

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

FORM 10-K

(MARK ONE)

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF  
THE SECURITIES EXCHANGE ACT OF 1934 (FEE REQUIRED)  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 1995.

OR  
TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF  
THE SECURITIES EXCHANGE ACT OF 1934 (NO FEE REQUIRED)  
FOR THE TRANSITION PERIOD FROM \_\_\_\_\_ TO \_\_\_\_\_

COMMISSION FILE NUMBER 0-7201.

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

FLORIDA  
(State or other jurisdiction  
of  
incorporation or organization)

59-0864469  
(I.R.S. Employer  
Identification Number)

220 SOUTH RIDGEWOOD AVENUE, DAYTONA BEACH, FL 32114  
(Address of principal executive offices) (Zip Code)

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

SECURITIES REGISTERED PURSUANT TO SECTION 12(B) OF THE ACT: NONE  
SECURITIES REGISTERED PURSUANT TO SECTION 12(G) OF THE ACT:

COMMON STOCK \$.10 PAR VALUE  
(Title of class)

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

INDICATE BY CHECK MARK IF DISCLOSURE OF DELINQUENT FILERS PURSUANT TO ITEM  
405 OF REGULATION S-K IS NOT CONTAINED HEREIN AND WILL NOT BE CONTAINED, TO THE  
BEST OF THE REGISTRANT'S KNOWLEDGE, IN DEFINITIVE PROXY OR INFORMATION  
STATEMENTS INCORPORATED BY REFERENCE IN PART III OF THIS FORM 10-K OR ANY  
AMENDMENT TO THIS FORM 10-K [ ].

THE AGGREGATE MARKET VALUE OF THE VOTING STOCK HELD BY NON-AFFILIATES OF  
THE REGISTRANT, COMPUTED BY REFERENCE TO THE LAST REPORTED PRICE AT WHICH THE  
STOCK WAS SOLD ON MARCH 4, 1996, WAS \$161,684,057.

THE NUMBER OF SHARES OF THE REGISTRANT'S COMMON STOCK, \$.10 PAR VALUE,  
OUTSTANDING AS OF MARCH 4, 1996, WAS 8,682,359.

DOCUMENTS INCORPORATED BY REFERENCE

PORTIONS OF THE REGISTRANT'S 1995 ANNUAL REPORT TO SHAREHOLDERS ARE  
INCORPORATED BY REFERENCE INTO PARTS I AND II OF THIS REPORT. WITH THE EXCEPTION  
OF THOSE PORTIONS WHICH ARE INCORPORATED BY REFERENCE, THE REGISTRANT'S ANNUAL  
REPORT TO SHAREHOLDERS IS NOT DEEMED FILED AS PART OF THIS REPORT.

PORTIONS OF THE REGISTRANT'S PROXY STATEMENT FOR THE 1996 ANNUAL MEETING OF  
SHAREHOLDERS ARE INCORPORATED BY REFERENCE INTO PART III OF THIS REPORT.

## POE &amp; BROWN, INC.

FORM 10-K ANNUAL REPORT  
FOR THE YEAR ENDED DECEMBER 31, 1995

## PART I

## ITEM 1. BUSINESS

## GENERAL

Poe & Brown, Inc. (the "Company") is a general insurance agency headquartered in Daytona Beach and Tampa, Florida that resulted from an April 28, 1993 business combination involving Poe & Associates, Inc. ("Poe") and Brown & Brown, Inc. ("Brown"). Poe was incorporated in 1958 and Brown commenced business in 1939. Industry segment information is not presented because the Company realizes substantially all of its revenues from the general insurance agency business.

The Company is a diversified insurance brokerage and agency that markets and sells primarily property and casualty insurance products and services to its clients. Because the Company does not engage in underwriting activities, it does not assume underwriting risks. Instead, it acts in an agency capacity to provide its customers with targeted, customized risk management products.

The Company is compensated for its services by commissions paid by insurance companies and fees for administration and benefit consulting services. The commission is usually a percentage of the premium paid by an insured. Commission rates generally depend upon the type of insurance, the particular insurance company, and the nature of the services provided by the Company. In some cases, a commission is shared with other agents or brokers who have acted jointly with the Company in a transaction. The Company may also receive from an insurance company a contingent commission that is generally based on the profitability and volume of business placed with it by the Company over a given period of time. Fees are principally generated by the Service Division, which offers administration and benefit consulting services primarily in the workers' compensation and employee benefit markets. The amount of the Company's income from commissions and fees is a function of, among other factors, continued new business production, retention of existing customers, acquisitions, and fluctuations in insurance premium rates and insurable exposure units.

Premium pricing within the property and casualty insurance underwriting industry has been cyclical and has displayed a high degree of volatility based on prevailing economic and competitive conditions. Since the mid-1980s, the property and casualty insurance industry has been in a "soft market" during which the underwriting capacity of insurance companies expanded, stimulating an increase in competition and a decrease in premium rates and related commissions and fees. Significant reductions in premium rates occurred during the years 1987 through 1989 and continue, although to a lesser degree, through the present. The effect of this softness in rates on the Company's revenues has been somewhat offset by the Company's acquisitions and new business production. The Company cannot predict the timing or extent of premium pricing changes as a result of market fluctuations or their effect on the Company's operations in the future.

The Company's activities are conducted in 17 locations throughout Florida, and in 10 additional locations in Arizona, California, Colorado, Connecticut, Georgia, New Jersey, North Carolina, Pennsylvania, and Texas. Because the Company's business is concentrated in Florida, the occurrence of adverse economic conditions or an adverse regulatory climate in Florida could have a materially adverse effect on its business, although the Company has not encountered such conditions in the past.

The Company's business is divided into four divisions: (i) the Retail Division; (ii) the National Programs Division; (iii) the Service Division; and (iv) the Brokerage Division. The Retail Division is composed of Company employees in 23 offices that market and sell a broad range of insurance products to insureds. The National Programs Division works with underwriters to develop proprietary insurance programs for specific niche markets. These programs are marketed and sold primarily through approximately 270 independent agencies and more than 2,000 independent agents across the United States. The Company receives an override on the commissions generated by these independent agencies. The Service Division provides insurance-related

services such as third-party administration and consultation for workers' compensation and employee benefit markets. The Brokerage Division markets and sells excess and surplus commercial insurance primarily through independent agents.

The following table sets forth a summary of (i) the commission and fee revenues realized from each of the Company's operating divisions for each of the three years in the period ended December 31, 1995 (in thousands of dollars), and (ii) the percentage of the Company's total commission and fee revenues represented by each division for each of such periods:

	1993	%	1994	%	1995	%
Retail Division(1).....	\$58,959	62.4%	\$56,018	58.4%	\$ 59,552	58.4%
Nat'l Programs Division.....	23,633	25.0%	26,519	27.7%	27,542	27.0%
Service Division.....	10,166	10.8%	10,643	11.1%	10,751	10.5%
Brokerage Division.....	1,662	1.8%	2,672	2.8%	4,153	4.1%
Total.....	\$94,420	100%	\$95,852	100%	\$101,998	100%

(1) In 1993 and 1994, the Company sold retail offices in Tallahassee, Florida and Westlake Village, California and various other customer accounts. More than half the decline in Retail Division revenues from 1993 to 1994 is attributable to those dispositions.

#### RETAIL DIVISION

The Company's Retail Division operates through 23 locations in eight states. These locations employ approximately 550 persons. The Company's retail insurance agency business consists primarily of selling and marketing property and casualty insurance coverages to commercial, professional, and to a limited extent, individual customers. The categories of insurance principally sold by the Company are: Casualty -- insurance relating to legal liabilities, workers' compensation, commercial and private passenger automobile coverages, and fidelity and surety insurance; and Property -- insurance against physical damage to property and resultant interruption of business or extra expense caused by fire, windstorm or other perils. The Company also sells and services all forms of group and individual life, accident, health, hospitalization, medical and dental insurance programs. Each category of insurance is serviced by insurance specialists employed by the Company.

No material part of the Company's retail business depends upon a single customer or a few customers. During 1995, the Company's Retail Division received approximately \$418,000 of fees and commissions from Rock-Tenn Company, the Company's largest single Retail Division customer. Such amount represented less than 1% of the Retail Division's total commission and fee revenues for 1995.

In connection with the selling and marketing of insurance coverages, the Company provides a broad range of related services to its customers, such as risk management surveys and analysis, consultation in connection with placing insurance coverages, and claims processing. The Company believes these services are important factors in securing and retaining customers.

#### NATIONAL PROGRAMS DIVISION

The National Programs Division tailors insurance products to the needs of a particular professional or trade group, negotiates policy forms, coverages, and commission rates with an insurance company, and, in certain cases, secures the formal or informal endorsement of the product by an association. The National Programs Division's programs are marketed and sold primarily through a national network of approximately 270 independent agencies and more than 2,000 independent agents, who solicit customers through advertisements in association publications, direct mailings and personal contact. The Company also markets these products directly in Florida through the National Programs Division's Professional Services Program. Under agency agreements with the insurance companies that underwrite these programs, the Company usually has authority to bind coverages, subject to established guidelines, to bill and collect premiums and, in some cases, to process claims.

The Company is committed to ongoing market research and development of new proprietary programs. The Company employs a variety of methods, including interviews with members of prospective professional and trade groups, to assess the coverage needs of various professional groups and trade associations to which the Company does not presently offer insurance products. If the initial market research is positive, the Company studies the existing and potential competition and locates potential carriers for the program. A proposal is then submitted to and negotiated with a selected carrier and, in most instances, a professional or trade association concerning endorsement of the program. New programs are introduced through written communications, personal visits with agents, placements of advertising in trade publications and, where appropriate, participation in trade shows and conventions. Several new programs are currently being reviewed by the Company. There can be no assurance, however, as to whether the Company will be successful in developing any such new programs or what the market reception will be.

**Professional Groups.** The professional groups targeted by the National Programs Division include dentists, lawyers, physicians, and optometrists and opticians. Set forth below is a brief description of the programs offered to these four major professional groups.

- **Dentists:** The largest program marketed by the National Programs Division is a package insurance policy known as the Professional Protector Plan(R), which provides comprehensive coverage for dentists, including practice protection and professional liability. This program, initiated in 1969, is endorsed by 31 state or component dental societies, and is offered in 49 states, the District of Columbia, the Virgin Islands and Puerto Rico. This program presently insures approximately 37,100 dentists, which the Company believes represents approximately 27% of the eligible practicing dentists within the Company's marketing territories.

- **Lawyers:** The Company began marketing lawyers' professional liability insurance in 1973, and the national Lawyer's Protector Plan(R) was introduced in 1983. The program presently insures approximately 36,000 attorneys and is offered in 46 states and the Virgin Islands.

- **Physicians:** The Company markets professional liability insurance for physicians, surgeons, and other health care providers through a program known as the Physicians Protector Plan(R). The program, initiated in 1980, is currently offered in thirteen states and insures approximately 5,000 physicians.

- **Optometrists and Opticians:** The Optometric Protector Plan(R) was created in 1973 to provide optometrists and opticians with a package of practice and professional liability coverage. This program insures approximately 7,000 optometrists and opticians in all states and Puerto Rico.

The professional programs described above are underwritten predominantly through CNA Insurance Companies ("CNA"). The Company and CNA are parties to Program Agency Agreements with respect to each of the programs described above. Among other things, these agreements grant the Company the exclusive right to solicit and receive applications for program policies directly and from other licensed agents and to bind and issue such policies and endorsements thereto. In fulfilling its obligations under the agreements, the Company must comply with the administrative and underwriting guidelines established by CNA. The Company must use its best efforts to promote the programs and solicit and sell program policies. The Company is compensated through commissions on premiums, which vary according to insurance product (e.g., workers' compensation, commercial umbrella, package coverage, monoline professional and general liability) and the Company's role in the transaction. The commission to which the Company is entitled may change upon 90 days' written notice from CNA. The Program Agency Agreements are generally cancellable by either party on six months' or one year's advance written notice for any reason. An agreement may also be terminated upon breach, by the non-breaching party, subject to certain opportunities to cure the breach.

**Commercial.** The National Programs Division's Towing Operators Protector Plan(R) was introduced in 1993 and currently provides specialized insurance products to tow-truck operators in 29 states. The Automobile Dealers Protector Plan(R) insures used car dealers not affiliated with manufacturers. In Florida, the program is endorsed by the Florida Independent Auto Dealers Association. Since 1994, this Plan has been expanded into eight additional states, and currently insures approximately 3,000 dealers in nine states.

**Health Care Insurers, Inc. ("HCI"),** a wholly owned subsidiary of the Company located in Colorado Springs, Colorado, was created in 1989 to market and sell professional health care liability insurance and

property coverages through independent agents to hospitals, laboratories, nursing homes, medical groups, and clinics. HCI currently represents 165 clients in 22 states.

The Insurance Administration Center ("IAC") became a wholly owned subsidiary of the Company in 1989. IAC was founded in 1962 to serve as insurance consultant to the National Association of Wholesaler-Distributors ("NAW") and NAW's industry associations, which have a total of approximately 40,000 members. IAC currently serves NAW members as a third-party administration facility for life and health coverages, and markets and sells various employee benefits, property, and casualty insurance products to NAW members.

IAC's third-party administration services include billing, premium accounting, eligibility, enrollment, claims payments, and financial reporting, and IAC currently processes claims for approximately 350 employers associated with NAW in a program for which New York Life Insurance Company is the lead underwriter. Since April 1995, IAC's property and casualty offerings have been principally underwritten by General Accident Insurance Company. Prior to that time, they were principally underwritten by CIGNA.

#### SERVICE DIVISION

The Service Division consists of two separate components: (i) insurance and related services as a third-party administrator ("TPA") and consultant for employee health and welfare benefit plans, and (ii) insurance and related services providing comprehensive risk management and third-party administration to self-funded workers' compensation plans.

In connection with its employee benefit plan administrative services, the Service Division provides TPA services and consulting related to benefit plan design and costing, arrangement for the placement of stop-loss insurance and other employee benefit coverages, and settlement of claims. The Service Division provides utilization management services such as pre-admission review, concurrent/retrospective review, pre-treatment review of certain non-hospital treatment plans, and medical and psychiatric case management. In addition to the administration of self-funded health care plans, the Service Division offers administration of flexible benefit plans, including plan design, employee communication, enrollment and reporting. The Service Division's workers' compensation TPA services include risk management services such as loss control, claim administration, access to major reinsurance markets, cost containment consulting, and services for secondary disability and subrogation recoveries.

The Service Division provides workers' compensation TPA services for approximately 2,000 employers representing more than \$2 billion of employee payroll. The Company's largest workers' compensation contract represents approximately 72% of the Company's workers' compensation TPA revenues, or 5% of the Company's total commission and fee revenues.

#### BROKERAGE DIVISION

The Brokerage Division markets excess and surplus lines and specialty insurance products to the Company's Retail Division, as well as other retail agencies throughout Florida and the Southeast. The Brokerage Division represents various U.S. and U.K. surplus lines companies and is also a Lloyd's of London correspondent. In addition to surplus lines carriers, the Brokerage Division represents admitted carriers for smaller agencies that do not have access to large insurance carrier representation. Excess and surplus products include commercial automobile, garage, restaurant, builder's risk and inland marine lines. Difficult-to-insure general liability and products liability coverages are a specialty, as is excess workers' compensation. Retail agency business is solicited through mailings and direct contact with retail agency representatives. Effective July 1, 1995, the Company acquired Roehrig Flood & Associates, Inc., an excess and surplus lines broker located in St. Petersburg, Florida. Effective January 1, 1996, the Company acquired a 75% ownership in Florida Intracoastal Underwriters, Ltd. ("FIU") of Miami Lakes, Florida. FIU is a managing general agency that specializes in providing insurance coverages for coastal and inland high-value condominiums and apartments. FIU has developed a unique reinsurance facility to support the underwriting activities associated with these risks.

## EMPLOYEES

As of December 31, 1995, the Company had 1,035 full-time equivalent employees. The Company has contracts with its sales employees that include provisions restricting their right to solicit the Company's customers after termination of employment with the Company. The enforceability of such contracts varies from state to state depending upon state statutes, judicial decisions, and factual circumstances. The majority of these contracts are terminable by either party; however, the agreements not to solicit the Company's customers continue generally for a period of at least three years after employment termination.

None of the Company's employees is represented by a labor union, and the Company considers its relations with its employees to be satisfactory.

## COMPETITION

The insurance agency business is highly competitive, and numerous firms actively compete with the Company for customers and insurance carriers. Although the Company is the largest insurance agency headquartered in Florida, a number of firms with much greater resources and market presence compete with the Company in Florida and elsewhere. This situation is particularly pronounced outside Florida. Competition in the insurance business is largely based on innovation, quality of service, and price.

A number of insurance companies are engaged in the direct sale of insurance, primarily to individuals, and do not pay commissions to agents and brokers. To date, such direct writing has had relatively little effect on the Company's operations, primarily because the Company's Retail Division is commercially oriented.

## REGULATION, LICENSING AND AGENCY CONTRACTS

The Company or its designated employees must be licensed to act as agents by state regulatory authorities in the states in which the Company conducts business. Regulations and licensing laws vary in individual states and are often complex.

The applicable licensing laws and regulations in all states are subject to amendment or reinterpretation by state regulatory authorities, and such authorities are vested in most cases with relatively broad discretion as to the granting, revocation, suspension and renewal of licenses. The possibility exists that the Company could be excluded or temporarily suspended from carrying on some or all of its activities in, or otherwise subjected to penalties by, a particular state.

## ITEM 2. PROPERTIES

The Company's executive offices are located at 220 South Ridgewood Avenue, Daytona Beach, Florida 32115 and 401 East Jackson Street, Suite 1700, Tampa, Florida 33602. The Company also maintains offices in the following cities: Phoenix, Arizona; San Francisco, California; Colorado Springs, Colorado; Glastonbury, Connecticut; Brooksville, Florida; Ft. Lauderdale, Florida; Ft. Myers, Florida; Jacksonville, Florida; Kissimmee, Florida; Leesburg, Florida; Melbourne, Florida; Miami Lakes, Florida; Naples, Florida; Orlando, Florida; St. Petersburg, Florida; Sarasota, Florida; West Palm Beach, Florida; Winter Haven, Florida; Atlanta, Georgia; Charlotte, North Carolina; Clark, New Jersey; Somerset, New Jersey; Philadelphia, Pennsylvania; and Houston, Texas.

The Company occupies office premises under noncancellable operating leases expiring at various dates. These leases generally contain renewal options and escalation clauses based on increases in the lessors' operating expenses and other charges. The Company expects that most leases will be renewed or replaced upon expiration. See Note 8 of the "Notes to Consolidated Financial Statements" in the 1995 Annual Report to Shareholders for additional information on the Company's lease commitments.

At December 31, 1995 the Company owned one building located in downtown Daytona Beach, Florida having an aggregate book value of approximately \$128,000, including improvements. There are no outstanding mortgages on this building. This building generated lease revenue during 1995 of approximately \$16,600. During 1995, two other buildings having an aggregate book value approximating \$186,000 were sold for a

minimal gain. The Company also owns an office condominium in Venice, Florida which has a net book value of \$195,000, with no outstanding mortgage.

### ITEM 3. LEGAL PROCEEDINGS

On February 21, 1995, an Amended Complaint was filed in an action pending in the Superior Court of Puerto Rico, Bayamon division, and captioned Cadillac Uniform & Linen Supply Company, et al. v. General Accident Insurance Company, Puerto Rico, Limited, et al. The case was originally filed on November 23, 1994, and named General Accident Insurance Company, Puerto Rico Limited, and Benj. Acosta, Inc. as defendants. The Amended Complaint added several defendants, including the Company and Poe & Brown of California, Inc. ("P&B/Cal."), a subsidiary of the Company, as parties to the case. The Plaintiffs allege that P&B/Cal. failed to procure sufficient coverage for a commercial laundry facility that was rendered inoperable for a period of time as the result of a fire, and further allege that the Company is vicariously liable for the actions of P&B/Cal. The Amended Complaint seeks damages of \$11.2 million against P&B/Cal., the Company, the P&B/Cal. employee who handled the account and LBI Corp., a/k/a Levinson Bros., Inc. The Company and P&B/Cal. believe that P&B/Cal. has meritorious defenses to each of the claims asserted against it, and that the Company likewise has meritorious defenses to allegations premised upon theories of vicarious liability. Both the Company and P&B/Cal. intend to contest this action vigorously. In the event that damages are awarded against P&B/Cal. or the Company, P&B/Cal. and the Company believe that available insurance would be sufficient to cover such loss.

On September 9, 1994, the Company was named as a third-party defendant in a case pending in the United States District Court, Eastern District of New York, captioned Alec Sharp, an Underwriter at Lloyds on behalf of himself and other Lloyd's Underwriters and Colin Trevor Dingley, on behalf of himself and other Lloyd's Underwriters v. Best Security Corp., d/b/a Independent Armored, et al. The third-party complaint was filed against the Company by some of the defendants in the action. The case arose from the theft of jewelry claimed to be worth approximately \$7 million from an armored car owned and operated by Best Security Corp. Plaintiffs, the insurers, sought a declaratory judgment against the insured and purported additional insureds that the policy was void from inception because the insured made misrepresentations on the application. In the third-party complaint, the third-party plaintiffs alleged that the Company issued certificates of insurance naming additional insureds without authorization, and claimed the Company failed to communicate information given to the Company by the named insured to the Underwriters at Lloyds of London. As of March 15, 1996, the claims of all but three of the third-party plaintiffs had been resolved through settlement. The Company does not believe the three remaining claims will have a materially adverse effect on the consolidated financial position or future operations of the Company.

In 1992, the Internal Revenue Service (the "Service") completed examinations of the Company's federal income tax returns for the years 1988, 1989, and 1990. As a result of these examinations, the Service issued Reports of Proposed Adjustments asserting income tax deficiencies which, by including interest and state income taxes for the periods examined and the Company's estimates of similar adjustments for subsequent periods through December 31, 1993, would have totalled \$6,100,000. The disputed issues related primarily to the deductibility of amortization of purchased customer accounts of approximately \$5,107,000 and of non-compete agreements of approximately \$993,000. In addition, the Service's report included a dispute regarding the timing at which the Company's payments made pursuant to certain indemnity agreements would be deductible for tax reporting purposes. During 1994, the Company reached a settlement with the Service with respect to certain of the disputed amortization items and the indemnity agreement payment issue. This settlement reduced the total remaining asserted income tax deficiencies to approximately \$2,800,000. In March 1995, the Company reached an agreement with the Service on the remaining unsettled items. The agreement resulted in payments by the Company of approximately \$349,000. With all disputed items settled, the Company recorded a \$451,000 reduction in its general tax reserve.

The Company is involved in various other pending or threatened proceedings by or against the Company or one or more of its subsidiaries that involve routine litigation relating to insurance risks placed by the Company and other contractual matters. Management of the Company does not believe that any of such

pending or threatened proceedings (including the proceedings described above) will have a materially adverse effect on the consolidated financial position or future operations of the Company.

#### ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

No matters were submitted to a vote of security holders during the Company's fourth quarter ended December 31, 1995.

### PART II

#### ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

The Company's common stock is traded on the National Market System of The Nasdaq Stock Market under the symbol "POBR." The approximate number of shareholders of record as of March 4, 1996 was 842, and the closing price per share on that date was \$25.25.

The table below sets forth information for each quarter in the last two fiscal years concerning (i) the high and low sales prices for the Company's common stock, and (ii) cash dividends declared per share.

	STOCK PRICE RANGE		CASH DIVIDENDS PER SHARE
	HIGH	LOW	
1995			
First quarter.....	\$22.50	\$20.25	\$0.12
Second quarter.....	24.25	22.00	0.12
Third quarter.....	25.25	23.25	0.12
Fourth quarter.....	25.25	24.25	0.12
1994			
First quarter.....	\$19.50	\$17.63	\$0.10
Second quarter.....	20.50	18.25	0.10
Third quarter.....	22.75	19.75	0.10
Fourth quarter.....	21.75	19.50	0.12

#### ITEM 6. SELECTED FINANCIAL DATA

Information under the caption "Financial Highlights" on page 2 of the Company's 1995 Annual Report to Shareholders is incorporated herein by reference.

#### ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Information under the caption "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 18-22 of the Company's 1995 Annual Report to Shareholders is incorporated herein by reference.

#### ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The Consolidated Financial Statements of Poe & Brown, Inc. and its subsidiaries, together with the reports thereon of Arthur Andersen LLP and Ernst & Young LLP, appearing on pages 23-41 of the Company's 1995 Annual Report to Shareholders, are incorporated herein by reference.



ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

Not Applicable.

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

Information contained under the caption "Management" on pages 4-6 of the Company's Proxy Statement for its 1996 Annual Meeting of Shareholders is incorporated herein by reference.

ITEM 11. EXECUTIVE COMPENSATION

Information contained under the caption "Executive Compensation" on pages 7-10 of the Company's Proxy Statement for its 1996 Annual Meeting of Shareholders is incorporated herein by reference; provided, however, that the report of the Compensation Committee on executive compensation, which begins on page 10 thereof, and the stock performance graph on page 12 thereof shall not be deemed to be incorporated herein by reference.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

Information contained under the caption "Security Ownership of Management and Certain Beneficial Owners" on pages 2-3 of the Company's Proxy Statement for its 1996 Annual Meeting of Shareholders is incorporated herein by reference.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Information contained under the captions "Executive Compensation -- Transactions with Directors" and "Executive Compensation -- Compensation Committee Interlocks and Insider Participation" on pages 9-10 of the Company's Proxy Statement for its 1996 Annual Meeting of Shareholders is incorporated herein by reference.

PART IV

ITEM 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES, AND REPORTS ON FORM 8-K

(a) The following documents are filed as part of this report:

1. Consolidated Financial Statements of Poe & Brown, Inc. (incorporated herein by reference from pages 23-41 of the Company's 1995 Annual Report to Shareholders) consisting of:

- (a) Consolidated Statements of Income for each of the three years in the period ended December 31, 1995.
- (b) Consolidated Balance Sheets as of December 31, 1995 and 1994.
- (c) Consolidated Statements of Shareholders' Equity for each of the three years in the period ended December 31, 1995.
- (d) Consolidated Statements of Cash Flows for each of the three years in the period ended December 31, 1995.
- (e) Notes to Consolidated Financial Statements.
- (f) Reports of Independent Certified Public Accountants.

2. Consolidated Financial Statement Schedule included on page 14 of this report, consisting of:

- (a) Schedule II -- Valuation and Qualifying Accounts.

The independent auditors' report with respect to the above-listed financial statement schedule appears on page 12 of this report on Form 10-K. All other schedules are omitted because they are not applicable, or not required, or because the required information is included in the Consolidated Financial Statements or the Notes thereto.

### 3. EXHIBITS

- 3a -- Articles of Incorporation of the Registrant, as last amended on April 28, 1993 (incorporated by reference to Exhibit 3a to Form 10-K for the year ended December 31, 1994).
- 3b -- Amended and Restated By-Laws of the Registrant effective March 22, 1994 (incorporated by reference to Exhibit 3b to Registration Statement No. 33-58090 on Form S-4).
- 4 -- Revolving Loan Agreement dated November 9, 1994, by and among the Registrant and SunTrust Bank, Central Florida, N.A., f/k/a SunBank, National Association (incorporated by reference to Exhibit 4 to Form 10-K for the year ended December 31, 1994).
- 10a(1) -- Lease of Registrant for office space at 220 South Ridgewood Avenue, Daytona Beach, Florida dated August 15, 1987 (incorporated by reference to Exhibit 10a(3) to Form 10-K for the year ended December 31, 1993).
- 10a(2) -- Lease agreement for office space at SunTrust Financial Centre, Tampa, Florida, dated February 1995, between Southeast Financial Center Associates, as landlord, and Registrant, as tenant (incorporated by reference to Exhibit 10a(4) to Form 10-K for the year ended December 31, 1994).
- 10b -- Registrant's 1985 Stock Option Plan (incorporated by reference to Exhibit 10b(1) to Form 10-K for the year ended December 31, 1984).
- 10c -- Registrant's 1989 Stock Option Plan (incorporated by reference to Exhibit 10f to Form 10-K for the year ended December 31, 1989).
- 10d -- Loan Agreement between Continental Casualty Company and Registrant dated August 23, 1991 (incorporated by reference to Exhibit 10d to Form 10-K for the year ended December 31, 1991).
- 10e -- Indemnity Agreement dated January 1, 1979, among the Registrant, Whiting National Management, Inc., and Pennsylvania Manufacturers' Association Insurance Company (incorporated by reference to Exhibit 10g to Registration Statement No. 33-58090 on Form S-4).
- 10f -- Agency Agreement dated January 1, 1979 among the Registrant, Whiting National Management, Inc., and Pennsylvania Manufacturers' Association Insurance Company (incorporated by reference to Exhibit 10h to Registration Statement No. 33-58090 on Form S-4).
- 10g -- Indemnification Agreement, dated February 22, 1993, between the Registrant and William F. Poe, Sr. (incorporated by reference to Exhibit 10k to Registration Statement No. 33-58090 on Form S4).\*
- 10h -- Deferred Compensation Agreement, dated May 1, 1983, as amended April 27, 1993, between the Registrant and Kenneth E. Hill (incorporated by reference to Exhibit 10i to Form 10-K for the year ended December 31, 1993).
- 10i -- Employment Agreement, dated April 28, 1993 between the Registrant and William F. Poe, Sr. (incorporated by reference to Exhibit 10j to Form 10-K for the year ended December 31, 1993).
- 10j -- Employment Agreement, dated April 28, 1993 between the Registrant and J. Hyatt Brown (incorporated by reference to Exhibit 10k to Form 10-K for the year ended December 31, 1993).
- 10k -- Portions of Employment Agreement, dated April 28, 1993 between the Registrant and Kenneth E. Hill (incorporated by reference to Exhibit 10l to Form 10-K for the year ended December 31, 1993).

- 101 -- Portions of Employment Agreement, dated April 28, 1993 between the Registrant and Jim W. Henderson (incorporated by reference to Exhibit 10m to Form 10-K for the year ended December 31, 1993).
- 10m -- Portions of Promissory Note and Security Agreement, dated January 20, 1995, between William F. Poe Sr., and the Registrant (incorporated by reference to Exhibit 10n to Form 10-K for the year ended December 31, 1994).
- 10n -- Form of Underwriting Agreement among the Registrant, The Robinson-Humphrey Company, Inc., Smith Barney, Inc. and certain selling shareholders of the Registrant (incorporated by reference to Exhibit 1 to Registration Statement No. 33-61591 on Form S-3).
- 11 -- Statement Re: Computation of Per Share Earnings
- 13 -- Portions of Registrant's 1995 Annual Report to Shareholders (not deemed "filed" under the Securities Exchange Act of 1934, except for those portions specifically incorporated by reference herein).
- 22 -- Subsidiaries of the Registrant
- 23a -- Consent of Ernst & Young LLP.
- 23b -- Consent of Arthur Andersen LLP.
- 24a -- Powers of Attorney pursuant to which this Form 10-K has been signed on behalf of certain directors and officers of the Registrant.
- 24b -- Resolutions of the Board of Directors, certified by the Secretary.
- 27 -- Financial Data Schedule.

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\* The registrant has Indemnification Agreements with certain of its other directors and former directors (Joseph E. Brown, Bruce G. Geer, V.C. Jordan, Jr., Byrne Litschgl, Charles W. Poe, William F. Poe, Jr., and Bernard H. Mizel) that are identical in all material respects to Exhibit 10g except for the parties involved and the dates executed.

(b) REPORTS ON FORM 8-K

The Registrant filed a report on Form 8-K with the Securities and Exchange Commission on October 16, 1995, reporting (i) the Registrant's decision not to renew the engagement of Ernst & Young LLP as the Registrant's independent accountants, and (ii) the engagement of Arthur Andersen LLP as the Registrant's new independent accountants.

## SCHEDULE II

## POE &amp; BROWN, INC. AND SUBSIDIARIES

VALUATION AND QUALIFYING ACCOUNTS  
YEARS ENDED DECEMBER 31, 1995, 1994 AND 1993

COLUMN A	COLUMN B	COLUMN C		COLUMN D	COLUMN E
DESCRIPTION	BALANCE AT BEGINNING OF PERIOD	ADDITIONS		DEDUCTIONS -- DESCRIBE	BALANCE AT END OF PERIOD
		(1) CHARGED TO COST AND EXPENSES	(2) CHARGED TO OTHER ACCOUNTS -- EXPENSES		
Year ended December 31, 1995 Deducted from asset account: Allowance for doubtful accounts.....	\$69,000	\$ 72,000	\$ --	\$ 41,000(A)	\$100,000
Year ended December 31, 1994 Deducted from asset account: Allowance for doubtful accounts.....	\$435,000	\$ 19,000	\$ --	\$ 385,000(A)	\$69,000
Year ended December 31, 1993 Deducted from asset account: Allowance for doubtful accounts.....	\$590,000	\$562,000	\$ --	\$ 717,000(A)	\$435,000

(A) Uncollectible accounts written off, net of recoveries.

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS  
ON FINANCIAL STATEMENT SCHEDULE

To Poe &amp; Brown, Inc.:

We have audited in accordance with generally accepted auditing standards, the 1995 consolidated financial statements included in Poe & Brown, Inc.'s Annual Report to Stockholders incorporated by reference in this Form 10-K, and have issued our report thereon dated January 29, 1996. Our audit was made for the purpose of forming an opinion on those statements taken as a whole. The schedule listed in Item 14(a)2 is the responsibility of the Company's management and is presented for purposes of complying with the Securities and Exchange Commission's rules and is not part of the basic consolidated financial statements. The 1995 amounts in this schedule have been subjected to the auditing procedures applied in the audit of the 1995 basic consolidated financial statements and, in our opinion, fairly state in all material respects the financial data required to be set forth therein in relation to the 1995 basic consolidated financial statements taken as a whole.

Arthur Andersen LLP

Orlando, Florida  
January 29, 1996

## SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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.  
Registrant

By: \*

-----  
J. Hyatt Brown  
Chief Executive Officer

Date: March 19, 1996

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed by the following persons on behalf of the Registrant and in the capacities and on the date indicated.

SIGNATURE	TITLE	DATE
* ----- J. Hyatt Brown	Chairman of the Board, President and Chief Executive Officer (Principal Executive Officer)	March 19, 1996
* ----- Samuel P. Bell, III	Director	March 19, 1996
* ----- Bradley Currey, Jr.	Director	March 19, 1996
* ----- Bruce G. Geer	Director	March 19, 1996
* ----- Jim W. Henderson	Director	March 19, 1996
* ----- Kenneth E. Hill	Director	March 19, 1996
* ----- Theodore J. Hoepner	Director	March 19, 1996
* ----- Charles W. Poe	Director	March 19, 1996

SIGNATURE

TITLE

DATE

\*

Director

March 19, 1996

William F. Poe

\*

Director

March 19, 1996

William F. Poe, Jr.

\*

Vice President, Treasurer and  
Chief Financial Officer  
(Principal Financial and  
Accounting Officer)

March 19, 1996

James A. Orchard

\*By: /s/ LAUREL J. LENFESTEY

Laurel J. Lenfestey  
Attorney-in-Fact

## EXHIBIT INDEX

EXHIBIT  
NUMBER

DESCRIPTION

---

11	-- Statement Re: Computation of Per Share Earnings
13	-- Portions of 1995 Annual Report to Shareholders
22	-- Subsidiaries
23a	-- Consent of Ernst & Young LLP
23b	-- Consent of Arthur Andersen LLP
24a	-- Powers of Attorney
24b	-- Certified Resolutions of the Board of Directors
27	-- Financial Data Schedule



## EXHIBIT 11

## STATEMENT RE: COMPUTATION OF PER SHARE EARNINGS

	Year Ended December 31,		
	1995	1994	1993
	----- (in thousands, except per share data)		
Average shares outstanding.....	8,660	8,593	8,441
Net effect of dilutive stock options, based on the treasury stock method.....	39	77	130
Total shares used in computation.....	<u>8,699</u>	<u>8,670</u>	<u>8,571</u>
	=====	=====	=====
Net income.....	\$14,799	\$13,519	\$8,118
	=====	=====	=====
Net income per share.....	\$ 1.70	\$ 1.56	\$ 0.95
	=====	=====	=====



MANAGEMENT'S DISCUSSION AND ANALYSIS  
OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

General

[CHART 1: Net Income (in millions) by year:]

1990	- \$ 5.8
1991	- \$ 5.9
1992	- \$ 2.6
1993	- \$ 8.1
1994	- \$13.5
1995	- \$14.8

[CHART 2: Pre-tax Margin as a Percent of Revenue, by year:]

1990	- 11.7%
1991	- 12.7%
1992	- 9.1%
1993	- 13.3%
1994	- 20.3%
1995	- 21.9%

In April of 1993, Poe & Associates, Inc., headquartered in Tampa, Florida, and Brown & Brown, Inc., headquartered in Daytona Beach, Florida, combined to form Poe & Brown, Inc. (the "Company"). Since that time, the Company's operating results have steadily improved. The Company achieved pre-tax income from operations of \$23,329,000 in 1995, compared to \$20,586,000 in 1994 and \$13,047,000 in 1993. Pre-tax income, as a percentage of total revenues, was 21.9% in 1995, 20.3% in 1994 and 13.3% in 1993. This trend is primarily the result of the Company's achievement of revenue growth and operating efficiency improvements.

The Company's revenues are comprised principally of commissions paid by insurance companies, fees paid directly by clients and investment income. Commission revenues generally represent a percentage of the premium paid by the insured and are materially affected by fluctuations in both premium rate levels charged by insurance underwriters and the volume of premiums written by such underwriters. These premium rates are established by insurance companies based upon many factors, none of which are controlled by the Company. Beginning in 1986 and continuing through 1995, revenues have been adversely influenced by a consistent decline in premium rates resulting from intense competition among property and casualty insurers for expanding market share. Among other factors, this condition of prevailing decline in premium rates, commonly referred to as a "soft market," has generally resulted in flat to reduced commissions on renewal business. Although some forecasts predict premium increases, the probability of overall rate increases in 1996 is unpredictable.

Revenues are further impacted by the development of new and existing proprietary programs, fluctuations in insurable exposure units and the volume of business from new and existing clients and changes in general economic and competitive conditions. For example, stagnant rates of inflation in recent years have generally limited the increase in insurable exposure units such as property values, sales and payroll levels. Conversely, the increasing trend in litigation settlements and awards has caused some clients to seek higher levels of insurance coverage. Still, the Company's revenues continue to grow through acquisitions, new business initiatives and development of new products, markets and services. Effective March 1, 1995, the Company acquired Insurance West by merger. This merger has been accounted for as a pooling-of-interests and, accordingly, the Company's consolidated financial statements have been restated for all prior periods. Also during 1995, the Company acquired four general insurance agencies, an insurance brokerage firm and several books of business (customer accounts) which were accounted for as purchases.

Contingent commissions may be paid to the Company by insurance carriers based upon the volume and profitability of the business placed with

## [CHART 1: Revenue Per Employee (in thousands), by year:]

1990 - \$ 75.1
1991 - \$ 79.5
1992 - \$ 82.4
1993 - \$ 97.6
1994 - \$102.3
1995 - \$102.8

## [CHART 2: Employees at Year End, by year:]

1990 - 1,100
1991 - 1,073
1992 - 1,111
1993 - 1,002
1994 - 993
1995 - 1,035

such carriers by the Company, and are generally received in the first quarter of each year. In each of the last three years, contingent commissions have represented less than 3.5% of total revenues.

Fee revenues are generated primarily by the Service Division of the Company, which offers administration and benefit consulting services primarily in the workers' compensation and employee benefit self-insurance markets. Florida's legislative reform of workers' compensation insurance, as well as certain market factors, have resulted in increased competition in this service sector. In response to this increased competition, the Company has offered value-added services that enabled it to increase 1995 fee revenues over those recognized in 1994. For the past three years, service fee revenues have ranged from 9.9% to 11.1% of total commissions and fees.

Investment income consists primarily of interest earnings on premiums and advance premiums collected and not immediately remitted to insurance carriers, with such funds being held in a fiduciary capacity. Investment income also includes gains and losses realized from the sale of investments, although in 1995 such sales were minimal and realized gains and losses were immaterial. In 1994, investment income included a \$2,185,000 realized gain from the sale of a portion of the Company's investment in Rock-Tenn Company ("Rock-Tenn"). The Company's policy is to invest its available funds in high-quality, fixed-income investment securities.

In 1995, total expenses represented 78.1% of total revenues, compared to 79.7% in 1994 and 86.7% in 1993. This improving trend is primarily attributable to continuing operational efficiencies realized from recent mergers and acquisitions, expense initiatives resulting in lower employee benefit costs and reductions of interest expense due to significant repayments of debt.

The Company anticipates that results of operations for 1996 will continue to be influenced by these competitive and economic conditions.

The following discussion and analysis regarding results of operations and liquidity and capital resources should be considered in conjunction with the accompanying consolidated financial statements and related notes.

## Results of Operations for the years ended December 31, 1995, 1994 and 1993

## COMMISSIONS AND FEES

Commissions and fees increased 6% in 1995, 2% in 1994 and 7% in 1993. Excluding the effect of acquisitions, commissions and fees increased 3% in 1995 and 4% in 1993. Acquisition activity in 1994 did not have a material impact on commissions and fees. The 1995 results reflect an increase in commissions for each of the Company's operating divisions, mainly through new business growth. In general, property and casualty insurance premium prices remained flat in 1995; however, there were some continued increases in premium rates for coastal properties as a result of recent hurricanes in Florida. In addition, certain segments and industries had some increases in insurable exposure units during 1995. Both of these factors, along with the record level of new business, contributed to the increase in the 1995 Retail Division revenues.

## [CHART 1: Interest Expense as a Percentage of Revenue, by year:]

1990	- 1.9%
1991	- 2.3%
1992	- 2.3%
1993	- 1.8%
1994	- 1.3%
1995	- 0.8%

## [CHART 2: Operating Expense as a Percentage of Revenue, by year:]

1990	- 27.0%
1991	- 25.6%
1992	- 27.5%
1993	- 26.5%
1994	- 22.5%
1995	- 21.6%

## INVESTMENT INCOME

Investment income decreased to \$3,733,000 in 1995 compared to \$5,126,000 in 1994. The 1994 results included a \$2,185,000 gain from the sale of approximately 23% of the Company's investment in the common stock of Rock-Tenn. This sale was in conjunction with an initial public offering by Rock-Tenn of its common stock. The Company continues to own 509,064 shares of common stock of Rock-Tenn and has no current plans to sell these shares. Excluding this gain, investment income in 1995 increased by \$792,000, or 27%, primarily due to increased available funds and the implementation of a consolidated cash management program which has resulted in improved earnings on cash and cash equivalents.

## OTHER INCOME

Other income consists primarily of gains and losses from the sale and disposition of assets. During 1995, gains on the sale of customer accounts were \$590,000, compared to \$411,000 in 1994 and \$864,000 in 1993.

## EMPLOYEE COMPENSATION &amp; BENEFITS

Employee compensation and benefits increased 5% in 1995, remained constant in 1994 and increased less than 3% in 1993. Excluding acquisitions, employee compensation and benefits increased 1% in 1995, remained constant in 1994 and decreased less than 1% in 1993. Employee compensation and benefits, as a percentage of total revenue, remained constant in 1995 and 1994 at 52%, down from 54% in 1993. As of December 31, 1995, the Company had 1,035 full-time equivalent employees, compared to 993 at the beginning of the year. The increase in personnel in 1995 is primarily related to acquisitions. The 1995 increase in compensation and employee benefits of \$2,519,000 is primarily attributable to the addition of personnel through acquisitions, additional commission expense as a result of the increased commission and fee revenues, and additional expense due to the acceleration of vesting of benefits under certain terminated deferred compensation arrangements effective July 1, 1995.

## OTHER OPERATING EXPENSES

Other operating expenses remained constant in 1995, compared to a decrease of 12% in 1994, as compared to 1993. Excluding acquisitions, operating expenses decreased 3% in 1995 and 12% in 1994. The 1994 decrease is primarily attributable to approximately \$2,500,000 of non-recurring merger and combination costs related to the Poe & Associates merger with Brown & Brown, incurred in 1993, and subsequent improvements in operational efficiencies that resulted in decreases to most other operating expenses.

## INTEREST AND AMORTIZATION

Interest and amortization decreased \$580,000 and \$553,000, or 10% and 9%, in 1995 and 1994, respectively, due primarily to a reduction in outstanding debt.

## INCOME TAXES

The effective rate on income from operations was 36.6% in 1995, 34.3% in 1994 and 37.8% in 1993. The lower effective tax rates in 1995 and 1994 are primarily due to the effect of recording a \$451,000 and a \$700,000 reduction, respectively, to the general tax reserves, as a result of reaching a settlement agreement with the Internal Revenue Service ("Service") on the Service's outstanding examination issues (see below for detailed discussion of this adjustment).

In 1992, the Service completed examinations of the Company's federal income tax returns for tax years 1988, 1989 and 1990. As a result of these examinations, the Service issued Reports of Proposed Adjustments asserting income tax deficiencies which, by including interest and state income taxes for the periods examined and the Company's estimates of similar adjustments for subsequent periods through December 31, 1993, would have totaled \$6,100,000. The disputed items related primarily to the deductibility of amortization of purchased customer accounts of approximately \$5,107,000 and of non-compete agreements of approximately \$993,000. In addition, the Service's report included a dispute regarding the time at which the Company's payments made, pursuant to certain indemnity agreements, would be deductible for tax reporting purposes.

During 1994 and 1995, the Company reached settlement agreements with the Service with respect to all of the disputed items. In 1994, a partial settlement was reached. Payments made under this partial settlement resulted in a \$400,000 reduction to the previously established tax reserves. During 1994, after considering this reduction, the Company reduced the remaining general tax reserves by \$700,000. This decrease was recorded as a reduction to the 1994 income tax provision.

In March of 1995, the Company reached an agreement with the Service on all remaining items. This agreement resulted in payments that reduced the reserve by approximately \$349,000. After considering these reductions, the Company recorded a \$451,000 reduction in the general tax reserve, which was recorded as a reduction to the 1995 income tax provision.

## Liquidity and Capital Resources

The Company's cash and cash equivalents of \$28,350,000 at December 31, 1995 increased \$5,165,000 from the December 31, 1994 balance of \$23,185,000. During 1995, primary sources of cash were \$21,208,000 from operating activities, \$1,469,000 from sales of fixed assets and customer accounts and \$106,000 from the exercise of stock options and issuances of common stock. Cash was used during 1995 primarily for payments on long-term debt of \$2,132,000, additions to fixed assets of \$5,321,000, purchases of investments of \$1,208,000, acquisitions of businesses of \$6,005,000 and payments of dividends of \$4,149,000.

The Company's cash and cash equivalents of \$23,185,000 at December 31, 1994 decreased \$3,947,000 from the December 31, 1993 balance of \$27,132,000. During 1994, primary sources of cash were \$10,396,000 from operating activities, \$2,346,000 from sales of investments and \$1,687,000 from the exercise of stock options and issuances of common stock. Cash was used during 1994 primarily for payments on long-term debt of \$12,004,000 and payments of dividends of \$3,542,000.

The Company's cash and cash equivalents of \$27,132,000 at December 31, 1993 increased

MANAGEMENT'S DISCUSSION AND ANALYSIS  
OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

\$8,326,000 from the December 31, 1992 balance of \$18,806,000. During 1993, primary sources of cash were \$20,709,000 from operating activities, \$427,000 from the sale of fixed assets and customer accounts and \$3,833,000 from bank borrowings. Cash was used during 1993 primarily for payments required under acquisition-related contingency agreements and for purchases of fixed assets totaling \$3,935,000, repayment of long-term debt of \$11,090,000 and payments of dividends of \$2,971,000.

The Company's working capital ratio was 1.13 to 1.0, 1.10 to 1.0 and 1.03 to 1.0 as of December 31, 1995, 1994 and 1993, respectively. The increase in the ratio at December 31, 1995 was primarily the result of higher net cash flows from operations.

In 1993, the Company entered into a long-term credit facility with a national banking institution that consisted of two secured term loans aggregating \$7,500,000 that carried interest at the LIBOR rate plus 2%. These bank term loans were used to replace approximately \$3,750,000 of 8.5% notes held by an insurance company and to fund acquisition contingency payments finalized in 1993. As of December 31, 1993, all acquisition contingency agreements had been finalized. This debt was fully retired during 1994.

The Company has had available an unsecured line of credit with a national banking institution totaling \$3,500,000 since 1991, but that line of credit was reduced to \$2,000,000 in conjunction with the credit facility referred to above. During 1994, in connection with the repayment of the long-term credit facility referred to above, the \$2,000,000 line of credit was terminated.

In November 1994, the Company entered into a revolving credit facility with a national banking association that provides for borrowings of up to \$10,000,000. On borrowings under this facility of less than \$1,000,000, the interest rate is the higher of the prime rate or the federal funds rate plus .50%. On borrowings under this facility equal to or in excess of \$1,000,000, the interest rate is LIBOR plus .50% to 1.25%, depending on certain financial ratios. A commitment fee is assessed in the amount of .25% per annum on the unused balance. The facility expires in November 1997. No borrowings were outstanding against this line of credit as of December 31, 1995. Borrowings would be secured by substantially all of the assets of the Company, subject to existing or permitted liens.

The Company has a credit agreement with a major insurance company under which \$6,000,000 (the maximum amount available for borrowings) was outstanding at December 31, 1995, at an interest rate equal to the prime rate plus 1%. The amount available under this facility decreases by \$1,000,000 each August, through the year 2001, when it will expire.

The Company believes that its existing cash, cash equivalents, short-term investment portfolio, funds generated from operations and the availability of the bank line of credit will be sufficient to satisfy its normal financial needs through at least the end of 1996.

## CONSOLIDATED STATEMENTS OF INCOME

(in thousands, except per share data)	YEAR ENDED DECEMBER 31,		
	1995	1994	1993
<b>REVENUES</b>			
Commissions and fees	\$101,998	\$95,852	\$94,420
Investment income	3,733	5,126	2,061
Other income	634	602	1,340
Total revenues	106,365	101,580	97,821
<b>EXPENSES</b>			
Employee compensation and benefits	55,073	52,554	52,699
Other operating expenses	22,951	22,848	25,930
Interest and amortization	5,012	5,592	6,145
Total expenses	83,036	80,994	84,774
Income before income taxes	23,329	20,586	13,047
Income taxes	8,530	7,067	4,929
Net income	\$14,799	\$13,519	\$8,118
Net income per share	\$1.70	\$1.56	\$0.95
Weighted average number of shares outstanding	8,699	8,670	8,571

See notes to consolidated financial statements.



## CONSOLIDATED BALANCE SHEETS

(in thousands, except per share data)	DECEMBER 31,	
	1995	1994
<b>ASSETS</b>		
Cash and cash equivalents	\$ 28,350	\$ 23,185
Short-term investments	1,308	787
Premiums, commissions and fees receivable, less allowance for doubtful accounts of \$100 at 1995 and \$69 at 1994	56,553	56,784
Other current assets	6,336	6,779
Total current assets	92,547	87,535
Fixed assets, net	10,412	8,330
Intangibles, net	36,613	32,973
Investments	8,473	9,274
Other assets	3,076	2,868
Total assets	\$151,121	\$140,980
<b>LIABILITIES</b>		
Premiums payable to insurance companies	\$ 64,588	\$ 63,195
Premium deposits and credits due customers	6,070	6,970
Accounts payable and accrued expenses	9,417	8,302
Current portion of long-term debt	1,768	1,434
Total current liabilities	81,843	79,901
Long-term debt	7,023	7,430
Deferred income taxes	1,502	3,778
Other liabilities	6,341	5,765
Total liabilities	96,709	96,874
<b>SHAREHOLDERS' EQUITY</b>		
Common stock, par value \$.10 per share; authorized 18,000 shares; issued 8,682 shares at 1995 and 8,635 shares at 1994	868	864
Additional paid-in capital	2,614	2,241
Retained earnings	46,094	35,660
Net unrealized appreciation of available-for-sale securities, net of tax effect of \$3,027 at 1995 and \$3,344 at 1994	4,836	5,341
Total shareholders' equity	54,412	44,106
Total liabilities and shareholders' equity	\$151,121	\$140,980

See notes to consolidated financial statements.

## CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

(in thousands, except per share data)	COMMON STOCK		ADDITIONAL PAID-IN CAPITAL	RETAINED EARNINGS	NET UNREALIZED APPRECIATION (DEPRECIATION)	TREASURY STOCK		TOTAL
	SHARES	AMOUNT				SHARES	AMOUNT	
BALANCE, JANUARY 1, 1993	8,539	\$ 854	\$1,125	\$20,736	\$ -	161	\$(1,483)	\$21,232
Net income				8,118				8,118
Issued for stock option plans and employee stock purchase plans	11	1	13			(116)	677	691
Tax benefit from sale of option shares by employees			176					176
Cash dividends paid (\$.40 per share)				(2,971)				(2,971)
BALANCE, DECEMBER 31, 1993	8,550	855	1,314	25,883	-	45	(806)	27,246
Net income				13,519				13,519
Issued for stock option plans and employee stock purchase plans	85	9	872			(45)	806	1,687
Tax benefit from sale of option shares by employees			55					55
Cumulative effect of change in accounting principle (see Note 1)					23			23
Net increase in unrealized appreciation of available-for-sale securities					5,318			5,318
Partnership distributions for Insurance West				(200)				(200)
Cash dividends paid (\$.42 per share)				(3,542)				(3,542)
BALANCE, DECEMBER 31, 1994	8,635	864	2,241	35,660	5,341	-	-	44,106
Net income				14,799				14,799
Acquired and issued for stock option plans and employee stock purchase plans	47	4	318	(216)				106
Tax benefit from sale of option shares by employees			55					55
Net decrease in unrealized appreciation of available-for-sale securities					(505)			(505)
Cash dividends paid (\$.48 per share)				(4,149)				(4,149)
BALANCE, DECEMBER 31, 1995	8,682	\$868	\$2,614	\$46,094	\$ 4,836	-	\$ -	\$54,412

See notes to consolidated financial statements.

## CONSOLIDATED STATEMENTS OF CASH FLOWS

(in thousands)	YEAR ENDED DECEMBER 31,		
	1995	1994	1993
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net income	\$14,799	\$13,519	\$8,118
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	6,487	6,398	7,030
Provision for doubtful accounts	31	19	562
Deferred income taxes	(2,191)	(1,173)	499
Net gains on sales of investments, fixed assets and customer accounts	(537)	(2,231)	(864)
Premiums, commissions and fees receivable decrease (increase)	200	(2,374)	1,982
Other assets decrease (increase)	235	(2,439)	805
Premiums payable to insurance companies increase (decrease)	1,393	(3,951)	4,657
Premium deposits and credits due customers (decrease) increase	(900)	1,919	(471)
Accounts payable and accrued expenses increase (decrease)	1,115	(683)	(2,821)
Other liabilities increase	576	1,392	1,212
Net cash provided by operating activities	21,208	10,396	20,709
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Additions to fixed assets	(5,321)	(2,400)	(1,815)
Payments for businesses acquired, net of cash acquired	(6,005)	(1,382)	(2,120)
Proceeds from sales of fixed assets and customer accounts	1,469	1,337	427
Purchases of investments	(1,208)	(187)	(93)
Proceeds from sales of investments	642	2,346	709
Other investing activities, net	-	(53)	(130)
Net cash used in investing activities	(10,423)	(339)	(3,022)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Payments on long-term debt	(2,132)	(12,004)	(11,090)
Proceeds from long-term debt	500	-	3,833
Exercise of stock options, issuances of stock and treasury stock sales	106	1,687	691
Tax benefit from sale of option shares by employees	55	55	176
Partnership distributions	-	(200)	-
Cash dividends paid	(4,149)	(3,542)	(2,971)
Net cash used in financing activities	(5,620)	(14,004)	(9,361)
Net increase (decrease) in cash and cash equivalents	5,165	(3,947)	8,326
Cash and cash equivalents at beginning of period	23,185	27,132	18,806
Cash and cash equivalents at end of period	\$28,350	\$23,185	\$27,132

See notes to consolidated financial statements.

## Note 1 - Summary of Significant Accounting Policies

**NATURE OF OPERATIONS** Poe & Brown, Inc. (the "Company") is a diversified insurance brokerage and agency that markets and sells primarily property and casualty insurance products and services to its clients. The Company's business is divided into four divisions: the Retail Division, which markets and sells a broad range of insurance products to commercial, professional and individual clients; the National Programs Division, which develops and markets proprietary professional liability, property, casualty and life and health insurance programs to members of various professional and trade groups through independent agencies; the Service Division, which provides insurance-related services, such as third-party administration and consultation for workers' compensation and employee benefit self-insurance markets; and the Brokerage Division, which markets and sells excess and surplus commercial insurance primarily through independent agents and brokers.

**PRINCIPLES OF CONSOLIDATION** The accompanying consolidated financial statements include the accounts of Poe & Brown, Inc. and its subsidiaries. All significant intercompany account balances and transactions have been eliminated in consolidation.

**REVENUE RECOGNITION** Commissions relating to the brokerage and agency activity, whereby the Company has primary responsibility for the collection of premiums from insureds, are generally recognized as of the latter of the effective date of the insurance policy or the date billed to the customer. Commissions to be received directly from insurance companies are generally recognized when determined. Subsequent commission adjustments, such as policy endorsements, are recognized upon notification from the insurance companies. Commission revenues are reported net of sub-broker commissions. Contingent commissions from insurance companies are recognized when received. Fee income is recognized as services are rendered.

**USE OF ESTIMATES** The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**CASH AND CASH EQUIVALENTS** Cash and cash equivalents principally consist of demand deposits with financial institutions and highly liquid investments having maturities of three months or less when purchased. Premiums received from insureds, but not yet remitted to insurance carriers, are held in cash and cash equivalents in a fiduciary capacity.

**PREMIUMS, COMMISSIONS AND FEES RECEIVABLE** In its capacity as an insurance broker or agent, the Company typically collects premiums from insureds and, after deducting its authorized commission, remits the premiums to the appropriate

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

insurance companies. In other circumstances, the insurance companies collect the premiums directly from the insureds and remit the applicable commissions to the Company. Accordingly, as reported in the Consolidated Balance Sheets, "premiums" are receivable from insureds and "commissions" are receivable from insurance companies. "Fees" are receivable primarily from customers of the Service Division.

**INVESTMENTS** Effective January 1, 1994, the Company adopted Statement of Financial Accounting Standards ("SFAS") No. 115, "Accounting for Certain Investments in Debt and Equity Securities." Under these rules, the Company's marketable equity security investments have been classified as "available-for-sale" and are reported at estimated fair value, with the unrealized gains and losses, net of tax, reported as a separate component of shareholders' equity. Realized gains and losses and declines in value judged to be other-than-temporary on available-for-sale securities are included in investment income. The cost of securities sold is based on the specific identification method. Interest and dividends on securities classified as available-for-sale are included in investment income.

Nonmarketable equity securities and certificates of deposit having maturities of more than three months when purchased are reported at cost, adjusted for other-than-temporary market value declines.

Application of SFAS No. 115 resulted in net unrealized gains reported in shareholders' equity of \$4,836,000 in 1995 and \$5,341,000 in 1994, net of deferred income taxes of \$3,027,000 and \$3,344,000, respectively. The adoption of this Statement resulted in an increase of \$23,000 to shareholders' equity as of January 1, 1994, net of \$15,000 in deferred taxes.

As of January 1, 1994, the Company owned 659,064 shares of common stock of Rock-Tenn Company ("Rock-Tenn") with an aggregate cost of \$565,000. As of that date, the common stock of Rock-Tenn was not publicly traded and, therefore, had no readily determinable market value. However, on March 3, 1994, the common stock of Rock-Tenn was registered with the Securities and Exchange Commission and began trading on the Nasdaq over-the-counter securities market at the initial public offering price of \$16.50 per share. As part of the initial public offering of Rock-Tenn's common stock, the Company sold 150,000 shares of its investment in this stock and reported a net after-tax gain of \$1,342,000 in the first quarter of 1994. The remaining 509,064 shares of Rock-Tenn common stock held by the Company have been classified as non-current, available-for-sale securities as of December 31, 1995 and 1994. The Company has no current plans to sell these shares.

**FIXED ASSETS** Fixed assets are stated at cost. Expenditures for improvements are capitalized and expenditures for maintenance and repairs are charged to operations as incurred. Upon sale or retirement, the cost and related accumulated depreciation and amortization are removed from the accounts and the resulting gain or loss, if any, is reflected in income. Depreciation has been provided using principally the straight-line method over the estimated useful lives of the related assets, which range from three to ten years. Leasehold improvements are amortized on the straight-line method over the term of the related leases.

**INTANGIBLES** Intangible assets are stated at cost less accumulated amortization and principally represent purchased customer accounts, non-compete agreements, purchased contract agreements and the excess of costs over the fair value of identifiable net assets acquired (goodwill). Purchased customer accounts, non-compete agreements and purchased contract agreements are being amortized on a straight-line basis over the related estimated lives and contract periods, which range from four to 15 years. Goodwill is being amortized on a straight-line basis for periods ranging from 15 to 40 years. Purchased customer accounts are records and files obtained from acquired businesses that contain information on insurance policies and the related insured parties that is essential to policy renewals.

The carrying value of intangibles, corresponding with each agency division comprising the Company, is periodically reviewed by management to determine if the facts and circumstances suggest that they may be impaired. In the insurance brokerage and agency industry, it is common for agencies or customer accounts to be acquired at a price determined as a multiple of the corresponding revenues. Accordingly, the Company assesses the carrying value of its intangibles by comparison to a reasonable multiple applied to corresponding revenues and considers the operating cash flow generated by the corresponding agency division. Any impairment identified through this assessment may require that the carrying value of related intangibles be adjusted.

**INCOME TAXES** The Company files a consolidated federal income tax return. Deferred income taxes are provided for in the consolidated financial statements and relate principally to expenses charged to income for financial reporting purposes in one period and deducted for income tax purposes in other periods, unrealized appreciation of available-for-sale securities and basis differences of intangible assets.

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

## Note 2 - Mergers

On April 28, 1993, Poe & Associates, Inc. ("Poe") issued 3,013,975 shares of its common stock in exchange for all of the outstanding common stock of Brown & Brown, Inc. ("Brown"), a closely-held general insurance agency headquartered in Daytona Beach, Florida. Subsequent to that transaction, the Company's name was changed to Poe & Brown, Inc.

On November 11, 1993, the Company issued 124,736 shares of its common stock in exchange for all of the outstanding common stock of Arch-Holmes Insurance, Inc. ("Arch-Holmes"), a closely-held general insurance agency headquartered in Hollywood, Florida.

Each of these transactions was accounted for as a pooling-of-interests and, accordingly, the Company's consolidated financial statements have been restated for all periods prior to the mergers to include the results of operations, financial positions and cash flows of Brown and Arch-Holmes. To conform to Poe's year end, the fiscal year ends for Brown and Arch-Holmes were changed to December 31, effective on each of the respective merger dates.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The following table reflects the 1993 individual company operating results of Poe, Brown and Arch-Holmes. Amounts pertaining to Brown and Arch-Holmes for 1993 reflect their respective operating results up to their dates of merger.

(in thousands)	POE	BROWN	ARCH-HOLMES	COMBINED
1993				
Revenues	\$ 81,099	\$ 13,488	\$ 1,265	\$ 95,852
Net income (loss)	7,012	1,145	(39)	8,118
	=====	=====	=====	=====

Effective March 1, 1995, the Company issued 146,300 shares of its common stock in exchange for all of the partnership interest in Insurance West, a Phoenix, Arizona general insurance agency. The merger has been accounted for as a pooling-of-interests and, accordingly, the Company's consolidated financial statements have been restated for all periods prior to the merger to include the results of operations, financial positions and cash flows of Insurance West. The individual company operating results of Insurance West prior to the date of the merger are not material to the Company's consolidated operating results.

## Note 3 - Acquisitions

During 1995, the Company acquired four general insurance agencies, an insurance brokerage firm and several books of business (customer accounts) which were accounted for as purchases. The total cost of these acquisitions was \$7,250,000, including \$5,715,000 of cash payments and notes payable of \$1,535,000. The excess of the total purchase price over the fair value of net tangible assets acquired of approximately \$7,225,000 was assigned to purchased customer accounts, goodwill and other intangible assets.

During 1994, the Company acquired the assets of three insurance agencies for an aggregate cost of \$656,000. Substantially all of this cost was assigned to purchased customer accounts, non-compete agreements and goodwill. The Company had no acquisitions during 1993 accounted for as purchases.

Additional or return consideration resulting from acquisition contingency provisions are recorded as adjustments to intangibles when they occur. Certain contingency payments relating to these acquisitions were finalized in 1993, resulting in a net increase to the original combined purchase price of \$5,893,000. The results of operations of the acquired companies have been included in the consolidated financial statements from their respective acquisition dates. Pro forma results of operations of the Company for the years ended December 31, 1995 and 1994, including 1995 and 1994 acquisitions as though they occurred on January 1, 1995 and 1994, respectively, were not materially different from the results of operations as reported.

## Note 4 - Investments

Investments at December 31 consisted of the following:

(in thousands)	1995 CARRYING VALUE	
	CURRENT	NON-CURRENT
Available-for-sale marketable equity securities	\$ 287	\$ 8,272
Nonmarketable equity securities and certificates of deposit	1,021	201
Total investments	\$ 1,308	\$ 8,473

(in thousands)	1994 CARRYING VALUE	
	CURRENT	NON-CURRENT
Available-for-sale marketable equity securities	\$ 317	\$ 9,163
Nonmarketable equity securities and certificates of deposit	470	111
Total investments	\$ 787	\$ 9,274

Available-for-sale securities at December 31 consisted of the following:

(in thousands)	COST	GROSS UNREALIZED GAINS	GROSS UNREALIZED LOSSES	ESTIMATED FAIR VALUE
Marketable Equity Securities:				
1995	\$ 732	\$ 7,855	\$ 28	\$ 8,559
1994	\$ 795	\$ 8,739	\$ 54	\$ 9,480

Proceeds from sales of available-for-sale securities totaled \$329,000 in 1995, resulting in gross realized gains and losses of \$42,000 and \$41,000 respectively. In 1994, the Company's proceeds from sales of available-for-sale securities totaled \$2,314,000, from which \$2,185,000 of gross gains were realized.

Cash, cash equivalents, investments, premiums and commissions receivable, premiums payable to insurance companies, premium deposits and credits due customers, accounts payable and accrued expenses and long-term debt are considered financial instruments. The carrying amount for each of these items at December 31, 1995 approximates its fair value.



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

## Note 5 - Fixed Assets

Fixed assets at December 31 are summarized as follows:

(in thousands)	----- 1995	1994 -----
Furniture, fixtures and equipment	\$ 20,153	\$ 17,180
Land, buildings and improvements	672	1,349
Leasehold improvements	644	1,564
	-----	-----
	\$ 21,469	\$ 20,093
Less accumulated depreciation and amortization	11,057	11,763
	-----	-----
	\$ 10,412	\$ 8,330
	=====	=====

Depreciation and amortization expense amounted to \$2,352,000 in 1995, \$2,132,000 in 1994 and \$2,650,000 in 1993.

## Note 6 - Intangibles

Intangibles at December 31 were comprised of the following:

(in thousands)	----- 1995	1994 -----
Purchased customer accounts	\$ 32,244	\$ 26,999
Non-compete agreements	10,996	9,706
Goodwill	20,358	19,431
Purchased contract agreements	1,102	789
	-----	-----
	64,700	56,925
Less accumulated amortization	28,087	23,952
	-----	-----
	\$ 36,613	\$ 32,973
	=====	=====

Amortization expense amounted to \$4,135,000 in 1995, \$4,266,000 in 1994 and \$4,380,000 in 1993.

## Note 7 - Long-Term Debt

Long-term debt at December 31 consisted of the following:

(in thousands)	1995	1994
Long-term credit agreement	\$ 6,000	\$ 7,000
Notes payable from treasury stock purchases	1,422	1,662
Acquisition notes payable	1,350	-
Other notes payable	19	202
	8,791	8,864
Less current portion	1,768	1,434
Long-term debt	\$ 7,023	\$ 7,430

In 1991, the Company entered into a long-term credit agreement with a major insurance company that made available \$10,000,000 at an interest rate equal to the prime rate plus 1% (9.5% at December 31, 1995). The amount of available credit decreases by \$1 million each August through the year 2001, when it will expire. This credit agreement requires the Company to maintain certain financial ratios and comply with certain other covenants.

In November 1994, the Company entered into a revolving credit facility with a national banking association that provides for borrowings of up to \$10,000,000. On borrowings under this facility of less than \$1,000,000, the interest rate is the higher of the prime rate or the federal funds rate plus .50%. On borrowings under this facility equal to or in excess of \$1,000,000, the interest rate is LIBOR plus .50% to 1.25%, depending on certain financial ratios. A commitment fee is assessed in the amount of .25% per annum on the unused balance. The facility expires in November 1997. No borrowings were outstanding against this line of credit as of December 31, 1995 and 1994. Borrowings would be secured by substantially all of the assets of the Company, subject to existing or permitted liens.

Treasury stock notes payable are due to various individuals for the redemption of Brown & Brown, Inc. stock. These notes bear no interest and have maturities ranging from calendar years ending 1997 to 2001. These notes have been discounted at effective yields ranging from 8.5% to 9.2% for presentation in the consolidated financial statements.

Acquisition notes payable represents debt incurred to former owners of certain agencies acquired in 1995. These notes, including future contingent payments, are payable in monthly and annual installments through 1998, including interest ranging from 5% to 6%.

Maturities of long-term debt for succeeding years are \$1,768,000 in 1996, \$1,810,000 in 1997, \$1,564,000 in 1998, \$1,254,000 in 1999, \$1,257,000 in 2000 and a total of \$1,138,000 thereafter.

Interest expense included in the consolidated statements of income was \$877,000 in 1995, \$1,326,000 in 1994 and \$1,765,000 in 1993.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

## Note 8 - Commitments and Contingencies

The Company leases facilities and certain items of office equipment under noncancelable operating lease arrangements expiring on various dates through 2005. These occupancy leases generally contain renewal options and escalation clauses based on increases in the lessors' operating expenses and other charges. The Company anticipates that most of these leases will be renewed or replaced upon expiration. At December 31, 1995, the aggregate future minimum lease payments under all noncancelable lease agreements are as follows:

YEAR ENDING DECEMBER 31,	(in thousands)
-----	
1996	\$ 3,633
1997	3,573
1998	3,346
1999	3,330
2000	2,997
Thereafter (2001-2005)	8,258
	-----
Total minimum future lease payments	\$ 25,137 =====

Rental expense in 1995, 1994 and 1993 for operating leases totaled \$4,785,000, \$4,269,000 and \$4,594,000, respectively.

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 9 - Income Taxes

Effective January 1, 1993, the Company changed its method of accounting for income taxes from the deferred method to the liability method required by Financial Accounting Standards Board Statement No. 109, "Accounting for Income Taxes." The cumulative effect of adopting Statement No. 109 as of January 1, 1993 was to increase net income by \$119,000.

At December 31, 1995, the Company had net operating loss carryforwards of \$850,000 for income tax reporting purposes that expire in the years 1996 through 2002. These carryforwards were derived from agency acquisitions by the Company beginning in 1985. For financial reporting purposes, a valuation allowance of \$38,000 has been recognized to offset the deferred tax assets related to these carryforwards.

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for income tax reporting purposes. Significant components of the Company's deferred tax liabilities and assets as of December 31, were as follows:

(in thousands)	----- 1995	----- 1994
Deferred tax liabilities:		
Fixed assets	\$ 577	\$ 444
Net unrealized appreciation of available-for-sale securities	3,027	3,344
Installment sales	204	296
Prepaid insurance and pension	769	666
Intangible assets	32	628
General tax reserves	-	800
Other	-	239
	-----	-----
Total deferred tax liabilities	4,609	6,417
	-----	-----
Deferred tax assets:		
Deferred compensation	1,269	1,062
Accruals and reserves	1,376	1,250
Net operating loss carryforwards	327	327
Other	173	38
Valuation allowance for deferred tax assets	(38)	(38)
	-----	-----
Total deferred tax assets	3,107	2,639
	-----	-----
Net deferred tax liabilities	\$ 1,502	\$ 3,778
	=====	=====

Significant components of the provision (benefit) for income taxes are as follows:

(in thousands)	----- 1995	----- 1994	----- 1993
Current:			
Federal	\$ 9,374	\$ 7,237	\$ 3,728
State	1,347	1,003	702
	-----	-----	-----
Total current provision	10,721	8,240	4,430
	-----	-----	-----
Deferred:			
Federal	(2,037)	(1,076)	419
State	(154)	(97)	80
	-----	-----	-----
Total deferred (benefit) provision	(2,191)	(1,173)	499
	-----	-----	-----
Total tax provision	\$ 8,530	\$ 7,067	\$ 4,929
	=====	=====	=====

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

A reconciliation of the differences between the effective tax rate and the federal statutory tax rate is as follows:

	----- 1995	1994	----- 1993
Federal statutory tax rate	35.0%	35.0%	34.2%
State income taxes, net of federal income tax benefit	3.5	2.8	3.6
Interest exempt from taxation and dividend exclusion	(0.4)	(0.3)	(0.3)
Non-deductible goodwill amortization	0.7	0.7	1.2
Internal Revenue Service examination	(1.9)	(3.4)	-
Other, net	(0.3)	(0.5)	(0.9)
Effective tax rate	----- 36.6% =====	34.3% =====	----- 37.8% =====

Income taxes payable as of December 31, 1995 were \$425,000 and are reported as a component of accounts payable and accrued expenses. Income taxes receivable as of December 31, 1994 were \$894,000 and were reported as a component of other current assets.

In 1992, the Internal Revenue Service ("Service") completed examinations of the Company's federal income tax returns for tax years 1988, 1989 and 1990. As a result of its examinations, the Service issued Reports of Proposed Adjustments, asserting income tax deficiencies which, by including interest and state income taxes for the periods examined and the Company's estimates of similar tax adjustments for subsequent periods through December 31, 1993, would total \$6,100,000. The disputed issues related primarily to the deductibility of amortization of purchased customer accounts of approximately \$5,107,000 and of non-compete agreements of approximately \$993,000. In addition, the Service's report included a dispute regarding the timing at which the Company's payments made, pursuant to certain indemnity agreements, would be deductible for tax reporting purposes.

During 1994, the Company reached a settlement with the Service with respect to certain of the disputed amortization items and the indemnity agreement payment issue. This settlement reduced the total remaining asserted income tax deficiencies to approximately \$2,800,000. Based on this settlement and review of the remaining unsettled items, the Company reduced its general income tax reserves to \$800,000, which was sufficient to cover its ultimate liability resulting from the settlement of the remaining items. Accordingly, after taking into consideration a \$400,000 reduction of the reserve resulting from payments under the partial settlement agreement, during 1994 the Company recorded a \$700,000 adjustment to decrease the originally established reserves of \$1,900,000. This decrease was recorded as a reduction to the current income tax provision.

In March of 1995, the Company reached a settlement with the Service on all remaining items. The settlement resulted in payments of approximately \$349,000 that reduced the recorded reserve. With all disputed items settled, the Company recorded a \$451,000 reduction in the general tax reserve, which is recorded as a reduction to the 1995 income tax provision.

#### Note 10 - Employee Benefit Plans

The Company maintains a defined benefit pension plan covering substantially all previous Poe & Associates, Inc. employees with one or more years of service. The benefits are based on years of service and compensation during the period of employment. Annual contributions are made in conformity with minimum funding requirements and maximum deductible limitations. On April 1, 1995, the defined benefit pension plan was amended to freeze the accrual of further benefits. The impact of this amendment on the defined benefit pension plan's liabilities was not material.

The plan's funded status and amounts recognized in the Company's consolidated balance sheets are as follows:

(in thousands)	DECEMBER 31,	
	1995	1994
Actuarial present value of benefit obligations:		
Accumulated benefit obligations, including vested benefits of \$2,322 in 1995 and \$3,642 in 1994	\$ (2,326)	\$ (3,793)
Projected benefit obligations for service rendered to date	\$ (2,326)	\$ (3,808)
Plan assets at fair value, principally consisting of a group annuity contract	2,237	3,787
Excess (deficit) of plan assets over (under) projected benefit obligations	(89)	(21)
Unrecognized net excess of plan assets under previously accrued but unfunded pension costs, to be amortized	255	583
Net prepaid pension costs	\$ 166	\$ 562

The following assumptions were used in determining the actuarial present value of the benefit obligations and pension costs:

	YEAR ENDED DECEMBER 31,		
	1995	1994	1993
Discount rate	7.5%	7.5%	7.5%
Long-term rate for compensation increase	3.5%	3.5%	3.5%
Long-term rate of return on plan assets	8.0%	8.0%	8.0%

Pension costs included in the Company's consolidated statements of income are comprised of the following:

(in thousands)	YEAR ENDED DECEMBER 31,		
	1995	1994	1993
Service cost	\$ 63	\$ 91	\$ 221
Interest cost	215	304	232
Actual return on assets	(318)	113	(284)
Net amortization and deferral	166	(407)	(39)
Net pension cost	\$ 126	\$ 101	\$ 130

During 1994, the defined benefit pension plan was converted to a cash balance plan. The impact of this change on the plan costs and plan liabilities was not material.

The Company has an Employee Stock Purchase Plan, under which all eligible employees may subscribe to purchase shares of the Company's common stock at 85% of the lesser of the market value of such shares at the beginning or the end of the subscription period. Payment is made through payroll deductions, not to exceed 10% of base pay, over the 12-month subscription period. The common shares are issued at the end of the purchase period. During 1995, the shareholders approved the authorization of 150,000 additional shares of common stock to be used for issuance under this program. Accordingly, at December 31, 1995, a total of 115,534 shares were authorized and reserved for future issuance relating to this program.

The Company has a Deferred Savings and Profit Sharing Plan (401(k)) covering substantially all employees with one year of service. Under this plan, the Company makes contributions equal to that of the participants', subject to a maximum of 2.5% of a participant's salary. Further, the Company provides for a discretionary profit sharing contribution for all eligible employees. The Company's contributions to the plan totaled \$1,334,000 in 1995, \$1,208,000 in 1994 and \$1,085,000 in 1993.

## Note 11 - Stock Option Plans

The Company has adopted stock option plans which provide for the granting to key employees options to purchase shares of its common stock. The following schedule summarizes the transactions from 1993 through 1995 pertaining to these plans:

	NUMBER OF OPTION SHARES	PER SHARE OPTION PRICE RANGE		
Outstanding, January 1, 1993	299,640	\$6.00	-	\$14.75
Exercised	(129,462)	6.00	-	9.45
Canceled	(9,936)	7.60		
Outstanding, December 31, 1993	160,242	6.00	-	14.75
Exercised	(65,173)	6.00	-	14.75
Canceled	(8,689)	7.60	-	14.75
Outstanding, December 31, 1994	86,380	7.60		
Exercised	(60,399)	7.60		
Canceled	(10,601)	7.60		
Outstanding December 31, 1995	15,380	\$7.60		

All options outstanding as of December 31, 1995 are exercisable. At December 31, 1995, a total of 285,745 shares of common stock were reserved for future issuance relating to these plans.

## Note 12 - Supplemental Disclosures of Cash Flow Information

The Company's significant non-cash investing and financing activities and cash payments for interest and income taxes are as follows:

(in thousands)	YEAR ENDED DECEMBER 31,		
	1995	1994	1993
Unrealized appreciation (depreciation) of available-for-sale securities net of tax effect of (\$317) for 1995 and \$3,344 for 1994	\$ (505)	\$5,341	\$ -
Notes payable issued for purchased customer accounts	1,535	-	3,862
Notes received on the sale of fixed assets and customer accounts	-	266	1,532
Cash paid during the year for:			
Interest	896	1,462	1,944
Income taxes	9,107	9,597	3,978



## Note 13 - Business Concentrations

Substantially all of the Company's premiums receivable from customers and premiums payable to insurance companies arise from policies sold on behalf of insurance companies. The Company, as broker and agent, typically collects premiums, retains its commission and remits the balance to the insurance companies. A significant portion of business written by the Company is for customers located in Florida. Accordingly, the occurrence of adverse economic conditions or an adverse regulatory climate in Florida could have a material adverse effect on the Company's business, although no such conditions have been encountered in the past.

For the years ended December 31, 1995 and 1994, approximately 24% and 22%, respectively, of the Company's revenues were from insurance policies underwritten by one insurance company. Should this carrier seek to terminate its arrangement with the Company, the Company believes alternative insurance companies are available to underwrite the business, although some additional expenses and loss of market share would at least initially result. No other insurance company accounts for as much as five percent of the Company's revenues.

## Note 14 - Reinsurance Indemnity

Whiting National Insurance Company ("Whiting"), the Company's risk-bearing subsidiary, ceased underwriting operations in early 1985 and, in 1988, entered into liquidation by the New York State Insurance Department ("Department"). Since then, the handling of Whiting's affairs has been the responsibility of the Department.

In 1979, the Company agreed to indemnify a ceding insurer, should Whiting fail to perform under a reinsurance contract. As a result, the Company is directly responsible for the management and adjudication of claims outstanding under that indemnification contract. The Company has historically estimated that certain recoveries related to the indemnity were available to it from the Whiting liquidation. While none of the underlying facts or operations of law as to the Company's rights or creditor priority had changed, the liquidation activities proceeded more slowly than anticipated, making realization of those recoveries uncertain. As a result, in 1992, those estimated recoveries were written off and reserves associated with the underlying indemnity obligation were bolstered because of adverse loss developments. Reserves are revised based on developments to date, the Company's estimates of the outcome of this matter and its experience of contesting and settling claims related to this matter. As the scope of the liability or recovery becomes better defined, there may be changes in the estimates of future costs or recoveries. Management of the Company does not believe that any such changes will have a material effect on the Company's financial condition or results of operations.

## REPORTS OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

To the Board of Directors  
of Poe & Brown, Inc.

We have audited the accompanying consolidated balance sheet of Poe & Brown, Inc. and subsidiaries as of December 31, 1995, and the related consolidated statements of income, shareholders' equity and cash flows for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements, based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. 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 audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Poe & Brown, Inc. and subsidiaries as of December 31, 1995, and the results of their operations and their cash flows for the year then ended, in conformity with generally accepted accounting principles.

Arthur Anderson LLP

Orlando, Florida  
January 29, 1996

To the Board of Directors  
of Poe & Brown, Inc.

We have audited the accompanying consolidated balance sheet of Poe & Brown, Inc. and subsidiaries as of December 31, 1994, and the related consolidated statements of income, shareholders' equity and cash flows for each of the two years in the period ended December 31, 1994. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audits 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 consolidated financial position of Poe & Brown, Inc. and subsidiaries at December 31, 1994, and the consolidated results of their operations and their cash flows for each of the two years in the period ended December 31, 1994, in conformity with generally accepted accounting principles.

Ernst & Young LLP

Tampa, Florida  
January 28, 1995, except for the last paragraph of Note 2,  
as to which the date is March 1, 1995.

## EXHIBIT 22

POE & BROWN, INC.  
SUBSIDIARIES

## Florida Corporations:

Farr Insurance Inc.  
Poe 1991, Inc.  
W.F. Poe Associates, Inc.  
Jordan, Roberts & Company  
Brown & Brown, Inc.  
Ernest Smith Insurance Agency, Inc.  
Underwriters Services, Inc.  
Madoline Corporation

## Foreign Corporations:

Poe & Brown of Arizona, Inc. (AZ)  
Poe & Brown of California, Inc. (CA)  
Poe & Brown of Connecticut, Inc. (CT)  
Poe & Brown of New Jersey, Inc. (NJ)  
Poe & Brown of Georgia, Inc. (GA)  
Poe & Brown of North Carolina, Inc. (NC)  
Poe & Brown of Texas, Inc. (TX)  
Pan American Insurance Management Corp. (NC)  
Poe & Brown of Pennsylvania, Inc. (PA)  
Poe & Associates of Illinois, Inc. (IL)  
DSD Insurance Agency, Inc. (AZ)  
The Homeowner Association Risk Purchasing Group, Inc. (AZ)  
AG General Agency, Inc. (TX)  
P & O of Texas, Inc. (TX)  
Health Care Insurers, Inc. (CO)  
PhysicianPlans, Inc. (CT)

## Indirect Subsidiaries:

MacDuff America, Inc. (FL)  
MacDuff Underwriters, Inc. (FL)  
MacDuff Pinellas Underwriters, Inc. (FL)  
Hotel-Motel Insurance Group, Inc. (FL)  
Halcyon Underwriters, Inc. (FL)  
America Underwriting Management, Inc. (FL)  
Roehrig, Flood & Associates, Inc. (FL)

## Exhibit 23a

## Consent of Independent Certified Public Accountants

We consent to the incorporation by reference in this Annual Report (Form 10-K) of Poe & Brown, Inc. of our report dated January 28, 1995, except for the last paragraph of Note 2, as to which the date is March 1, 1995, included in the 1995 Annual Report to Shareholders of Poe & Brown, Inc.

Our audit also included the financial statement schedule of Poe & Brown, Inc. listed in Item 14(a) for the years ended December 31, 1994 and 1993. This schedule is the responsibility of the Company's management. Our responsibility is to express an opinion based on our audits. In our opinion, the financial statement schedule referred to above, when considered in relation to the basic financial statements taken as a whole, presents fairly in all material respects the information set forth therein for the years ended December 31, 1994 and 1993.

We also consent to the incorporation by reference in Post-Effective Amendment Number 1 dated December 3, 1992 to Registration Statement Number 33-1900 dated November 27, 1985 on Form S-8, Registration Statement Number 33-76 dated September 3, 1985 on Form S-8, Post-Effective Amendment Number 2 to Registration Statement Number 2-61019 dated May 27, 1980 on Form S-8, Registration Statement Number 33-41204 dated June 12, 1991 on Form S-8 and Registration Statement Number 33-41825 dated July 22, 1991 on Form S-8 of our report dated January 28, 1995, except for the last paragraph of Note 2, as to which the date is March 1, 1995, with respect to the consolidated financial statements as of December 31, 1994 and for each of the two years in the period ended December 31, 1994 incorporated herein by reference, and our report included in the preceding paragraph with respect to the financial statement schedule included in the Annual Report (10-K) of Poe & Brown, Inc.

ERNST & YOUNG LLP

Tampa, Florida  
March 18, 1996

## CONSENT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

To Poe & Brown, Inc.:

As independent public accountants, we hereby consent to the incorporation of our reports included or incorporated by reference in this Form 10-K, into the Company's previously filed Registration Statements (File No's. 33-1900, 33-76, 2-61019, 33-41204 and 33-41825).

Arthur Andersen LLP

Orlando, Florida  
March 18, 1996

EXHIBIT 24a  
POWERS OF ATTORNEY

## POWER OF ATTORNEY

The undersigned constitutes and appoints Laurel J. Lenfestey and James A. Orchard, or either of them, as his true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to sign the 1995 Annual Report on Form 10-K for Poe & Brown, Inc., and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises as fully to all intents and purposes as he might or could in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or their substitutes, may lawfully do or cause to be done by virtue hereof.

Dated: March 8, 1996

/s/ J. HYATT BROWN

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J. Hyatt Brown

## POWER OF ATTORNEY

The undersigned constitutes and appoints Laurel J. Lenfestey and James A. Orchard, or either of them, as his true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to sign the 1995 Annual Report on Form 10-K for Poe & Brown, Inc., and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises as fully to all intents and purposes as he might or could in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or their substitutes, may lawfully do or cause to be done by virtue hereof.

Dated: March 8, 1996

/s/ SAMUEL P. BELL, III  
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Samuel P. Bell, III



## POWER OF ATTORNEY

The undersigned constitutes and appoints Laurel J. Lenfestey and James A. Orchard, or either of them, as his true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to sign the 1995 Annual Report on Form 10-K for Poe & Brown, Inc., and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises as fully to all intents and purposes as he might or could in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or their substitutes, may lawfully do or cause to be done by virtue hereof.

Dated: March 8, 1996

/s/ BRADLEY CURREY, JR.

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Bradley Currey, Jr.

## POWER OF ATTORNEY

The undersigned constitutes and appoints Laurel J. Lenfestey and James A. Orchard, or either of them, as his true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to sign the 1995 Annual Report on Form 10-K for Poe & Brown, Inc., and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises as fully to all intents and purposes as he might or could in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or their substitutes, may lawfully do or cause to be done by virtue hereof.

Dated: March 18, 1996

/s/ BRUCE G. GEER

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Bruce G. Geer

## POWER OF ATTORNEY

The undersigned constitutes and appoints Laurel J. Lenfestey and James A. Orchard, or either of them, as his true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to sign the 1995 Annual Report on Form 10-K for Poe & Brown, Inc., and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises as fully to all intents and purposes as he might or could in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or their substitutes, may lawfully do or cause to be done by virtue hereof.

Dated: March 18, 1996

/s/ JIM W. HENDERSON

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Jim W. Henderson

## POWER OF ATTORNEY

The undersigned constitutes and appoints Laurel J. Lenfestey and James A. Orchard, or either of them, as his true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to sign the 1995 Annual Report on Form 10-K for Poe & Brown, Inc., and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises as fully to all intents and purposes as he might or could in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or their substitutes, may lawfully do or cause to be done by virtue hereof.

Dated: March 8, 1996

/s/ KENNETH E. HILL

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Kenneth E. Hill

## POWER OF ATTORNEY

The undersigned constitutes and appoints Laurel J. Lenfestey and James A. Orchard, or either of them, as his true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to sign the 1995 Annual Report on Form 10-K for Poe & Brown, Inc., and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises as fully to all intents and purposes as he might or could in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or their substitutes, may lawfully do or cause to be done by virtue hereof.

Dated: March 11, 1996

/s/ THEODORE J. HOEPNER

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Theodore J. Hoepner

## POWER OF ATTORNEY

The undersigned constitutes and appoints Laurel J. Lenfestey and James A. Orchard, or either of them, as his true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to sign the 1995 Annual Report on Form 10-K for Poe & Brown, Inc., and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises as fully to all intents and purposes as he might or could in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or their substitutes, may lawfully do or cause to be done by virtue hereof.

Dated: March 10, 1996

/s/ CHARLES W. POE

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Charles W. Poe

## POWER OF ATTORNEY

The undersigned constitutes and appoints Laurel J. Lenfestey and James A. Orchard, or either of them, as his true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to sign the 1995 Annual Report on Form 10-K for Poe & Brown, Inc., and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises as fully to all intents and purposes as he might or could in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or their substitutes, may lawfully do or cause to be done by virtue hereof.

Dated: March 15, 1996

/s/ WILLIAM F. POE, JR.

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William F. Poe, Jr.

## POWER OF ATTORNEY

The undersigned constitutes and appoints Laurel J. Lenfestey and James A. Orchard, or either of them, as his true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to sign the 1995 Annual Report on Form 10-K for Poe & Brown, Inc., and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises as fully to all intents and purposes as he might or could in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or their substitutes, may lawfully do or cause to be done by virtue hereof.

Dated: March 8, 1996

/s/ WILLIAM F. POE, SR.  
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William F. Poe, Sr.



## POWER OF ATTORNEY

The undersigned constitutes and appoints Laurel J. Lenfestey and James L. Olivier, or either of them, as his true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to sign the 1995 Annual Report on Form 10-K for Poe & Brown, Inc., and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises as fully to all intents and purposes as he might or could in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or their substitutes, may lawfully do or cause to be done by virtue hereof.

Dated: March 14, 1996

/s/ JAMES A. ORCHARD

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James A. Orchard

## CERTIFIED RESOLUTIONS OF THE BOARD OF DIRECTORS

The undersigned, Laurel J. Lenfestey, hereby certifies that she is the duly elected, qualified and acting Secretary of Poe & Brown, Inc., a Florida corporation (the "Company"), and that the following resolutions were adopted by unanimous written consent of the Board of Directors of the Company as of March 11, 1996:

RESOLVED, that the March 7, 1996 draft of the Company's 1995 Form 10-K submitted to the Directors is hereby approved in form and substance, subject to any revisions deemed necessary or appropriate by Laurel J. Lenfestey, the Company's Vice President, Secretary and General Counsel, and that the Chief Executive Officer and the Chief Financial Officer are hereby authorized to sign the Form 10-K on behalf of the Company, either personally or through a power of attorney, and to cause the Form 10-K to be filed with the Securities and Exchange Commission in accordance with the rules promulgated by the Commission;

FURTHER RESOLVED, that the appropriate officers of the Company are hereby authorized and directed to take all actions they deem necessary or appropriate, including the payment of all necessary filing fees, to carry out the intent of the foregoing resolution.

IN WITNESS WHEREOF, the undersigned Secretary of the Company has executed this Certificate this 19th day of March, 1996.

/s/ LAUREL J. LENFESTEY

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Laurel J. Lenfestey  
Secretary

## EXHIBIT 27

THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE FINANCIAL STATEMENTS OF POE & BROWN FOR THE TWELVE MONTHS ENDED DECEMBER 31, 1995 AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

1,000  
US DOLLARS

YEAR		
	DEC-31-1995	
	JAN-01-1995	
	DEC-31-1995	
	1	28,350
	1,299	
	56,653	
	100	
	0	
	92,547	21,469
	11,057	
	151,121	
	81,843	0
	0	0
		868
		53,544
151,121		101,998
	106,365	0
	78,024	
	0	
	0	
	5,012	
	23,329	
	8,530	
	14,799	
	0	
	0	0
	14,799	
	1.70	
	1.70	