



Brown & Brown, Inc. Announces 4.9% Increase in First-Quarter Net Income

April 18, 2011

DAYTONA BEACH, FL and TAMPA, FL, Apr 18, 2011 (MARKETWIRE via COMTEX) --

Brown & Brown, Inc. (NYSE: BRO) today announced its financial results for the first quarter of 2011.

Net income for the first quarter of 2011 was \$46,293,000, or \$0.32 per share, compared with \$44,128,000, or \$0.31 per share for the same quarter of 2010, an increase of 4.9%. Total revenue for the first quarter ended March 31, 2011 was \$262,228,000, compared with 2010 first-quarter revenue of \$252,273,000, and increase of 3.9%.

J. Powell Brown, President and Chief Executive Officer of Brown & Brown, Inc., noted, "We are pleased with the continued incremental improvement in our operating results. Many of our middle-market clients continue to experience pressure on their businesses, with the consequence that their revenues and payrolls are flat to slightly down. Yet our team continues to deliver for our clients, as evidenced by our Wholesale Brokerage Division's positive first-quarter performance."

Brown & Brown, Inc., through its subsidiaries, offers a broad range of insurance and reinsurance products and services. Additionally, certain Brown & Brown subsidiaries offer a variety of risk management, third party administration, and other services. Serving business, public entity, individual, trade and professional association clients nationwide, the Company is ranked by Business Insurance magazine as the United States' seventh largest independent insurance intermediary. The Company's Web address is www.bbinsurance.com.

This press release may contain certain statements relating to future results which are forward-looking statements, including those relating to future financial results and to 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 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; and the potential occurrence of a disaster that affects certain areas of the States of California, Florida, Indiana, Michigan, New Jersey, New York, Pennsylvania, Texas and/or Washington, where significant portions of the Company's business are concentrated. 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.

Brown & Brown, Inc.

CONSOLIDATED STATEMENTS OF INCOME

For the Three Months Ended March 31, 2011 and 2010

(in thousands, except per share data)

(unaudited)

| | 2011 | 2010 | | |
|---|-------|------------|------------|--|
| | ----- | ----- | | |
| REVENUES | | | | |
| Commissions and fees | | \$ 261,452 | \$ 250,674 | |
| Investment income | | 224 | 331 | |
| Other income, net | | 552 | 1,268 | |
| | ----- | ----- | | |
| Total revenues | | 262,228 | 252,273 | |
| | ----- | ----- | | |
| EXPENSES | | | | |
| Employee compensation and benefits | | 126,557 | 122,183 | |
| Non-cash stock-based compensation | | 2,773 | 1,955 | |
| Other operating expenses | | 36,076 | 36,333 | |
| Amortization | | 13,509 | 12,553 | |
| Depreciation | | 3,135 | 3,253 | |
| Interest | | 3,607 | 3,608 | |
| Change in estimated acquisition earn-out payables | | (99) | (696) | |
| | ----- | ----- | | |
| Total expenses | | 185,558 | 179,189 | |

| | | |
|--|-----------|-----------|
| Income before income taxes | 76,670 | 73,084 |
| Income taxes | 30,377 | 28,956 |
| Net income | \$ 46,293 | \$ 44,128 |
| Net income per share: | | |
| Basic | \$ 0.32 | \$ 0.31 |
| Diluted | \$ 0.32 | \$ 0.31 |
| Weighted average number of shares outstanding: | | |
| Basic | 138,351 | 137,623 |
| Diluted | 140,648 | 137,791 |
| Dividends declared per share | \$ 0.0800 | \$ 0.0775 |

Brown & Brown, Inc.
INTERNAL GROWTH SCHEDULE
Core Commissions and Fees(1)
Three Months Ended March 31, 2011
(in thousands)
(unaudited)

| | Total Quarter Ended 03/31/11 | Less Total Quarter Ended 03/31/10 | Internal Net Change | Acquisi- tion % | Internal Net Revenues | Internal Net Growth \$ | Internal Net Growth % |
|--------------|---------------------------------------|---|---------------------------|-----------------------|-----------------------------|---------------------------------|--------------------------------|
| Florida | | | | | | | |
| Retail | \$ 38,626 | \$ 37,778 | \$ 848 | 2.2% | \$ 1,779 | \$ (931) | (2.5)% |
| National | | | | | | | |
| Retail | 82,223 | 77,324 | 4,899 | 6.3% | 7,422 | (2,523) | (3.3)% |
| Western | | | | | | | |
| Retail | 24,658 | 21,958 | 2,700 | 12.3% | 3,360 | (660) | (3.0)% |
| Total | | | | | | | |
| Retail | 145,507 | 137,060 | 8,447 | 6.2% | 12,561 | (4,114) | (3.0)% |
| Professional | | | | | | | |
| Programs | 9,523 | 9,826 | (303) | (3.1)% | - | (303) | (3.1)% |
| Special | | | | | | | |
| Programs | 27,663 | 28,542 | (879) | (3.1)% | - | (879) | (3.1)% |
| Total | | | | | | | |
| National | | | | | | | |
| Programs | 37,186 | 38,368 | (1,182) | (3.1)% | - | (1,182) | (3.1)% |
| Wholesale | | | | | | | |
| Brokerage | 34,056 | 33,723 | 333 | 1.0% | - | 333 | 1.0% |
| Services | 15,823 | 8,996 | 6,827 | 75.9% | 6,856 | (29) | (0.3)% |

Total Core
Commissions
and
Fees(1) \$232,572 \$218,147 \$ 14,425 6.6% \$ 19,417 \$ (4,992) (2.3)%
=====

Reconciliation of Internal Growth Schedule
to Total Commissions and Fees
Included in the Consolidated Statements of Income
For the Three Months Ended March 31, 2011 and 2010
(in thousands)
(unaudited)

| | Quarter Ended 03/31/11 | Quarter Ended 03/31/10 | | |
|------------------------------------|------------------------------|------------------------------|--|--|
| Total core commissions and fees(1) | \$ 232,572 | \$ 218,147 | | |
| Contingent commissions | 28,880 | 32,236 | | |
| Divested business | - | 291 | | |
| | ----- | | | |
| Total commission & fees | \$ 261,452 | \$ 250,674 | | |

(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).

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

March 31, 2011 December 31, 2010

ASSETS

Current assets:

| | | |
|---|------------|------------|
| Cash and cash equivalents | \$ 265,682 | \$ 272,984 |
| Restricted cash and investments | 115,635 | 123,594 |
| Short-term investments | 7,481 | 7,678 |
| Premiums, commissions and fees receivable | 232,688 | 214,446 |
| Deferred income taxes | 8,235 | 20,076 |
| Other current assets | 25,242 | 14,031 |
| | ----- | |
| Total current assets | 654,963 | 652,809 |

| | | |
|------------------------------------|--------------|--------------|
| Fixed assets, net | 59,574 | 59,713 |
| Goodwill | 1,225,357 | 1,194,827 |
| Amortizable intangible assets, net | 485,530 | 481,900 |
| Other assets | 18,572 | 11,565 |
| | ----- | |
| Total assets | \$ 2,443,996 | \$ 2,400,814 |

LIABILITIES AND SHAREHOLDERS' EQUITY

Current liabilities:

| | | |
|---|------------|------------|
| Premiums payable to insurance companies | \$ 330,745 | \$ 311,346 |
| Premium deposits and credits due | | |

| | | |
|---|--------------|--------------|
| customers | 31,555 | 28,509 |
| Accounts payable | 31,627 | 33,693 |
| Accrued expenses and other liabilities | 64,709 | 94,947 |
| Current portion of long-term debt | 1,212 | 1,662 |
| | ----- | |
| Total current liabilities | 459,848 | 470,157 |
| Long-term debt | 250,067 | 250,067 |
| Deferred income taxes, net | 153,160 | 146,482 |
| Other liabilities | 36,509 | 27,764 |
| Shareholders' equity: | | |
| Common stock, par value \$0.10 per share; authorized 280,000 shares; issued and outstanding 142,548 at 2011 and 142,795 at 2010 | 14,255 | 14,279 |
| Additional paid-in capital | 290,197 | 286,997 |
| Retained earnings | 1,239,954 | 1,205,061 |
| Accumulated other comprehensive income | 6 | 7 |
| | ----- | |
| Total shareholders' equity | 1,544,412 | 1,506,344 |
| | ----- | |
| Total liabilities and shareholders' equity | \$ 2,443,996 | \$ 2,400,814 |
| | ===== | |

Cory T. Walker
Chief Financial Officer
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SOURCE: Brown & Brown, Inc.