or a change in control of the Company, as defined by the Plan.

The Plan allocates shares of the Company's Series B Convertible Preferred Stock (preferred stock) to those employees participating in the Savings Plus Plan. Shares of the Company's preferred stock are allocated to eligible participants semi-annually based on their Savings Plus Plan contributions through June 30 and December 31. Effective January 1, 2003, the Company increased the matching contribution of one dollar for every dollar of participant salary conversion contribution from four to six percent of their base salary. This matching contribution made in the form of The St. Paul Companies, Inc. Preferred Stock is subject to a three-year cliff vesting provision. Except for cases of retirement, permanent and total disability, or death, this matching allocation is made only to participants actively employed on the last working day of June or December, respectively.

Over a period of ten years, shares of the Company's common stock were allocated, from the former ESOP, to participants based on compensation. The final ESOP allocation was made as of December 31, 1997. Except for cases of death, retirement or permanent and total disability, the allocation was made only to participants actively employed on the last working day of the calendar year.

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THE ST. PAUL COMPANIES, INC. STOCK OWNERSHIP PLAN

Notes to Financial Statements

December 31, 2003 and 2002

## Note 1 Description of the Plan (continued)

### Voting Rights

Each participant is entitled to exercise voting rights attributable to the shares allocated to his or her account and is notified by the Trustee prior to the time that such rights are to be exercised. The Trustee is not permitted to vote any allocated share for which instructions have not been given by a participant. The Trustee is required, however, to vote any unallocated shares on behalf of the collective best interest of the plan participants and beneficiaries.

### Long Term Debt

Prior to the merger that created the Plan, the PSOP had obtained long-term financing from St. Paul Fire and Marine Insurance Company to purchase Company preferred stock for future allocation to PSOP participants. This loan principal and interest continues to be repaid by the Plan using participating Company contributions and dividends received on allocated and unallocated shares of Company preferred stock held by the Trust. See Note 7 for more information.

### Distribution of Benefits

Distribution of vested benefits from the Trust is made upon a participant's retirement, permanent and total disability, death or employment termination. Distribution of vested benefits from the Preferred Stock or ESOP Common Stock Funds, at the participant's election, will be either in the form of cash, or full shares of Company common stock and cash in lieu of any fractional shares of such stock.

ESOP Common Stock Fund dividends are distributed to participants as soon as practicable following the dividend pay date. As of October 2003 participants are able to reinvest dividends in the Plan if they so choose.

### Diversification

Participants do not have investment discretion regarding the Preferred Stock Fund. Participants who have attained age 55 may elect to diversify a portion of their Preferred Stock balance, once a year for six years, up to a maximum amount. Diversifications are made through transfers out of the Plan for investment in The St. Paul Companies, Inc. Savings Plus Plan.

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Beginning in 2003, a participant who has an ESOP account in the Plan has the ability to move money out of the ESOP account into other investment options. ESOP diversification was phased in during 2003 according to the following schedule:

February 1, 2003	Up to 25% of ESOP shares can be diversified
April 1, 2003	Up to 50% of original ESOP shares can be diversified
June 1, 2003	Up to 75% of original ESOP shares can be diversified
August 1, 2003	Full ESOP balance can be diversified

Diversifications are made through transfers out of the Plan for investment in The St. Paul Companies, Inc. Savings Plus Plan.

### Forfeitures -----

Under the Plan, forfeitures are used in the following priority:

- to restore benefits to participants returning to the Plan;
- to make any necessary corrective allocations or distributions to participants;
- to pay administrative expenses, and;
- any remaining forfeitures are reallocated to participants as described in the Plan.

Under those terms the Company plans to utilize a portion of these forfeitures to reduce future employer contributions. Forfeited non-vested accounts totaled \$5.4 million and \$3.2 million at December 31, 2003 and 2002, respectively. Forfeitures used to reduce employer contributions totaled \$1.6 million in 2003 and zero in 2002, respectively.

## THE ST. PAUL COMPANIES, INC. STOCK OWNERSHIP PLAN

### Notes to Financial Statements

December 31, 2003 and 2002

#### Note 1 Description of the Plan (continued) -----

### Plan Termination -----

Although the Company expects to continue the Plan indefinitely, it has reserved the right to terminate the Plan at any time. Upon such termination, the Plan Administrative Committee would consider directing the Trustee to distribute participant account balances. Upon termination of the Plan participant account balances would vest in full.

### Tax Status -----

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The Internal Revenue Service has determined and informed the Company by letter dated December 31, 2003, that the Plan as designed is in accordance with applicable Section 401-1(b)(3) and the Trust is qualified under Section 501(a) of the Internal Revenue Code.

### Note 2 Significant Accounting Policies

-----

The accompanying Plan financial statements are prepared in conformity with United States generally accepted accounting principles (GAAP).

The preparation of these financial statements requires management to rely on estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosure of contingent assets and liabilities. We continually review our estimates and make adjustments as necessary, but actual results could turn out to be significantly different from what we expected when we made these estimates.

The Plan provides for investment in St. Paul Preferred and Common Stock funds. Investments in general are exposed to various risks, such as interest rate, credit and overall market volatility. Due to the level of risk associated with investments, it is reasonably possible that changes in the values of investments will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the statements of net assets available for benefits.

The investment in preferred and common stock of the Company are carried at market value as discussed in Note 8.

### THE ST. PAUL COMPANIES, INC. STOCK OWNERSHIP PLAN

#### Notes to Financial Statements

December 31, 2003 and 2002

### Note 2 Significant Accounting Policies (continued)

-----

Realized gains or losses on the sales of investments and the change in unrealized appreciation or depreciation in the market value of investments are presented in total in the statements of changes in net assets available for plan benefits. The average cost method is used to determine cost of shares sold or distributed. Purchases and sales of investments are recorded on a trade-date basis. Dividends are recorded on the ex-dividend date. Interest is recorded when earned.

Money market portfolios and short-term investments are carried at cost plus accrued interest or

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amortized discount, which approximates market value.

A portion of administrative expenses of the Plan are paid by the participating companies and are not reflected in the accompanying financial statements. Plan administrative expenses paid by the Plan are paid out of forfeitures. Benefits are recorded when paid.

### Note 3 Investment in Preferred Stock of the Company

-----

Information regarding the Plan's investment in preferred stock of the Company follows:

	Allocated -----	Unallocated -----	Total -----
December 31, 2003 -----			
Number of shares	601,164	76,455	677,619
Cost	\$86,747,964	\$11,032,514	\$97,780,478
Market value	\$192,198,139	\$24,443,556	\$216,641,695
Market value per share			\$319.71
December 31, 2002 -----			
Number of shares	559,391	171,701	731,092
Cost	\$80,720,084	\$24,776,549	\$105,496,633
Market value	\$154,061,804	\$47,288,353	\$201,350,157
Market value per share			\$275.41

Each share of the Company's preferred stock has a guaranteed minimum value of \$144.30, a dividend rate of \$11.724 annually and is convertible into eight shares of the Company's common stock.

### THE ST. PAUL COMPANIES, INC. STOCK OWNERSHIP PLAN

#### Notes to Financial Statements

December 31, 2003 and 2002

### Note 4 Investment in Common Stock of the Company

-----

Information regarding the Plan's investment in common stock of the Company follows. All shares are considered allocated.

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	Total
December 31, 2003	-----
Number of shares	5,884,008
Cost	\$102,152,889
Market value	\$233,300,918
Percent of total Company shares outstanding	2.6%
Market value per share	\$39.65
December 31, 2002	-----
Number of shares	6,513,387
Cost	\$109,415,823
Market value	\$221,780,827
Percent of total Company shares outstanding	2.9%
Market value per share	\$34.05

Note 5 Net Appreciation (Depreciation) in Market Value of Investments

Plan investments, including gains and losses on investments bought and sold as well as held during the year, appreciated (depreciated) as follows:

	December 31, 2003	December 31, 2002
	-----	-----
Preferred Stocks	\$ 30,531,658	\$ (59,843,734)
Common Stocks	33,525,297	(67,134,258)
Mutual Funds	-	13,216
Common Trust Fund	-	1,064
	-----	-----
Net Appreciation (Depreciation)	\$ 64,056,955	\$ (126,963,712)
	=====	=====

THE ST. PAUL COMPANIES, INC. STOCK OWNERSHIP PLAN

Notes to Financial Statements

December 31, 2003 and 2002

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Note 6 Party-in-Interest Transactions  
-----

Transactions resulting in Plan assets being transferred to or used by a related party are prohibited under the Employee Retirement Income Security Act of 1974 (ERISA) unless a specific exemption applied. U.S. Bank National Association (U.S. Bank) and Fidelity Management Trust Company (FMTC), are parties-in-interest as defined by ERISA as a result of being trustees of the Plan. U.S. Bank and FMTC are investing plan assets in their respective short-term investment fund. Certain Plan investments were in shares of mutual funds or a commingled pool managed by Fidelity Investments. The Plan also engages in transactions involving the acquisition or disposition of units of participation in preferred and common stock of The St. Paul Companies, Inc., a party-in-interest with respect to the Plan. These transactions are covered by an exemption from the "prohibited transactions" provisions of ERISA and the Internal Revenue Code.

Note 7 Long Term Debt  
-----

To finance the preferred stock purchase for future allocation to qualified employees, the Trust (formerly the PSOP) borrowed \$150 million from St. Paul Fire and Marine Insurance Company, at an interest rate of 9.4 percent. This long-term debt matures on January 31, 2005, and requires semiannual interest payments. Payments of principal will be made in order to provide the targeted benefits of the Plan. Any remaining unpaid balance is due on maturity date. Each participating company's cash contribution to the Trust is based on its percentage of the total Company match and performance-based allocation. When these loan payments are made, a pro rata amount of preferred stock is allocated from unallocated shares to Participants' Plan accounts. These allocations are characterized as either matching contributions, performance-based contributions or as dividends on participants' allocated preferred shares. Repayment of this loan is guaranteed by the Company. The outstanding balance of this debt was \$22,664,215 and \$40,469,582, as of December 31, 2003 and 2002, respectively.

Future maturities of long-term debt are as follows:

Year ending December 31	
-----	
2004	\$ 8,373,088
2005	14,291,127
	-----
	\$22,664,215
	=====

PAGE>

THE ST. PAUL COMPANIES, INC. STOCK OWNERSHIP PLAN

Notes to Financial Statements

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December 31, 2003 and 2002

Note 8    Disclosures About Fair Value of Financial Instruments  
-----

The following methods and assumptions were used to estimate the fair value of each class of financial instrument for which it is practicable to estimate that value.

Cash and Short-term Investments are carried at cost plus accrued interest or amortized discount, which approximates the fair value.

Preferred stock is based on a valuation model provided by an independent appraiser.

Common stock of The Company is based on published market prices.

The fair values of the Plan's long-term debt is based primarily on the fair value of debt securities in the market that have terms similar to the Plan's debt.

The carrying amounts and estimated fair values of the Plan's financial instruments at December 31 are as follows:

	2003		2002	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Cash and short-term investments	\$ 4,355,149	\$ 4,355,149	\$ 4,535,694	\$ 4,535,694
Preferred stock of The St. Paul Companies, Inc.	216,641,695	216,641,695	201,350,157	201,350,157
Common stock of The St. Paul Companies, Inc.	233,300,918	233,300,918	221,780,827	221,780,827
Total Investments	\$454,297,762	\$454,297,762	\$427,666,678	\$427,666,678
Long-term debt	\$ 22,664,215	\$ 24,226,913	\$ 40,469,582	\$ 45,466,361

THE ST. PAUL COMPANIES, INC. STOCK OWNERSHIP PLAN

Notes to Financial Statements

December 31, 2003 and 2002

Note 9    Subsequent Event  
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On November 17, 2003, the Company announced the proposed business combination with Travelers Property Casualty Corporation an closing took place on April 1, 2004. The name of the registrant was changed from "The St. Paul Companies, Inc." to "The St. Paul Travelers Companies, Inc." in connection with the merger and St. Paul Travelers Common and Series B Convertible Preferred Stock was issued. This business combination is considered a change-in-control for the Plan therefore all company contributions allocated to active participants before April 1, 2004 became full vested. Company contributions allocated to participants after April 1, 2004 vest after three years of service. The Plan, St. Paul Companies, Inc. Savings Plus Plan and Travelers 401(k) Savings Plans are expected to merge into one plan on or near January 1, 2005.

### SCHEDULE 1

#### THE ST. PAUL COMPANIES, INC. STOCK OWNERSHIP PLAN

Schedule H, Line 4i - Schedule of Assets (Held at End of Year)  
December 31, 2003

Identity of Issue	Description of Investment	Cost	Current Value
*The St. Paul Companies, Inc.	Series B Convertible Preferred Stock, no par value, 677,619 shares	\$ 97,780,478	\$ 216,641,695
*The St. Paul Companies, Inc.	Common stock, no par value, 5,884,008 shares	102,152,889	233,300,918
*U.S. Bank N.A.	First American Prime Obligation, Class Y Institutional Fund	633,558	633,558
*Fidelity Management Trust Company	Institutional Cash Portfolio MM Fund shares	3,721,591	3,721,591
Total Investments		\$ 204,288,516	\$ 454,297,762

\* Party-in-interest

See accompanying report of independent registered public accounting firm.

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SCHEDULE 2

THE ST. PAUL COMPANIES, INC. STOCK OWNERSHIP PLAN

Schedule H, Line 4j - Schedule of Reportable Transactions  
Year Ended December 31, 2003

(a)	(b)	(c)	(d)	(f)
Identity of Issuer	Description of Investment	Purchase Price	Selling Price	Expenses Incurred with Transaction
-----	-----	-----	-----	-----
* The St. Paul Companies, Inc.	Common Stock	\$15,054,091	\$ -	\$ -
		-	34,697,934	24,703
* U.S. Bank, N.A.	First American Prime Obligation Class Y Institutional Fund	20,475,797	-	-
		-	20,930,127	-
* Fidelity Management Trust Company	Institutional Cash Portfolio MM Fund Class I Shares	36,866,492	-	-
		-	36,754,517	-
Identity of Issuer	Description of Investment	(g) Cost	(h) Current Value on Distribution Date	(i) Net Gain
-----	-----	-----	-----	-----
* The St. Paul Companies, Inc.	Common Stock	\$15,054,091	\$15,054,091	\$ -
		22,443,204	34,697,934	12,254,730
* U.S. Bank, N.A.	First American Prime Obligation Class Y Institutional Fund	20,475,797	20,475,797	-
		20,930,127	20,930,127	-
* Fidelity Management Trust Company	Institutional Cash Portfolio MM Fund Class I Shares	36,866,492	36,866,492	-
		36,754,517	36,754,517	-

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\* Party-in-interest

See accompanying report of independent registered public accounting firm.

SIGNATURE

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The Plan. Pursuant to the requirements of the Securities Exchange Act of 1934, the trustees (or other persons who administer the employee benefit plan) have duly caused this annual report to be signed on its behalf by the undersigned hereunto duly authorized.

June 25, 2004

THE ST. PAUL COMPANIES, INC.  
SAVINGS PLUS PLAN  
(The Plan)

By John P. Clifford Jr.

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John P. Clifford Jr.  
Senior Vice President, Human Resources  
Member of the Administrative  
Committee for The St. Paul  
Companies, Inc. Stock  
Ownership Plan

Exhibit Index

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Exhibit Number

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Description

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23.1

Consent of KPMG LLP, Independent Auditors