MARSH & MCLENNAN COMPANIES INC
Form 11-K
December 23, 2003

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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 FISCAL YEAR ENDED JUNE 30, 2003

SEC NO. 1-5998

A. Full title of the Plan:

MARSH & McLENNAN COMPANIES STOCK 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 COMPANIES STOCK INVESTMENT PLAN

Date: December 23, 2003

/s/ Patricia A. Agnello

Authorized Representative of the Benefits Administration Committee

MARSH & McLENNAN COMPANIES STOCK INVESTMENT PLAN

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Independent Auditors' Consent Exhibit 23

INDEPENDENT AUDITORS' REPORT

To Marsh & McLennan Companies Benefits Administration Committee:

We have audited the accompanying statements of net assets available for benefits of the Marsh & McLennan Companies Stock Investment Plan (the "Plan") as of June 30, 2003 and 2002, and the related statement of changes in net assets available for benefits for the year ended June 30, 2003. 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 auditing standards generally accepted in the United States of America. Those 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, such financial statements present fairly, in all material respects, information regarding the Plan's net assets available for benefits as of June 30, 2003 and 2002 and the changes in net assets available for benefits for the year ended June 30, 2003 in conformity with accounting principles generally accepted in the United States of America.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedules listed in the table of contents are presented for purposes 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 schedules are the responsibility of the Plan's management. Such schedules have been subjected to the auditing procedures applied in the audit of the basic 2003 financial statements and, in our opinion, are fairly stated in all material respects when considered in relation to the basic financial statements taken as a whole.

/s/ Deloitte & Touche LLP

December 22, 2003
New York, NY

MARSH & MCLENNAN COMPANIES STOCK INVESTMENT PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

	JUNE 30, 2003	JUNE 30, 2002
ASSETS:		
CASH AND CASH EQUIVALENTS	$ 42,649,080	$ 81,330,812
INVESTMENTS (NOTE 2)	2,377,777,294	2,026,316,414
LOANS RECEIVABLE - PARTICIPANTS	33,365,715	29,741,672
DIVIDENDS AND INTEREST RECEIVABLE	10,892,364	9,123,029
RECEIVABLE FROM COMPANY:		
Contributions	5,903,692	5,297,961
Loan Repayments	-	612,371
	5,903,692	5,910,332
RECEIVABLE FOR INVESTMENTS SOLD	-	247,293
TOTAL ASSETS	2,470,588,145	2,152,669,552
LIABILITIES:		
PAYABLE FOR INVESTMENTS PURCHASED	-	3,086,988
NET ASSETS AVAILABLE FOR BENEFITS	$2,470,588,145	$2,149,582,564

See notes to financial statements

MARSH & MCLENNAN COMPANIES STOCK INVESTMENT PLAN

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
FOR THE YEAR ENDED JUNE 30, 2003

INVESTMENT INCOME:	
Dividends	$ 34,491,072
Interest	25,227,413
Net appreciation in fair value of investments	88,615,996
NET INVESTMENT GAIN	148,334,481
CONTRIBUTIONS	
Employer	52,558,164
Employee	100,035,478
	152,593,642
DISTRIBUTIONS TO AND WITHDRAWALS BY EMPLOYEES	(155,054,788)
TRANSFERS FROM OTHER PLAN (NOTE 1)	175,132,246
INCREASE IN NET ASSETS	321,005,581
NET ASSETS AVAILABLE FOR BENEFITS:	
Beginning of year	2,149,582,564
End of year	$ 2,470,588,145

See notes to financial statements

MARSH & McLENNAN COMPANIES STOCK INVESTMENT PLAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2003 and 2002

(1) Description of the Plan

The Marsh & McLennan Companies Stock Investment Plan (the "Plan") is a defined contribution Employee Stock Ownership Plan which allows eligible participants to contribute through payroll deductions from 1% to 15% of their salary, on a before and/or after-tax basis. Under the Plan, salaried employees who are at least 18 years of age in the United States, as well as any subsidiary or affiliate of Marsh & McLennan Companies, Inc. ("MMC" or the "Company") other than Putnam Investments are eligible to contribute to the Plan. The Plan is subject to provisions of the Employee Retirement Income Security Act of 1974 ("ERISA").

MMC as of January 1, 2003 matches, after one year of service, up to the first six percent of participants' before and/or after-tax contributions in the following percentages:

- 100% for those participants age 55 or older or whose age plus years of plan participation equals at least 65.

- 71-2/3% in all other cases.

Prior to August 1, 2003, all employee contributions and Company match were invested in the MMC Stock Fund unless the participant's age was 55 or older or their age plus years of plan participation equaled at least 65. These participants could diversify their contribution and accumulated balance among the MMC Stock Fund, a Fixed Income Fund, and various Putnam mutual funds. For all participants, the Company's matching contributions were invested the same as the participants' contributions.

The Company's matching contributions to a participant are suspended for 12 months if the participant makes certain in-service withdrawals from their Account. Employee and Company contributions are subject to certain limitations in accordance with Federal income tax regulations.

Beginning August 1, 2003, all participants may direct their future contributions on a before and/or after-tax basis into one or more of 17 investment options. Participants age 55 or older, or whose age plus years of plan participation equals at least 65, will not be required to invest their Company match in the same funds as their contributions. All other participants will continue to invest their Company match in the MMC Stock Fund. If an employee does not make an election their employee contributions will be invested in the Putnam Fixed Income Fund and their Company match will be invested in the MMC Stock Fund.

Individual accounts are maintained for each Plan participant. Each participant's account is credited with the participant's contribution, the Company's matching contribution, and Plan earnings, and charged with withdrawals and an allocation of Plan losses. Allocations are based on participant earnings or account balances. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Employees are vested immediately in their contributions plus actual earnings thereon. Employees hired on or after January 1, 1998 who have an hour of service on or after July 1, 2002 vest in the Company's matching contribution as follows: 20% after two years of service, 40% after three years of service, 67% after four years of service and 100% after five years of service. Forfeited nonvested accounts totaled $2,586,392 for the year ended June 30, 2003. These accounts were used to reduce future employer contributions.

In the fourth quarter of 1998, the Company consummated a business combination with Sedgwick Group plc ("Sedgwick"). Former employees of Sedgwick became eligible to participate in the Plan effective January 1, 2000. Participants' balances in the Sedgwick Savings & Investment Plan were transferred into the Plan on December 2, 2002.

Effective April 1, 2003, the trustee for the Plan is State Street Corporation. Deutsche Bank, the former trustee, sold its Defined Contribution Trustee Services. The trustee is responsible for maintaining the assets of the Plan, making distribution payments as directed by the Company and, generally, performing all other acts deemed necessary or proper to fulfill its responsibility as set forth in the trust agreement pertaining to the Plan.

Certain administrative functions are performed by employees of the Company or its subsidiaries. All such costs as well as administrative expenses are paid directly by the Company.

The preceding description of the Plan provides only general information. Participants should refer to the Plan agreement and the MMC benefits handbook via www.mmcpeoplelink.com for 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.

Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of net assets available for benefits and changes therein. 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.

Cash and cash equivalents

Cash and cash equivalents primarily consist of interest bearing money market investments, which are available on demand.

Investments

The common stock of Marsh & McLennan Companies, Inc. and shares of Putnam Mutual Funds are reflected in the accompanying statements of net assets available for benefits at quoted market prices.

The Plan's Fixed Income Fund, which consists of guaranteed insurance contracts and group annuity contracts, has been presented in the financial statements at contract value, which approximates fair market value. The investments in this fund are valued at contract value, which is cost plus accrued interest, and are guaranteed by the issuing institution as to principal and interest. Participants may ordinarily direct the withdrawal or transfer of all or a portion of their investment at contract value. The average yield for these investment contracts was approximately 5.5% and 6.2% for the years ended June 30, 2003 and 2002. There are no reserves against the value of the contract for credit risk or the issuers otherwise. For some contracts the crediting interest rates are reset on periodic basis in accordance with the terms of the individual contracts.

Purchases and sales of securities are recorded on a trade-date basis. Dividends are recorded on the ex-dividend date.

Management fees and operating expenses charged to the Plan for investments in the mutual funds are deducted from income earned on a daily basis and are not separately reflected. Consequently, management fees and operating expenses are reflected as a reduction of net appreciation (depreciation) in fair market value of investments for such investments.

The following table presents the market values of investments that represent 5% or more of the Plan's net assets at the end of the plan-year:

	June 30,	
	2003	2002
Marsh & McLennan Companies common stock	$1,478,910,238	$1,315,391,574

The Plan's investments (including gains and losses on investments bought and sold, as well as held during the year) appreciated in value as follows:

	Year Ended June 30,
	2003
Common Stock	$87,090,785
Fixed Income	717,191
Mutual Funds	808,020
	$88,615,996

Prior to August 1, 2003, the plan offered a program that was both participant and non-participant directed. All non-participant directed contributions were invested in the Marsh & McLennan Companies Stock Fund. The net assets as of June 30, 2003 and 2002 and changes in net assets relating to the Company stock fund for the year ended June 30, 2003 are as follows:

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

	June 30, 2003	June 30, 2002

ASSETS:		
CASH AND CASH EQUIVALENTS	$ 10,346,821	$ 20,062,259
COMMON STOCK	1,478,910,238	1,315,391,574
DIVIDENDS AND INTEREST RECEIVABLE	8,984,012	7,675,965
RECEIVABLE FROM COMPANY		
Contributions	5,447,704	4,893,804
Loan repayments	-	574,918
	5,447,704	5,468,722
INTER-FUND RECEIVABLE	-	28,580
TOTAL ASSETS	1,503,688,775	1,348,627,100
LIABILITIES:		
PAYABLE FOR INVESTMENTS PURCHASED	-	1,292,674
TOTAL LIABILITIES	-	1,292,674
NET ASSETS AVAILABLE FOR BENEFITS	$1,503,688,775	$1,347,334,426

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

	June 30, 2003
INVESTMENT INCOME:	
Dividends	$ 32,664,009
Interest	291,002
Net appreciation in fair value of investments	87,090,785
NET INVESTMENT GAIN	120,045,796
CONTRIBUTIONS:	
Employer	48,125,564
Employee	86,098,168
	134,223,732
DISTRIBUTIONS TO AND WITHDRAWALS BY EMPLOYEES	(76,167,958)

TRANFERS BETWEEN FUNDS	(38,211,737)
TRANSFERS FROM OTHER PLAN	16,464,516
TOTAL INCREASE	156,354,349
NET ASSETS AVAILABLE FOR BENEFITS:	
Beginning of year	1,347,334,426
End of year	$1,503,688,775

(3) Related party transactions

The Putnam Investors Fund, Inc., the Putnam Fund for Growth & Income, the Putnam Voyager Fund, the Putnam Global Growth Fund, the Putnam New Opportunities Fund, the George Putnam Fund of Boston, the Putnam S&P 500 Index Fund and the Putnam Bond Index Fund are managed by Putnam Investments, LLC, a majority owned subsidiary of the Company. Investments in institutional funds managed by Putnam at June 30, 2003 amounted to $458,130,983.

(4) Loans receivable-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 their Plan account. Outstanding loans, which are secured by the participants' interest in the Plan are repaid through semi-monthly payroll deductions or, at the option of the participant may be paid in full without penalty. Loan repayments, which include principal and interest, are credited directly to their 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.

New loans to participants amounted to $15,073,519 and $13,437,974 for the years ended June 30, 2003 and 2002, respectively, and repayments from participants, including interest, amounted to $15,515,206 and $15,007,677 respectively.

(5) Income Tax Status

The Internal Revenue Service has determined and informed the Company by a letter dated January 28, 2002, that the Plan is designed in accordance with applicable sections of the Internal Revenue Code ("IRC"). The Plan has been amended since receiving the determination letter. However, the Plan Administrator and the Plan's tax counsel believe that the Plan is currently being operated in compliance with the applicable requirements of the IRC.

(6) Payment of Benefits

Benefit payments to participants are recorded upon distribution. Amounts allocated to accounts of persons who have elected to withdraw from the Plan but have not yet been paid were $3,236,701 at June 30, 2003. These amounts have not been recorded as liabilities in the accompanying financial statements.

(7) Supporting Schedules

The detail of assets held for investment as of June 30, 2003 is provided on Schedule I.

The summary of transactions occurring during the year ended June 30, 2003 representing more than 5% of the Plan's net assets as of July 1, 2002 is reportable under the Department of Labor Regulation 2520.103-6 and is presented on Schedule II.

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.

(8) Plan Termination

Although it has not expressed any intention to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions set forth in ERISA. In the event that the Plan is terminated, participants would become 100 percent vested in their account.

MARSH & MCLENNAN COMPANIES STOCK INVESTMENT PLAN
SUPPLEMENTAL SCHEDULE I
SCHEDULE OF INVESTMENTS AS OF JUNE 30, 2003

PRINCIPAL AMOUNT OR NUMBER OF SHARES 2003		COST
	COMMON STOCK:	
28,958,493	MARSH & McLENNAN COMPANIES, INC.	$ 630,346,
	MUTUAL FUNDS:	
7,240,598	PUTNAM INVESTORS FUND	107,134,
4,307,014	THE PUTNAM FUND FOR GROWTH AND INCOME	80,916,
4,369,288	PUTNAM VOYAGER FUND	94,131,
5,076,094	PUTNAM GLOBAL GROWTH FUND	64,084,
1,052,475	PUTNAM NEW OPPORTUNITIES FUND	69,706,
2,150,607	GEORGE PUTNAM FUND OF BOSTON	36,761,
4,447,033	PUTNAM S&P 500 INDEX FUND	133,911,
3,663,292	PUTNAM BOND INDEX FUND	42,445,

		629,091,
	FIXED INCOME FUND:	
2,032,887	SUNAMERICA LIFE INSURANCE CO 6.30% DUE JANUARY 2, 2004	2,032,
101,816,384	CIGNA 7.07% DUE DECEMBER 30, 2005	101,816,
10,492,710	PRINCIPAL MUTUAL LIFE INSURANCE COMPANY 5.38% DUE MARCH 31, 2005	10,492,
24,020,789	JACKSON NATIONAL LIFE 4.86% DUE JANUARY 2, 2007	24,020,
7,964,967	MONUMENTAL LIFE INSURANCE COMPANY 5.38% DUE DECEMBER 30, 2005	7,964,
10,469,861	MONUMENTAL LIFE INSURANCE COMPANY 5.13% DUE SEPTEMBER 29, 2006	10,469,
65,499,050	TRANSAMERICA LIFE INSURANCE COMPANY 3.516% DUE DECEMBER 31, 2005	65,499,
11,998,410	JOHN HANCOCK LIFE INSURANCE 1.96% DUE NOVEMBER 30, 2003	11,998,
14,131,931	METROPOLITAN LIFE INSURANCE 6.81% DUE SEPTEMBER 30, 2003	14,131,
14,165,487	HARTFORD LIFE INSURANCE 6.92% DUE MARCH 31, 2004	14,165,
15,829,177	METROPOLITAN LIFE 5.83% DUE JUNE 30, 2004	15,829,
15,846,147	TRAVELERS INSURANCE CO 5.89% DUE SEPTEMBER 30, 2004	15,846,
11,997,493	JOHN HANCOCK INSURANCE COMPANY 3.09% DUE NOVEMBER 30, 2004	11,997,
21,724,308	NEW YORK LIFE 5.09% DUE SEPTEMBER 30, 2005	21,724,
16,267,414	MONUMENTAL LIFE INSURANCE COMPANY 4.99% DUE JUNE 30, 2005	16,267,
10,826,022	MONUMENTAL LIFE INSURANCE COMPANY 4.88% DUE MARCH 31, 2005	10,826,
12,958,957	PRINCIPAL LIFE 5.60% DUE MARCH 31, 2006	12,958,
11,031,533	NEW YORK LIFE 5.26% DUE MARCH 31, 2004	11,031,
11,136,434	HARTFORD LIFE 5.79% DUE MARCH 31, 2005	11,136,
12,302,511	METROPOLITAN LIFE 5.95% DUE JUNE 30, 2006	12,302,
12,290,315	ALLSTATE LIFE 5.86% DUE SEPTEMBER 29, 2006	12,290,
12,962,207	HARTFORD LIFE 5.63% DUE MARCH 31, 2006	12,962,
12,971,079	MONUMENTAL LIFE INSURANCE COMPANY 5.67% DUE MARCH 31, 2006	12,971,
		440,736,
	TOTAL INVESTMENTS	$1,700,174,

MARSH & McLENNAN COMPANIES STOCK INVESTMENT PLAN
SUPPLEMENTAL SCHEDULE II
SCHEDULE FOR REPORTABLE TRANSACTIONS
FOR THE YEAR ENDED JUNE 30, 2003

DESCRIPTION OF ASSET			COST OF ASSETS	CURRENT VALUE OF ASSETS	NE GAIN (L
TRANSACTION BY ISSUE:					
DEUTSCHE BANK TRUST COMPANY AMERICAS					
PYRAMID CASH TEMPORARY FUND INVESTMENTS					
	233	PURCHASES	$ 364,902,296	$ 364,902,296	$
	304	SALES	392,842,080	392,842,080	