



Brown & Brown, Inc. Achieves 10th Consecutive Record Year With 2002 Results

January 15, 2003

DAYTONA BEACH, Fla. and TAMPA, Fla., Jan. 15 /PRNewswire-FirstCall/ -- Brown & Brown, Inc. (NYSE: BRO) today announced record earnings for 2002. Net income rose to \$83,122,000, or \$1.22 per share, an increase of 54.2% over the \$53,913,000, or \$0.85 per share earned in year 2001. Total revenues for the year rose to \$455,742,000, up 24.9% versus the \$365,029,000 achieved in 2001.

Fourth quarter 2002 net income increased to \$21,380,000, or \$0.31 per share, compared with the 2001 fourth quarter net income of \$15,215,000, or \$0.24 per share, a 40.5% increase. Total revenue for the 2002 fourth quarter was \$119,147,000, compared to 2001 fourth quarter revenue of \$95,877,000, a 24.3% increase.

"Consistency of earnings is the benchmark investors use to gain confidence in the future of their investment. When we became publicly owned in 1993, a commitment was made to grow at least 15% per quarter, ad infinitum. For 10 years, we have delivered on that commitment! Our commitment for continued exceptional earnings growth was exemplified by our 46% EPS growth in 2001 followed by 2002's 44% EPS growth. Because of our operating systems and the quality of our people, Brown & Brown is well positioned to continue to deliver outstanding results. Four years ago we announced our goal to record a 28% pre-tax margin by 2002. We have achieved that goal. The stage is now set to accomplish our next goal, in the not too distant future, of a billion dollars in revenue and a 40% operating margin (pre-tax income with interest and amortization expense added back)," noted Chairman and Chief Executive Officer, J. Hyatt Brown.

Jim W. Henderson, President and Chief Operating Officer added, "We continue to see ever increasing opportunity for new merger and acquisition relationships that should continue our external growth. At the same time, we anticipate the continuation of firm insurance rates and rationed capacity, to help us maintain favorable internal growth through 2003, and probably beyond."

Brown & Brown, Inc. and its subsidiaries provide a broad range of insurance and reinsurance products and services, as well as risk management, employee benefit administration, and managed health care services through offices located across the United States. The company is ranked by Business Insurance magazine as the nation's sixth largest independent insurance intermediary organization. Our Web address is www.bbinsurance.com.

This press release may contain certain statements relating to future results which are forward-looking statements. These statements are not historical facts, but instead represent only the Company's belief regarding future events, many of which, by their nature, are inherently uncertain and outside of the Company's control. It is possible that the Company's actual results and financial condition may differ, possibly materially, from the anticipated results and financial condition indicated in these forward-looking statements. Further information concerning the Company and its business, including factors that potentially could materially affect the Company's financial results, are contained in the Company's filings with the Securities and Exchange Commission. Some factors include: general economic conditions around the country; downward commercial property and casualty premium pressures; the competitive environment; the integration of the Company's operations with those of businesses or assets the Company has acquired or may acquire in the future and the failure to realize the expected benefits of such integration; and the potential occurrence of a disaster that affects certain areas of the States of Arizona, California, Florida and/or New York, where significant portions of the Company's business are concentrated. All forward-looking statements included in this press release are made only as of the date of this press release, and we do not undertake any obligation to publicly update or correct any forward-looking statements to reflect events or circumstances that subsequently occur or of which we hereafter become aware.

BROWN & BROWN, INC.
 CONSOLIDATED STATEMENTS OF INCOME
 (Unaudited)
 (in thousands, except per share data)

	For the Three-Months Ended December 31, 2002	For the Twelve-Months Ended December 31, 2001	For the Three-Months Ended December 31, 2002	For the Twelve-Months Ended December 31, 2001
REVENUES				
Commissions and fees		\$117,402	\$95,127	\$452,289
Investment income		723	773	2,945
Other income (loss)		1,022	(23)	508
			1,646	
Total revenues		119,147	95,877	455,742
				365,029

EXPENSES

Employee compensation and benefits	60,224	47,052	224,755	187,653
Non-cash stock grant compensation	798	512	3,823	1,984
Other operating expenses	19,381	15,954	66,554	56,815
Amortization	3,848	4,289	14,042	15,860
Depreciation	1,926	1,319	7,245	6,536
Interest	1,103	878	4,659	5,703

Total expenses 87,280 70,004 321,078 274,551

Income before income taxes and minority interest 31,867 25,873 134,664 90,478

Income taxes 9,721 10,031 49,271 34,834

Minority interest, net of income taxes 766 627 2,271 1,731

Net income \$21,380 \$15,215 \$83,122 \$53,913

Net income per share:

Basic	\$0.31	\$0.24	\$1.24	\$0.86
Diluted	\$0.31	\$0.24	\$1.22	\$0.85

Weighted average number of shares

outstanding:

Basic	68,187	63,053	67,283	62,563
Diluted	68,953	63,837	68,043	63,222

BROWN & BROWN, INC.
INTERNAL GROWTH SCHEDULE
CORE COMMISSIONS AND FEES (1)
THREE-MONTHS ENDED DECEMBER 31, 2002
(Unaudited)
(in thousands)

Less

	Quarter Ended 12/31/02	Quarter Ended 12/31/01	Total Net Change	Total Acquisi- tion Growth%	Internal Revenues	Internal Growth%
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Florida Retail	\$31,843	\$28,098	\$3,745	13.3%	\$130	12.9%
National Retail	31,627	25,977	5,650	21.8%	5,130	2.0%
Western Retail	18,459	15,065	3,394	22.5%	2,269	7.5%
Total Retail	81,929	69,140	12,789	18.5%	7,529	7.6%

Professional

Programs	6,871	3,546	3,325	93.8%	3,318	0.2%
Special Programs	11,858	8,745	3,113	35.6%	--	35.6%

Total Programs 18,729 12,291 6,438 52.4% 3,318 25.4%

Brokerage 6,482 2,969 3,513 118.3% 1,295 74.7%

TPA Services 7,245 6,338 907 14.3% -- 14.3%

Total Core Commissions and

Fees (1) \$114,385 \$90,738 \$23,647 26.1% \$12,142 12.7%

(1) Total Commissions and Fees excluding profit sharing contingency revenues and divestitures.

BROWN & BROWN, INC.
CONSOLIDATED BALANCE SHEET
(Unaudited)
(in thousands)

December 31, December 31,
2002 2001

ASSETS

Current Assets:

Cash and cash equivalents	\$91,247	\$16,048
Restricted cash	79,796	50,328
Short-term investments	446	451
Premiums, commissions and fees receivable	144,244	101,449
Other current assets	16,527	8,230
Total current assets	332,260	176,506

Fixed assets, net	24,730	25,544
Goodwill, net	176,269	112,974
Other intangible assets, net	203,984	155,337
Investments	8,585	8,983
Deferred income taxes	1,788	1,519
Other assets	6,733	7,874
Total assets	\$754,349	\$488,737

LIABILITIES

Current Liabilities:

Premiums payable to insurance companies	\$191,682	\$151,649
Premium deposits and credits due clients	16,723	12,078
Accounts payable	15,393	10,085
Accrued expenses	46,586	31,930
Current portion of long-term debt	27,334	20,855
Total current liabilities	297,718	226,597

Long-term debt 57,585 78,195

Other liabilities 5,604 6,308

Minority Interest 1,852 2,352

SHAREHOLDERS' EQUITY

Common stock, par value \$0.10 per share; authorized 140,000 shares; issued 68,178 at 2002 and 63,194 at 2001	6,818	6,319
Additional paid-in capital	159,564	11,181
Retained earnings	223,102	153,392
Accumulated other comprehensive income	2,106	4,393
Total shareholders' equity	391,590	175,285

Total liabilities and share holders' equity \$754,349 \$488,737

SOURCE Brown & Brown, Inc.

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/CONTACT: Cory T. Walker, Chief Financial Officer, Brown & Brown, Inc., +1-386-239-7250/