

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): December 15, 2011

**Brown & Brown, Inc.**  
(Exact Name of Registrant as Specified in its Charter)

Florida  
(State or  
Incorporation)

001-13619  
(Commission File  
Number)

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

**220 South Ridgewood Avenue, Daytona Beach, 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 1.01 Entry into a Material Definitive Agreement**

On December 15, 2011, Brown & Brown, Inc. (the "Company"), a Florida corporation, Pacific Merger Corp. ("Merger Sub"), a Delaware corporation and wholly-owned subsidiary of the Company, Arrowhead General Insurance Agency Superholding Corporation, a Delaware corporation ("Arrowhead"), and Spectrum Equity Investors V, L.P., a Delaware limited partnership, solely

in its capacity as the representative of Arrowhead's equityholders (the "Equityholders' Representative"), entered into a merger agreement (the "Agreement"). The Agreement contemplates that the Merger Sub will merge with and into Arrowhead, with Arrowhead as the surviving corporation (the "Merger").

Immediately upon the consummation of the Merger, Arrowhead's shares will be converted into the rights to receive cash equal, collectively, to \$395.0 million, subject to adjustments for options to purchase shares of Arrowhead's common stock, working capital, sharing of net operating tax losses, Arrowhead's preferred stock units, transaction expenses, and closing debt. In addition, within 60 days following the third anniversary of the Merger's closing date, the Company will pay to certain current Arrowhead equityholders additional earn-out payments equal, collectively, to \$5.0 million, subject to certain adjustments based on the cumulative EBITDA of Arrowhead and all of its subsidiaries, as calculated under the Agreement, during the final year of the three-year period following the Merger's closing date.

Under the Agreement, the Merger is subject to certain closing conditions including that the waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended and if applicable, shall have expired or been terminated and the delivery of written consents to the Merger by certain insurance companies with which Arrowhead does business. If the Merger is not closed by February 13, 2012, either party may terminate the Agreement.

A copy of the Agreement will be filed as an exhibit to our Annual Report on Form 10-K for the year ending December 31, 2011.

Other than in respect of the Agreement, the Company and the Merger Sub have no material relationship with Arrowhead or the Equityholders' Representative.

The Company currently intends to finance the above transaction with a combination of its available cash and new third-party financing the Company is pursuing. The Company may alternatively obtain the third-party financing under existing agreements and a commitment letter the Company has that remain subject to the Company reaching final agreements with those lenders.

This Form 8-K contains Forward-Looking Statements. 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 actual events may differ, possibly materially, from the anticipated events indicated in these forward-looking statements. These risks and uncertainties include, but are not limited to, those set forth in the Press Release attached as Exhibit 99.1 hereto.

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#### **Item 7.01 Regulation FD Disclosure**

On December 15, 2011, the Company issued a press release announcing the execution of the Agreement. The press release is attached as Exhibit 99.1.

The information furnished herewith pursuant to Item 7.01 of this Current Report, including Exhibit 99.1, shall not be deemed to be filed for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of that section. The information in this Current Report shall not be incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such filing.

#### **Item 9.01 Financial Statements and Exhibits**

(d) Exhibits

The following exhibit is furnished herewith:

<b>Exhibit No.</b>	<b>Description</b>
99.1	Press Release dated December 15, 2011.

#### **SIGNATURES**

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

Brown & Brown, Inc.

/s/ CORY T. WALKER

December 16, 2011 By: \_\_\_\_\_

Cory T. Walker  
Sr. Vice President, Treasurer and  
Chief Financial Officer

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

December 15, 2011

**BROWN & BROWN, INC. ENTERS INTO AGREEMENT  
TO ACQUIRE ARROWHEAD GENERAL INSURANCE AGENCY, INC.; CONFERENCE CALL SCHEDULED DECEMBER  
16, 2011**

(Daytona Beach and Tampa, Florida) . . . J. Powell Brown, Chief Executive Officer and President of Brown & Brown, Inc. (NYSE:BRO), today announced that Brown & Brown, Inc. has entered into an agreement to acquire the parent company of Arrowhead General Insurance Agency, Inc. ("Arrowhead"), a national insurance program manager and one of the largest managing general agents (MGAs) in the property and casualty insurance industry, from Spectrum Equity Investors, JMI Equity and a management equityholder group. The transaction is expected to close in January 2012 and is subject to customary closing conditions, including regulatory approval. The transaction will be a cash transaction and is not subject to financing conditions.

On Friday, December 16, 2011, J. Powell Brown, J. Scott Penny, Regional President and Chief Acquisitions Officer, and Cory T. Walker, Senior Vice President and Chief Financial Officer of Brown & Brown, Inc., along with Arrowhead senior executive officers Chris L. Walker, D. McDonald "Mac" Armstrong, and Stephen "Steve" Bouker, will host an investor update conference call concerning this transaction. You are invited to listen to the call, which will be broadcast live on Brown & Brown's Internet site at 9:00 a.m. ET. Simply log on to [www.bbinsurance.com](http://www.bbinsurance.com) and click on "Investor Relations" and then "Calendar of Events". A presentation containing additional material regarding the transaction will also be available at this link.

If you are unable to listen during the live webcast, audio from the conference call will be available commencing two hours after the end of the live broadcast until midnight (ET) on Sunday, January 15, 2012. To access this replay, dial 1-888-203-1112 or 1-719-457-0820 and, when prompted, enter replay access code 4612161. Audio will also be archived on Brown & Brown's website, [www.bbinsurance.com](http://www.bbinsurance.com), for 60 days after the live broadcast. To access the website replay, go to "Investor Relations" and click on "Calendar of Events". Windows Media Player software and at least a 28.8 kbps connection to the Internet are required to access and listen to this broadcast.

Arrowhead, together with its subsidiary, American Claims Management, Inc. ("ACM"), a third-party claims administrator, and its other subsidiaries, is expected to have total annual 2011 net revenues of approximately \$105 million.

As part of this transaction:

- Chris Walker, Chief Executive Officer of Arrowhead, will be named a Regional Executive Vice President of Brown & Brown, Inc. and will also continue to serve as CEO of Arrowhead.
- Mac Armstrong, Arrowhead's current Chief Financial Officer and Chief Operating Officer, will be promoted to President of Arrowhead.
- Steve Bouker has elected to focus his energy on leadership of the Residential Earthquake Program, which he created for Arrowhead, and will continue as President of that division.
- Lewis DeFuria will continue to serve as President of Special Risk for Arrowhead.
- Stephen Boyd will continue to serve as President of Arrowhead's Commercial Lines.
- Scott Marshall will continue to serve as President of ACM.
- Messrs. Walker, Armstrong, Bouker, DeFuria, Boyd, and Marshall will also join Brown & Brown, Inc.'s Leadership Council.

Arrowhead and ACM will continue to operate in their current locations in the greater San Diego, California, area. Alexander Anthony Insurance, LLC, an Arrowhead subsidiary, will continue to operate in its Salt Lake City, Utah, location.

Powell Brown stated, "This transaction brings many exciting opportunities to Brown & Brown. We believe Arrowhead has built a strong management team and an organization that enjoys an excellent reputation within the industry. The addition of Arrowhead to our Programs Division should significantly expand the breadth and depth of our insurance carrier relationships and the products and services we can offer our distribution partners." He also noted, "It is expected that this transaction will increase our total annual revenues and number of team members by approximately ten percent."

Chris Walker said, "The Arrowhead team is thrilled to be joining Brown & Brown. We believe the entrepreneurial, results driven culture of Brown & Brown is a perfect fit for Arrowhead. We look forward to continuing our successful, profitable growth with our producers and carrier partners with the enhanced resources and talent of Brown & Brown at our side."

The purchase price is \$395.0 million, subject to adjustments for certain items such as Arrowhead's working capital, debt and net tax operating losses. An additional payment of up to \$5.0 million may be made three years after closing, depending on Arrowhead's EBITDA during the last year of that period.

Brown & Brown, Inc., through its subsidiaries, offers a broad range of insurance and reinsurance products and related 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, Brown & Brown is ranked by Business Insurance magazine as the United States' seventh largest independent insurance intermediary. Brown & Brown'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 associated with this acquisition, the expected total annual 2011 net revenues of Arrowhead, together with ACM and its other subsidiaries, the appointments of those individuals previously employed by Arrowhead to the above-described positions with Brown & Brown after the transaction, the opportunities for Brown & Brown expected to result from the transaction, the expansion, expected to result from the transaction, of Brown & Brown's breadth and depth of its insurance carrier relationships and the products and services it can offer its distribution partners, and the increase, expected to result from the transaction, of Brown & Brown's total revenues and number of team members. These statements are not historical facts, but instead represent only Brown & Brown's current belief regarding future events, many of which, by their nature, are inherently uncertain and outside of Brown & Brown's control. It is possible that Brown & Brown's actual results and financial condition may differ, possibly materially, from the anticipated results and financial condition indicated in these forward-looking statements. These risks and uncertainties include, but are not limited to: Brown & Brown's consummation and integration of the announced acquisition, including adequately addressing any matters analyzed in the due diligence process; Brown & Brown's ability to obtain the financing that it is pursuing for the transaction as the Merger Agreement does not include a financing condition to Brown & Brown's obligation to close; Brown & Brown's ability to retain the seller's customers following the transaction; the post-transaction performance of the operations acquired from the seller combined with Brown & Brown's operations; material adverse changes in the business and financial condition of the seller, the buyer, or both, and their respective customers; material adverse changes in economic conditions in the markets Brown & Brown serves and in the general economy; management's decisions after the transaction regarding employment positions with Brown & Brown; the inability of certain individuals to fill certain positions with Brown & Brown after the transaction; changes to management's strategy, including the future strategic decisions regarding its insurance carrier relationships and/or the products and services it offers its distribution partners; future regulatory actions and conditions in the states in which Brown & Brown conducts its business; competition from others in the insurance agency, wholesale brokerage, insurance programs and service business; the occurrence of adverse economic conditions; an adverse regulatory climate; and a disaster in California, Florida, Georgia, Indiana, Louisiana, Massachusetts, Michigan, New Jersey, New York, Pennsylvania, Texas, Virginia and Washington because a significant portion of business written by Brown & Brown is for customers located in these states; and the inherent uncertainty in making estimates, judgments, and assumptions in the preparation of financial statements in accordance with generally accepted accounting principles in the United States of America. Further information concerning Brown & Brown and its business, including factors that potentially could materially affect Brown & Brown's financial results and condition, as well as its other achievements, is contained in Brown & Brown's filings with the Securities and Exchange Commission. All forward-looking statements made herein are made only as of the date of this release, and Brown & Brown 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 Brown & Brown hereafter becomes aware.

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