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ST PAUL COMPANIES INC /MN/
Form 8-K
July 16, 2002

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): July 16, 2002

THE ST. PAUL COMPANIES, INC.

(Exact name of Registrant as specified in its charter)

Minnesota	001-10898	41-0518860
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(State of Incorporation)	(Commission File Number)	(I.R.S. Employer Identification No.)

385 Washington St., St. Paul, MN	55102
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(Address of principal executive offices)	(Zip Code)

(651) 310-7911

(Registrant's telephone number,
including area code)

N/A

(Former name or former address, if changed since last
report)

Item 5. Other Events.

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In the first quarter of 2002, The St. Paul began implementing the provisions of Statement of Financial Accounting Standards (SFAS) No. 142, "Goodwill and Other Intangible Assets," which established financial accounting and reporting for acquired goodwill and other intangible assets. The statement changed prior accounting requirements in the way intangible assets with useful lives, including goodwill, are tested for impairment on an annual basis. It also requires that those assets meeting the criteria for classification as intangible with estimable useful lives be amortized to expense over those lives, while intangible assets with indefinite useful lives and goodwill are not amortized. As a result of implementing the provisions of this statement, we will not record any goodwill amortization expense in 2002.

The following table presents the impact, on a pro forma basis, of adopting SFAS No. 142 with respect to ceasing the amortization of goodwill, for the years ended Dec. 31, 2001, 2000 and 1999:

(In millions, except per share amounts)	Year Ended December 31,		
	2001	2000	1999
Net income (loss):			
As reported	\$ (1,088)	\$ 993	\$ 834
Add: goodwill amortization	29	27	36
	-----	-----	-----
Pro forma net income (loss)	\$ (1,059)	\$1,020	\$ 870
	=====	=====	=====
Basic Earnings (Loss) per Share:			
As reported	\$ (5.22)	\$ 4.50	\$ 3.61
Goodwill amortization	0.14	0.13	0.16
	-----	-----	-----
Pro forma basic EPS	\$ (5.08)	\$ 4.63	\$ 3.77
	=====	=====	=====
Diluted Earnings (Loss) per Share:			
As reported	\$ (5.22)	\$ 4.24	\$ 3.41
Goodwill amortization	0.14	0.12	0.15
	-----	-----	-----
Pro forma diluted EPS	\$ (5.08)	\$ 4.36	\$ 3.56
	=====	=====	=====

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 thereunto duly authorized.

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THE ST. PAUL COMPANIES, INC.

By: Bruce A. Backberg

Bruce A. Backberg
Senior Vice President

Date: July 16, 2002