

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 17, 2005

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 17, 2005, Brown & Brown, Inc. issued a press release announcing its results of operations for the third quarter ended September 30, 2005. 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

Date: October 17, 2005



October 17, 2005

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

**BROWN & BROWN, INC.  
THIRD QUARTER RESULTS ACHIEVE NEW RECORDS  
FOR REVENUES AND INCOME**

(Daytona Beach and Tampa, Florida) . . . Brown & Brown, Inc. (NYSE:BRO) announced net income for the third quarter of 2005 of \$34,783,000, or \$0.50 per share, an increase of 15.6% from the \$30,086,000, or \$0.43 per share, reported for the quarter ended September 30, 2004. Total revenue for the quarter ended September 30, 2005 was \$190,645,000, compared with 2004 third-quarter revenue of \$160,381,000, an increase of 18.9%.

Total revenue for the first nine months of 2005 was \$588,950,000, compared with revenue of \$483,888,000 for the comparable period in 2004, an increase of 21.7%. Net income for the first nine months of 2005 was \$114,834,000, versus \$98,587,000 during the comparable 2004 period, an increase of 16.5%. Net income per share for the nine months ended September 30, 2005 was \$1.65, versus the \$1.42 per share posted during the same 2004 period, an increase of 16.2%.

J. Hyatt Brown, Chairman and CEO, noted, "The third quarter was challenging given the continued softening of insurance premium rates, coupled with another heavy August/September hurricane season. Despite these challenges, our outstanding team of insurance professionals remains focused on driving new business sales and providing outstanding service to our customers".

President and Chief Operating Officer Jim W. Henderson added, "We are very proud of how well our recent acquisitions are performing and the strong operating results that they have added to our Company. Hyatt and I would also like to pay special tribute to our employees in our four Louisiana offices that were directly impacted by hurricanes Katrina and Rita. The manner in which our team responded to the needs of our customers and neighbors was remarkable. Our employees throughout the country have additionally responded with financial aid to the victims of these horrific storms."

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, and managed health care programs. Providing service to 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](http://www.bbinsurance.com).

This press release may contain 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 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 Arizona, California, Florida, Georgia, New Jersey, New York, Pennsylvania and/or Washington, where significant portions of the Company's business are concentrated; the actual costs of resolution of contingent liabilities; those factors relevant to Brown & Brown's consummation and integration of announced acquisitions, including any matters analyzed in the due diligence process, material adverse changes in the customers of the companies whose operations are acquired, and material adverse changes in the business and financial condition of either or both companies and their respective customers; 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.

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**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 Ended</b>		<b>Nine Months Ended</b>	
	<b><u>September 30</u></b>		<b><u>September 30</u></b>	
	<b><u>2005</u></b>	<b><u>2004</u></b>	<b><u>2005</u></b>	<b><u>2004</u></b>
<b>REVENUES</b>				
Commissions and fees	\$188,444	\$158,852	\$581,497	\$479,915
Investment income	1,786	586	4,275	1,607
Other income, net	<u>415</u>	<u>943</u>	<u>3,178</u>	<u>2,366</u>
Total revenues	<u>190,645</u>	<u>160,381</u>	<u>588,950</u>	<u>483,888</u>
<b>EXPENSES</b>				
Employee compensation and benefits	94,009	79,449	278,493	232,000
Non-cash stock grant compensation	681	374	2,360	1,885
Other operating expenses	25,638	22,042	78,760	63,421
Amortization	8,452	5,777	24,344	16,077
Depreciation	2,538	2,238	7,432	6,661
Interest	<u>3,638</u>	<u>2,245</u>	<u>10,891</u>	<u>3,699</u>
Total expenses	<u>134,956</u>	<u>112,125</u>	<u>402,280</u>	<u>323,743</u>
Income before income taxes	55,689	48,256	186,670	160,145
Income taxes	<u>20,906</u>	<u>18,170</u>	<u>71,836</u>	<u>61,558</u>
Net income	<u>\$ 34,783</u>	<u>\$ 30,086</u>	<u>\$114,834</u>	<u>\$ 98,587</u>
Net income per share:				
Basic	<u>\$0.50</u>	<u>\$0.44</u>	<u>\$1.66</u>	<u>\$1.43</u>
Diluted	<u>\$0.50</u>	<u>\$0.43</u>	<u>\$1.65</u>	<u>\$1.42</u>
Weighted average number of shares outstanding:				
Basic	<u>69,242</u>	<u>69,009</u>	<u>69,187</u>	<u>68,828</u>
Diluted	<u>69,819</u>	<u>69,588</u>	<u>69,752</u>	<u>69,361</u>
Dividends declared per share	<u>\$0.08</u>	<u>\$0.07</u>	<u>\$0.24</u>	<u>\$0.21</u>

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**Brown & Brown, Inc.**  
**INTERNAL GROWTH SCHEDULE**  
**Core Commissions and Fees<sup>(1)</sup>**  
**Three Months Ended September 30, 2005**  
(in thousands)  
(unaudited)

	<b>Quarter Ended 9/30/05</b>	<b>Quarter Ended 9/30/04</b>	<b>Total Net Change</b>	<b>Total Net Growth %</b>	<b>Less Acquisition Revenues</b>	<b>Internal Net Growth %</b>
<b>Florida Retail</b>	\$ 38,153	\$ 33,917	\$ 4,236	12.5 %	\$ 1,456	8.2 %
National Retail	49,174	49,177	(3)	(0.0)%	1,176	(2.4)%
Western Retail	<u>27,116</u>	<u>28,388</u>	<u>-(1,272)</u>	(4.5)%	<u>642</u>	(6.7)%
<b>Total Retail</b>	<u>114,443</u>	<u>111,482</u>	<u>2,961</u>	2.7 %	<u>3,274</u>	(0.3)%
Professional Programs	10,682	10,964	(282)	(2.6)%	-	(2.6)%
Special Programs	<u>21,945</u>	<u>19,712</u>	<u>2,233</u>	11.3 %	<u>2,566</u>	(1.7)%
<b>Total Programs</b>	<u>32,627</u>	<u>30,676</u>	<u>1,951</u>	6.4 %	<u>2,566</u>	(2.0)%
<b>Brokerage</b>	31,990	8,949	23,041	257.5 %	20,717	26.0 %
<b>TPA Services</b>	<u>6,821</u>	<u>6,163</u>	<u>658</u>	10.7 %	-	10.7 %
<b>Total Core Commissions and Fees <sup>(1)</sup></b>	\$185,881	\$157,270	\$28,611	18.2 %	\$26,557	1.3 %
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**Reconciliation of Internal Growth Schedule  
to Total Commissions and Fees**  
**Included in the Consolidated Statements of Income  
for the Three Months Ended September 30, 2005 and 2004**  
(in thousands)  
(unaudited)

	<b>Quarter Ended 9/30/05</b>	<b>Quarter Ended 9/30/04</b>
Total core commissions and fees <sup>(1)</sup>	\$185,881	\$157,270
Contingent commissions	2,563	986
Divested business	<u>          -</u>	<u>      596</u>
Total commissions & fees	\$188,444	\$158,852
	=====	=====

(1) Total core commissions and fees are our total commissions and fees less (i) contingent commissions (revenue derived from special revenue-sharing commissions paid by insurance companies based primarily upon the profitability of the business placed with such companies during the prior year, and in some cases upon the volume or growth of that business), 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,**  
**2005                      2004**

**ASSETS**

Current assets:

Cash and cash equivalents	\$ 76,730	\$ 188,106
Restricted cash and investments	235,263	147,483
Short-term investments	2,639	3,163
Premiums, commissions and fees receivable	235,116	172,395
Other current assets	<u>27,473</u>	<u>28,819</u>
Total current assets	577,221	539,966

Fixed assets, net	38,526	33,438
Goodwill	528,296	360,843
Amortizable intangible assets, net	362,381	293,009
Investments	9,294	9,328
Other assets	<u>10,021</u>	<u>12,933</u>
Total assets	<u>\$1,525,739</u>	<u>\$1,249,517</u>

**LIABILITIES AND SHAREHOLDERS' EQUITY**

Current liabilities:

Premiums payable to insurance companies	\$ 372,053	\$ 242,414
Premium deposits and credits due customers	36,083	32,273
Accounts payable	19,238	16,257
Accrued expenses	57,430	58,031
Current portion of long-term debt	<u>50,065</u>	<u>16,135</u>
Total current liabilities	534,869	365,110

Long-term debt	217,455	227,063
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Deferred income taxes, net	29,571	24,859
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Other liabilities	9,045	8,160
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**Shareholders' equity:**

Common stock, par value \$0.10 per share; authorized 280,000 shares; issued and outstanding 69,502 at 2005 and 69,159 at 2004	6,950	6,916
Additional paid-in capital	199,189	187,280
Retained earnings	523,879	425,662
Accumulated other comprehensive income	<u>4,781</u>	<u>4,467</u>
Total shareholders' equity	<u>734,799</u>	<u>624,325</u>

Total liabilities and shareholders' equity	<u>\$1,525,739</u>	<u>\$1,249,517</u>
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