FORM 10-Q

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended September 30, 1997.
or

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from _______________ to _______.

Commission file number 0-7201.

POE & BROWN, INC.
(Exact name of Registrant as specified in its charter)

Florida	59-0864469
(State or Other Jurisdiction of Incorporation or Organization)	(I.R.S. Employer Identification Number)
220 S. Ridgewood Ave., Daytona Beach, FL	32115
(Address of Principal Executive Offices)	(Zip Code)

Registrant's telephone number, including area code: (904) 252-9601

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months, and (2) has been subject to such filing requirements for the past ninety (90) days. Yes X No ____

The number of shares of the Registrant's common stock, $.10 par value, outstanding as of November 1, 1997, was 8,837,644.

POE & BROWN, INC.

Index to Form 10-Q
For The Quarter Ended September 30, 1997

ITEM 1: FINANCIAL STATEMENTS

POE & BROWN, INC.

CONDENSED CONSOLIDATED STATEMENTS OF INCOME (Unaudited)
(In thousands, except per share data)

	For the three months ended September 30,		For the nine months ended September 30,	
	1997	1996	1997	1996
REVENUES				
Commissions and fees	$30,920	$28,381	$94,440	$85,436
Investment income	933	756	3,087	2,399
Other income	213	289	747	940
Total revenues	32,066	29,426	98,274	88,775
EXPENSES				
Employee compensation and benefits	16,175	15,255	49,505	45,841
Other operating expenses	6,406	5,592	20,605	18,737
Interest and amortization	1,254	1,467	4,718	4,254
Total expenses	23,835	22,314	74,828	68,832
Income before income taxes	8,231	7,112	23,446	19,943
Income taxes	3,128	2,774	9,138	7,778
NET INCOME	$ 5,103	$ 4,338	$14,308	$12,165
Net income per share	$ .58	$ .50	$ 1.64	$ 1.40
Dividends declared per share	$ .14	$ .13	$ .40	$ .37
Weighted average number of shares outstanding	8,779	8,665	8,704	8,683

See notes to condensed consolidated financial statements.

POE & BROWN, INC.

CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands)

	(Unaudited) September 30, 1997	(Audited) December 31, 1996

ASSETS		
Cash and cash equivalents	$ 45,451	$ 31,786
Short-term investments	1,302	1,087
Premiums, commissions and fees receivable	52,740	62,940
Other current assets	7,665	7,307
Total current assets	107,158	103,120
Fixed assets, net	11,954	12,085
Intangible assets, net	49,271	50,167
Investments	11,164	11,288
Other assets	3,684	3,083
Total assets	$183,231	$179,743
LIABILITIES		
Premiums payable to insurance companies	$ 67,760	$ 73,570
Premium deposits and credits due customers	5,264	7,329
Accounts payable and accrued expenses	13,799	11,130
Current portion of long-term debt	5,472	5,365
Total current liabilities	92,295	97,394
Long-term debt	3,990	5,300
Deferred income taxes	3,630	3,603
Other liabilities	6,009	6,160
Total liabilities	105,924	112,457
SHAREHOLDERS' EQUITY		
Common stock, par value $.10 per share: authorized 18,000 shares; issued 8,791 shares at 1997 and 8,656 shares at 1996	879	866
Additional paid-in capital	1,062	1,671
Retained earnings	68,812	58,238
Net unrealized appreciation of available-for-sale securities, net of tax effect of $4,190 in 1997 and $4,163 in 1996	6,554	6,511
Total shareholders' equity	77,307	67,286
Total liabilities and shareholders' equity	$183,231	$179,743

See notes to condensed consolidated financial statements.

POE & BROWN, INC.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)
(In thousands)

	For the nine months ended September 30,	
	1997	1996
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	$14,308	$12,165
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	6,299	5,666
Net gains on sales of investments,		

fixed assets and customer accounts	(990)	(898)
Premiums, commissions and fees receivable, decrease	10,231	6,724
Other assets (increase)	(718)	(1,262)
Premiums payable to insurance companies (decrease) increase	(6,231)	109
Premium deposit and credits due customers (decrease)	(2,065)	(1,473)
Accounts payable and accrued expenses, increase	2,669	118
Other liabilities (decrease)	(186)	(180)
NET CASH PROVIDED BY OPERATING ACTIVITIES	23,317	20,969
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to fixed assets	(2,079)	(3,524)
Payments for businesses acquired, net of cash acquired	(1,837)	(10,969)
Proceeds from sales of fixed assets and customer accounts	435	848
Purchases of investments	(252)	(1,053)
Proceeds from sales of investments	557	624
NET CASH USED IN INVESTING ACTIVITIES	(3,176)	(14,074)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on long-term debt	(2,458)	(1,795)
Exercise of stock options and issuances of stock	1,044	858
Purchases of stock	(1,664)	(1,802)
Cash dividends paid	(3,398)	(3,118)
NET CASH USED IN FINANCING ACTIVITIES	(6,476)	(5,857)
Net increase in cash and cash equivalents	13,665	1,038
Cash and cash equivalents at beginning of period	31,786	28,350
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$45,451	$29,388

See notes to condensed consolidated financial statements.

POE & BROWN, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

SEPTEMBER 30, 1997

NOTE 1 - BASIS OF FINANCIAL REPORTING

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information and with the instructions for Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. For further information, refer to the consolidated financial statements and the notes thereto included in the Company's Annual Report on Form 10-K for the year ended December 31, 1996.

Results of operations for the three- and nine-month periods ended September 30, 1997 are not necessarily indicative of the results that may be expected for the year ending December 31, 1997.

NOTE 2 - NET INCOME PER SHARE

Net income per share is based upon the weighted average number of shares outstanding, adjusted for the dilutive effect of stock options, which is the same on both a primary and a fully-diluted basis.

In February 1997, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 128 "Earnings Per Share," (SFAS 128). SFAS 128 establishes new standards for computing and presenting earnings per share (EPS). Specifically, SFAS 128 replaces the presentation of primary EPS with a presentation of basic EPS, requires dual presentation of basic and diluted EPS on the face of the income statement for all entities with complex capital structures and requires a reconciliation of the numerator and denominator of the basic EPS computation to the numerator and denominator of the diluted EPS computation. SFAS 128 is effective for financial statements issued for periods ending after December 15, 1997; earlier application is not permitted. EPS for the Company for the periods ended September 30, 1997 and September 30, 1996 computed under SFAS 128 would not be different than that previously computed.

NOTE 3 - ACQUISITIONS

During the first quarter of 1996, the Company acquired a majority interest in Florida Intracoastal Underwriters, LLC, of Miami Lakes, Florida. During the second quarter of 1996, the Company acquired substantially all of the assets of B & R International, Inc. of Atlanta, Georgia. During the first quarter of 1997, the Company acquired substantially all of the assets of Dade Underwriters Insurance Agency of Aventura, Florida and Willits Insurance Agency of Ft. Lauderdale, Florida. These acquisitions have been accounted for using the purchase method of accounting. Pro forma results of operations for the nine-month periods ended September 30, 1996 and 1997 resulting from these acquisitions were not materially different from the results of operations as reported. The results of operations for the acquired companies have been combined with those of the Company since their respective acquisition dates.

On August 1, 1997, the Company issued 25,471 shares of its common stock for all of the outstanding stock of Shanahan, McGrath & Bradley, Inc., an Arizona corporation. This acquisition has been accounted for as a pooling-of-interests; however, due to the immaterial nature of the transaction, the Company's consolidated financial statements have not been restated for all periods prior to the transaction. The results of operations of the acquired company from the period January 1, 1997, through the date of acquisition, have been combined with those of the Company for the third quarter. The separate company operating results of Shanahan, McGrath & Bradley, Inc. for periods prior to the acquisition are not material to the Company's consolidated operating results.

NOTE 4 - LONG-TERM DEBT

The Company continues to maintain its credit agreement with a major insurance company under which $4 million (the maximum amount available for borrowings) was outstanding at September 30, 1997, at an interest rate equal to the prime lending rate plus one percent. The available amount will decrease by $1 million each August, as described in Note 7 to the consolidated financial statements contained in the Company's Annual Report on Form 10-K for the year ended December 31, 1996.

In November 1994, the Company entered into a revolving credit facility with a national banking institution which provides for available borrowings of up to $10 million. As of September 30, 1997, there were no borrowings against this line of credit.

NOTE 5 - CONTINGENCIES

The Company is not a party to any legal proceedings other than various claims and lawsuits arising in the normal course of business. Management of the Company does not believe that any such claims or lawsuits will have a material effect on the Company's financial condition or results of operations.

NOTE 6 - NEW ACCOUNTING STANDARDS

In June 1997, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 130, "Reporting Comprehensive Income" (SFAS 130) and No. 131, "Disclosures about Segments of an Enterprise and Related Information" (SFAS 131).

SFAS 130 requires that an enterprise (a) classify items of other comprehensive income by their nature in a financial statement and (b) display the accumulated balance of other comprehensive income separately from retained earnings and additional paid-in capital in the equity section of a statement of financial position. SFAS 130 is effective for financial statements for periods beginning after December 15, 1997.

SFAS 131 requires that a public business enterprise report financial and descriptive information about its reportable operating segments. SFAS 131 is effective for financial statements for periods beginning after December 15, 1997.

Since SFAS 130 and SFAS 131 are not effective for the 1997 financial statements, their effect on the Company have not been considered at this time.

ITEM 2: MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

RESULTS OF OPERATIONS

Net Income. Net income for the third quarter of 1997 was $5,103,000, or $.58 per share, compared with net income in the third quarter of 1996 of $4,338,000, or $.50 per share, a 16% increase in per share earnings. Net income for the nine months ended September 30, 1997 was $14,308,000, or $1.64 per share, compared with 1996 same period net income of $12,165,000, or $1.40 per share, for an 18% increase.

Commissions and Fees. Commissions and fees for the third quarter of 1997 increased $2,539,000, or 9% from 1996. Approximately $1,038,000 of this increase represents revenues from acquired agencies, with the remainder due to new business production. Commissions and fees for the nine months ended September 30, 1997 were $94,440,000 compared to $85,436,000 for the same period in 1996, an 11% increase. The 1997 increase is due to new business production and approximately $3,041,000 of revenues from acquired agencies.

Investment Income. Investment income for the quarter and nine-month periods ended September 30, 1997 increased $177,000 and $688,000, respectively, from the same periods in 1996. These increases are primarily due to higher levels of invested cash and changes in interest rate returns.

Other Income. Other income primarily includes gains and losses from the sale of customer accounts and other assets. Other income decreased approximately $193,000 for the nine months ended September 30, 1997 from the same period for 1996 and approximately $76,000 for the three months ended September 30, 1997 from the same period for 1996.

Employee Compensation and Benefits. Employee compensation and benefits increased during both the three and nine months ended September 30, 1997. The increase for the quarter ended September 30, 1997 was 6%, while the increase for the nine-month period ended September 30, 1997 was 8%. The increase primarily relates to additional compensation expense as a result of increased commission and fee revenues and merit pay increases. Employee compensation and benefits as a percentage of total revenue decreased to 50% in the third quarter of 1997 and for the nine months ended September 30, 1997 compared to 52% in the same periods last year.

Other Operating Expenses. Other operating expenses for the third quarter of 1997 increased $814,000, or 15%, over the same period in 1996, and increased as a percentage of total revenues from 19% to 20%. Other operating expenses increased $1,868,000 for the nine months ended September 30, 1997 versus the prior year, but as a percentage of total revenue remained constant at 21% for the nine months ended September 30, 1997 and September 30, 1996. The increase is primarily attributable to costs associated with acquisitions.

Interest and Amortization. Interest and amortization decreased $213,000, or 15% for the third quarter of 1997 over the same period in 1996 primarily due to the expiration of certain intangible amortization and reduction of debt. Interest and amortization for the nine months ended September 30, 1997 increased $464,000, or 11%, over the same period in 1996. This increase for the nine-month period is due primarily to the write-off of the remaining intangible assets related to a terminated agreement.

Income Taxes. The Company's effective tax rates for the three months ended September 30, 1997 and 1996 were 38% and 39%, respectively. The Company's effective tax rate for the nine months ended September 30, 1997 and September 30, 1996 remained constant at 39%. The decrease in the effective tax rate for the third quarter ended September 30, 1997 is primarily due to the increase in tax-exempt interest.

LIQUIDITY AND CAPITAL RESOURCES

The Company's cash and cash equivalents of $45,451,000 at September 30, 1997 increased by $13,665,000 from $31,786,000 at December 31, 1996. During the nine months ended September 30, 1997, $23,317,000 of cash was provided primarily from operating activities. Of this amount, $1,912,000 was used to acquire businesses, $2,079,000 for additions to fixed assets, $2,458,000 to repay long-term debt and the remainder primarily to pay dividends on the Company's common stock. The current ratio at September 30, 1997 was 1.16 compared to 1.06 as of December 31, 1996.

The Company has a revolving credit agreement with a major insurance company under which up to $4 million presently may be borrowed at an interest rate equal to the prime lending rate plus one percent. The amount of available credit decreases by $1 million each August through the year 2001, when it will expire. As of September 30, 1997, the maximum amount of borrowings was outstanding. In November 1994, the Company entered into a revolving credit facility with a national banking institution that provides for available borrowings of up to $10 million. As of September 30, 1997, there were no borrowings against this line of credit. The Company believes that its existing cash, cash equivalents, short-term investments portfolio, funds generated from operations, and available credit facility borrowings are sufficient to satisfy its normal financial needs.

ITEM 3: QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Not Applicable.

POE & BROWN, INC.

PART II - OTHER INFORMATION

ITEM 1 - LEGAL PROCEEDINGS

The Company is involved in various pending or threatened proceedings by or against the Company or one or more of its subsidiaries which involve routine litigation relating to insurance risks placed by the Company and other contractual matters. The Company's management does not believe that any of such pending or threatened proceedings will have a material adverse effect on the Company's financial position or results of operations.

ITEM 2 - CHANGES IN SECURITIES AND USE OF PROCEEDS

Effective August 1, 1997, the Company acquired all the outstanding shares of Shanahan, McGrath & Bradley, Inc., an Arizona corporation ("SMB"). In exchange for all of the outstanding common stock of the insurance agency, the Company issued a total of 25,471 shares of the Company's common stock to the former shareholders of SMB. The Company's shares were offered and sold privately, and no underwriter was involved in the transaction.

The Company issued the shares without registration under the Securities Act of 1933 (the "Act"). The Company relied upon the exemptions set forth in Section 4(2) of the Act and Rule 505 of Regulation D, promulgated thereunder. The shares were offered privately by the issuer to four persons in a business combination transaction in which the dollar value of the transaction was less than $5 million. The Company (i) made available to the purchasers the information required by Rule 502(b) of Regulation D, (ii) did not offer the shares by means of any advertisement, general solicitation or other means proscribed by Rule 502(c) of Regulation D, (iii) informed the purchasers of the limitations on resale of the shares and placed an appropriate restrictive legend on the share certificates, and (iv) filed a notice on Form D with the Securities and Exchange Commission within 15 days after the sale.

ITEM 6 - EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibits

Exhibit 3a - Articles of Incorporation (incorporated by reference to Exhibit 3a to Form 10-K for the year ended December 31, 1994)

Exhibit 3b - Amended and Restated Bylaws (incorporated by reference to Exhibit 3b to Form 10-K for the year ended December 31, 1996)

Exhibit 11 - Statement re: Computation of Earnings Per Share

Exhibit 27 - Financial Data Schedule (for SEC use only)

(b) There were no reports filed on Form 8-K during the quarter ended September 30, 1997.

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 thereunto duly authorized.

POE & BROWN, INC.

Date: November 11, 1997

/s/ WILLIAM A. ZIMMER
____
William A. Zimmer
Chief Financial Officer
(duly authorized officer and
principal financial officer
and principal accounting officer)

Exhibit 11 - Statement Re: Computation of Per Share Earnings (Unaudited)

	Three Months Ended September 30, 1997	1996	Nine Months Ended September 30, 1997	1996
Average shares outstanding	8,778	8,645	8,702	8,658
Net effect of dilutive stock options, based on the treasury stock method	1	20	2	25
Total shares used in computation	8,779	8,665	8,704	8,683
Net income	$5,103	$4,338	$14,308	$12,165
Net income per share	$ .58	$ .50	$ 1.64	$ 1.40

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This Schedule contains summary financial information extracted from the finanical statements to Poe & Brown, Inc. for the nine months ended September 30, 1997, and is qualified in its entirety by reference to such finanical statements.

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DEC-31-1997
SEP-30-1997
45,451
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