



Brown & Brown, Inc. Announces 5.2% Increase in Total Revenues

October 17, 2011

DAYTONA BEACH, FL and TAMPA, FL, Oct 17, 2011 (MARKETWIRE via COMTEX) --

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

Net income for the third quarter of 2011 was \$44,173,000, or \$0.30 per share, compared with \$44,293,000, or \$0.31 per share for the same quarter of 2010, a decrease of 0.3%. Total revenue for the third quarter ended September 30, 2011 was \$260,401,000, compared with 2010 third-quarter revenue of \$247,616,000, an increase of 5.2%.

Total revenue for the nine months ended September 30, 2011 was \$769,445,000, compared with total revenue for the same period of 2010 of \$743,554,000. Net income for the nine-month period ended September 30, 2011 was \$127,501,000, or \$0.88 per share, compared with \$129,606,000, or \$0.90 per share for the same period of 2010.

J. Powell Brown, President and Chief Executive Officer of Brown & Brown, Inc., noted, "We continue to swim upstream against a very difficult economy. We are pleased that our Services, National Programs and Wholesale Brokerage Divisions achieved positive internal revenue growth for the third quarter."

In the third quarter of 2011, \$2,600,000 was expensed as a result of a legal claim first raised in 1994 that a subsidiary of the Company vigorously defended for 17 years until exhausting all appellate avenues for review. This claim expense reduced the Company's diluted net income per share for the third quarter of 2011 by \$0.01.

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
 (in thousands, except per share data)
 (unaudited)

| | For the Three Months Ended September 30 | | For the Nine Months Ended September 30 | |
|-----------------------|---|----------------|--|----------------|
| | 2011 | 2010 | 2011 | 2010 |
| REVENUES | | | | |
| Commissions and fees | \$ 257,177 | \$ 246,102 | \$ 764,612 | \$ 737,829 |
| Investment income | 317 | 345 | 934 | 1,022 |
| Other income, net | 2,907 | 1,169 | 3,899 | 4,703 |
| Total revenues | 260,401 | 247,616 | 769,445 | 743,554 |

EXPENSES

| | | | | |
|--|---------|---------|---------|---------|
| Employee compensation and benefits | 126,877 | 122,001 | 379,286 | 365,556 |
| Non-cash stock-based compensation | 2,856 | 1,495 | 8,338 | 5,230 |
| Other operating expenses | 38,434 | 31,301 | 109,489 | 101,256 |
| Amortization | 13,725 | 12,869 | 40,790 | 38,072 |
| Depreciation | 3,062 | 3,116 | 9,276 | 9,498 |
| Interest | 3,565 | 3,607 | 10,780 | 10,847 |
| Change in estimated acquisition earn-out payables | (810) | 193 | 656 | (1,036) |
| Total expenses | 187,709 | 174,582 | 558,615 | 529,423 |

Income before income taxes 72,692 73,034 210,830 214,131

Income taxes 28,519 28,741 83,329 84,525

Net income \$ 44,173 \$ 44,293 \$ 127,501 \$ 129,606

Net income per share:

Basic \$ 0.31 \$ 0.31 \$ 0.89 \$ 0.91

Diluted \$ 0.30 \$ 0.31 \$ 0.88 \$ 0.90

Weighted average number of shares
outstanding:

Basic 138,690 138,093 138,475 137,802

Diluted 140,443 139,507 140,120 139,128

Dividends declared per share \$ 0.0800 \$ 0.0775 \$ 0.2400 \$ 0.2325

Brown & Brown, Inc.
INTERNAL GROWTH SCHEDULE
Core Commissions and Fees (1)
Three Months Ended September 30, 2011
(in thousands)
(unaudited)

| | Total | Less | | | | | |
|---------------|---------------|--------|--------|----------|----------|----------|----------|
| Quarter Ended | Quarter Ended | Total | Net | Acquisi- | Internal | Internal | |
| 09/30/11 | 09/30/10 | Net | Growth | tion | Net | Net | |
| | | Change | % | Revenues | Growth | \$ | Growth % |

| | | | | | | | |
|----------|-----------|-----------|--------|------|----------|-----------|--------|
| Florida | | | | | | | |
| Retail | \$ 34,840 | \$ 34,173 | \$ 667 | 2.0% | \$ 1,674 | \$(1,007) | (2.9)% |
| National | | | | | | | |
| Retail | 87,307 | 80,611 | 6,696 | 8.3% | 10,227 | (3,531) | (4.4)% |
| Western | | | | | | | |
| Retail | 26,680 | 25,028 | 1,652 | 6.6% | 3,539 | (1,887) | (7.5)% |
| Total | | | | | | | |
| Retail | 148,827 | 139,812 | 9,015 | 6.4% | 15,440 | (6,425) | (4.6)% |

| | | | | | | | |
|--------------|--------|--------|-------|--------|---|-------|--------|
| Professional | | | | | | | |
| Programs | 11,525 | 11,675 | (150) | (1.3)% | - | (150) | (1.3)% |
| Special | | | | | | | |

| | | | | | | | |
|-------------------------------------|-----------|-----------|----------|-------|-----------|------------|--------|
| Programs | 38,637 | 37,542 | 1,095 | 2.9% | 675 | 420 | 1.1% |
| ----- | | | | | | | |
| Total National Programs | 50,162 | 49,217 | 945 | 1.9% | 675 | 270 | 0.5% |
| ----- | | | | | | | |
| Wholesale Brokerage | 34,505 | 34,369 | 136 | 0.4% | - | 136 | 0.4% |
| Services | 16,450 | 11,786 | 4,664 | 39.6% | 4,352 | 312 | 2.6% |
| ----- | | | | | | | |
| Total Core Commissions and Fees (1) | \$249,944 | \$235,184 | \$14,760 | 6.3% | \$ 20,467 | \$ (5,707) | (2.4)% |
| ===== | | | | | | | |

Reconciliation of Internal Growth Schedule
to Total Commissions and Fees
Included in the Consolidated Statements of Income
For the Three Months Ended September 30, 2011 and 2010
(in thousands)
(unaudited)

| | Quarter Ended 09/30/11 | Quarter Ended 09/30/10 |
|-------------------------------------|------------------------------|------------------------------|
| | ----- | |
| Total core commissions and fees (1) | \$ 249,944 | \$ 235,184 |
| Contingent commissions | 7,233 | 9,667 |
| Divested business | - | 1,251 |
| | ----- | |
| Total commission & fees | \$ 257,177 | \$ 246,102 |
| | ===== | |

(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)

September 30, December 31,
2011 2010

ASSETS

Current assets:

| | | |
|---|------------|------------|
| Cash and cash equivalents | \$ 334,497 | \$ 272,984 |
| Restricted cash and investments | 146,033 | 123,594 |
| Short-term investments | 7,612 | 7,678 |
| Premiums, commissions and fees receivable | 212,051 | 214,446 |
| Deferred income taxes | 8,837 | 20,076 |
| Other current assets | 23,664 | 14,031 |
| | ----- | |

| | | |
|------------------------------------|--------------|--------------|
| Total current assets | 732,694 | 652,809 |
| Fixed assets, net | 59,807 | 59,713 |
| Goodwill | 1,268,957 | 1,194,827 |
| Amortizable intangible assets, net | 481,930 | 481,900 |
| Other assets | 17,915 | 11,565 |
| | ----- | |
| Total assets | \$ 2,561,303 | \$ 2,400,814 |
| | ===== | ===== |

LIABILITIES AND SHAREHOLDERS' EQUITY

Current liabilities:

| | | |
|--|------------|------------|
| Premiums payable to insurance companies | \$ 325,996 | \$ 311,346 |
| Premium deposits and credits due customers | 46,440 | 28,509 |
| Accounts payable | 24,062 | 33,693 |
| Accrued expenses and other liabilities | 90,641 | 94,947 |
| Current portion of long-term debt | 1,142 | 1,662 |
| | ----- | |

Total current liabilities 488,281 470,157

Long-term debt 250,603 250,067

Deferred income taxes, net 167,074 146,482

Other liabilities 38,784 27,764

Shareholders' equity:

| | | |
|--|-----------|-----------|
| Common stock, par value \$0.10 per share; authorized 280,000 shares; issued and outstanding 143,382 at 2011 and 142,795 at 2010 | 14,338 | 14,279 |
| Additional paid-in capital | 303,966 | 286,997 |
| Retained earnings | 1,298,256 | 1,205,061 |
| Accumulated other comprehensive income | 1 | 7 |
| | ----- | |

Total shareholders' equity 1,616,561 1,506,344

Total liabilities and shareholders' equity \$ 2,561,303 \$ 2,400,814

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Cory T. Walker
Chief Financial Officer
(386) 239-7250

SOURCE: Brown & Brown, Inc.