

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT  
Pursuant to Section 13 or 15(d) of the  
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): October 22, 2007

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

Florida  
(State or other jurisdiction  
of incorporation)

0-7201  
(Commission File Number)

59-0864469  
(IRS Employer  
Identification No.)

220 South Ridgewood Avenue, Florida 32114  
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: (386) 252-9601

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

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

**Item 2.02 Results of Operations and Financial Condition.**

On October 22, 2007, Brown & Brown, Inc. issued a press release announcing its results of operations for the third quarter ended September 30, 2007. A copy of the press release is furnished as Exhibit 99.1 hereto and is incorporated herein by reference.

The information furnished herewith pursuant to Item 2.02 of this Current Report shall not be deemed to be filed for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section. The information in this Current Report shall not be incorporated by reference into any registration statement or other document pursuant to the Securities Act of 1933, as amended, except as shall be expressly set forth by specific reference in such filing.

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

BROWN & BROWN, INC.

(Registrant)

By: /s/ cory t. walker

Cory T. Walker, Chief Financial Officer

Date: October 22, 2007



## News Release

**Cory T. Walker**

Chief Financial Officer

(386) 239-7250

October 22, 2007

### **BROWN & BROWN, INC. ANNOUNCES A 14.8% INCREASE IN THIRD QUARTER NET INCOME**

(Daytona Beach and Tampa, Florida) . . . Brown & Brown, Inc. (NYSE:BRO) announced its net income for the third quarter of 2007 of \$46,216,000, or \$0.33 per share, an increase of 14.8% from the \$40,270,000, or \$0.29 per share, reported for the quarter ended September 30, 2006. Total revenue for the quarter ended September 30, 2007 was \$237,284,000, compared with 2006 third-quarter revenue of \$211,965,000, an increase of 11.9%.

Total revenue for the nine months ended September 30, 2007 was \$742,441,000, compared with revenue of \$663,354,000 for the corresponding period in 2006, up 11.9%. Net income for the first nine months of 2007 was \$157,955,000, versus \$134,727,000 during the comparable 2006 period, an increase of 17.2%. Net income per share for the nine months ended September 30, 2007 was \$1.12, versus the \$0.96 per share posted during the same period in 2006, an increase of 16.7%.

J. Hyatt Brown, Chairman and Chief Executive Officer, noted, "The third quarter was the "best of times" for purchasers of property and casualty insurance across the nation. Risk-bearers continue to reduce prices while expanding the terms and conditions of insurance policies. This market creates substantial challenges for agents and brokers and Brown & Brown is responding as it has in the past by seeking the best prices, terms and conditions for its customers. We are pleased to report a net income per share increase of 13.8% for the quarter."

Jim W. Henderson, Vice Chairman and Chief Operating Officer, added, "In 2007, we have closed 20 acquisitions representing approximately \$81.8 million in annualized revenues. This compares to 13 transactions representing \$55.5 million in annualized revenues for the same period in 2006. We believe that the current soft market pricing is a factor in the growing number of agencies exploring alternatives to their perpetuation plans. Additionally, concerns about a possible future, politically-driven, capital gains tax rate increase are also a factor in the timing of potential acquisition transactions. Our business model and track record continues to attract the highest quality entrepreneurial agents and brokers."

Brown & Brown, Inc. and its subsidiaries offer a broad range of insurance and reinsurance products and services, as well as risk management, third party administration, managed health care, and Medicare set-aside services and programs. Providing service to business, public entity, quasi-public entity, individual, trade and professional association clients nationwide, the Company is ranked by *Business Insurance* magazine as the United States' sixth largest independent insurance intermediary. The Company's Web address is [www.bbinsurance.com](http://www.bbinsurance.com).

This press release may contain certain statements relating to future results which are forward-looking statements, including those relating to continuing our revenue, earnings and operating growth, as well as identifying and consummating attractive acquisition opportunities. These statements are not historical facts, but instead represent only the Company's current belief regarding future events, many of which, by their nature, are inherently uncertain and outside of the Company's control. It is possible that the Company's actual results, financial condition and achievements may differ, possibly materially, from the anticipated results, financial condition and achievements contemplated by these forward-looking statements. Further information concerning the Company and its business, including factors that potentially could materially affect the Company's financial results and condition, as well as its other achievements, are contained in the Company's filings with the Securities and Exchange Commission. Some factors include: general economic conditions around the country; downward commercial property and casualty premium pressures; the effects of recent legislative and regulatory changes in Florida pertaining to the insurance industry, including those relating to coastal property coverages; the competitive environment; the integration of the Company's operations with those of businesses or assets the Company has acquired or may acquire in the future and the failure to realize the expected benefits of such integration; the potential occurrence of a disaster that affects certain areas of the States of California, Florida, Georgia, Michigan, New Jersey, New York, Pennsylvania and/or Washington, where significant portions of the Company's business are concentrated; and the cost and impact on the Company of previously disclosed litigation initiated against the Company and regulatory inquiries regarding industry

and Company practices with respect to compensation received from insurance carriers. All forward-looking statements made herein are made only as of the date of this release, and the Company does not undertake any obligation to publicly update or correct any forward-looking statements to reflect events or circumstances that subsequently occur or of which the Company hereafter becomes aware.

-2-

**Brown & Brown, Inc.**  
**CONSOLIDATED STATEMENTS OF INCOME**  
(in thousands, except per share data)  
(unaudited)

	<b>For the</b>		<b>For the</b>	
	<b>Three Months</b>		<b>Nine Months</b>	
	<b>Ended</b>		<b>Ended</b>	
	<b>September 30</b>		<b>September 30</b>	
	<u><b>2007</b></u>	<u><b>2006</b></u>	<u><b>2007</b></u>	<u><b>2006</b></u>
<b>REVENUES</b>				
Commissions and fees	\$225,421	\$208,558	\$701,456	\$653,900
Investment income	3,286	3,218	27,855	8,383
Other income, net	<u>8,577</u>	<u>189</u>	<u>13,130</u>	<u>1,071</u>
Total revenues	<u><b>237,284</b></u>	<u><b>211,965</b></u>	<u><b>742,441</b></u>	<u><b>663,354</b></u>
<b>EXPENSES</b>				
Employee compensation and benefits	110,491	100,821	333,937	304,731
Non-cash stock-based compensation	1,491	837	4,327	4,601
Other operating expenses	32,928	29,502	96,409	90,605
Amortization	10,331	9,089	29,798	27,067
Depreciation	3,213	2,922	9,492	8,302
Interest	<u>3,395</u>	<u>3,229</u>	<u>10,445</u>	<u>10,080</u>
Total expenses	<u><b>161,849</b></u>	<u><b>146,400</b></u>	<u><b>484,408</b></u>	<u><b>445,386</b></u>
Income before income taxes	75,435	65,565	258,033	217,968
Income taxes	<u>29,219</u>	<u>25,295</u>	<u>100,078</u>	<u>83,241</u>
Net income	<u><b>\$ 46,216</b></u>	<u><b>\$ 40,270</b></u>	<u><b>\$157,955</b></u>	<u><b>\$ 134,727</b></u>
Net income per share:				
Basic	\$0.33	\$0.29	\$1.13	\$0.97
	=====	=====	=====	=====
Diluted	\$0.33	\$0.29	\$1.12	\$0.96
	=====	=====	=====	=====
Weighted average number of shares outstanding:				
Basic	140,593	139,668	140,401	139,522
	=====	=====	=====	=====
Diluted	141,288	141,027	141,209	140,949
	=====	=====	=====	=====
Dividends declared per share	\$0.06	\$0.05	\$0.18	\$0.15
	=====	=====	=====	=====

-3-

**Brown & Brown, Inc.**  
**INTERNAL GROWTH SCHEDULE**  
**Core Commissions and Fees<sup>(1)</sup>**  
**Three Months Ended September 30, 2007**  
(in thousands)  
(unaudited)

	<u>Quarter Ended 9/30/07</u>	<u>Quarter Ended 9/30/06</u>	<u>Total Net Change</u>	<u>Total Net Growth %</u>	<u>Less Acquisition Revenues</u>	<u>Internal Net Growth %</u>
<b>Florida Retail</b>	\$ 39,286	\$ 43,871	\$ (4,585)	(10.5)%	\$ 797	(12.3)%
National Retail	62,237	51,948	10,289	19.8%	10,685	(0.8)%
Western Retail	<u>24,668</u>	<u>26,139</u>	<u>(1,471)</u>	(5.6)%	<u>75</u>	(5.9)%
<b>Total Retail</b>	<u>126,191</u>	<u>121,958</u>	<u>4,233</u>	3.5%	<u>11,557</u>	(6.0)%
Professional Programs	11,200	10,696	504	4.7%	119	3.6%
Special Programs	<u>30,411</u>	<u>26,736</u>	<u>3,675</u>	13.7%	<u>2,029</u>	6.2%
<b>Total Programs</b>	<u>41,611</u>	<u>37,432</u>	<u>4,179</u>	11.2%	<u>2,148</u>	5.4%
<b>Wholesale Brokerage</b>	39,354	36,017	3,337	9.3%	4,400	(3.0)%
<b>TPA Services</b>	<u>9,390</u>	<u>9,164</u>	<u>226</u>	2.5%	<u>-</u>	2.5%
<b>Total Core Commissions and Fees <sup>(1)</sup></b>	<u>\$216,546</u>	<u>\$204,571</u>	<u>\$ 11,975</u>	5.9%	<u>\$18,105</u>	(3.0)%
	=====	=====	=====		=====	

**Reconciliation of Internal Growth Schedule  
to Total Commissions and Fees**  
**Included in the Consolidated Statements of Income**  
**for the Three Months Ended September 30, 2007 and 2006**  
(in thousands)  
(unaudited)

	<u>Quarter Ended 9/30/07</u>	<u>Quarter Ended 9/30/06</u>
Total core commissions and fees <sup>(1)</sup>	\$216,546	\$204,571
Contingent commissions	8,875	2,092
Divested business	<u>-</u>	<u>1,895</u>
Total commission & fees	<u>\$225,421</u>	<u>\$208,558</u>
	=====	=====

(1) Total core commissions and fees are our total commissions and fees less (i) profit-sharing contingent commissions (revenue derived from special revenue-sharing commissions from insurance companies based upon the volume and the growth and/or profitability of the business placed with such companies during the prior year), and (ii) divested business (commissions and fees generated from offices, books of business or niches sold by the Company or terminated).

-4-

**Brown & Brown, Inc.**  
**CONSOLIDATED BALANCE SHEETS**  
(in thousands, except per share data)  
(unaudited)

**September 30, December 31,**

	<u>2007</u>	<u>2006</u>
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 74,025	\$ 88,490
Restricted cash and investments	227,146	242,187
Short-term investments	3,021	2,909
Premiums, commissions and fees receivable	271,606	282,440
Other current assets	<u>35,217</u>	<u>32,180</u>
Total current assets	611,015	648,206
Fixed assets, net	58,322	44,170
Goodwill	803,330	684,521
Amortizable intangible assets, net	421,209	396,069
Investments	652	15,826
Other assets	<u>20,831</u>	<u>19,160</u>
Total assets	\$1,915,359	\$1,807,952
	=====	=====
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Current liabilities:		

Premiums payable to insurance companies	\$ 399,331	\$ 435,449
Premium deposits and credits due customers	38,900	33,273
Accounts payable	21,127	17,854
Accrued expenses	72,883	86,009
Current portion of long-term debt	<u>11,574</u>	<u>18,082</u>
Total current liabilities	543,815	590,667
Long-term debt	225,403	226,252
Deferred income taxes, net	60,596	49,721
Other liabilities	12,560	11,967
<b>Shareholders' equity:</b>		
Common stock, par value \$0.10 per share; authorized 280,000 shares; issued and outstanding 140,709 at 2007 and 140,016 at 2006	14,071	14,002
Additional paid-in capital	230,520	210,543
Retained earnings	828,336	695,656
Accumulated other comprehensive income	<u>58</u>	<u>9,144</u>
Total shareholders' equity	<u>1,072,985</u>	<u>929,345</u>
Total liabilities and shareholders' equity	<u>\$1,915,359</u>	<u>\$1,807,952</u>
	=====	=====