

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): February 8, 2008

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 February 8, 2008, Brown & Brown, Inc. issued a press release announcing its results of operations for the fourth quarter and 2007 year-end results. 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: February 8, 2008



News Release

Cory T. Walker

Chief Financial Officer

(386) 239-7250

February 8, 2008

BROWN & BROWN, INC. ANNOUNCES A 1.2% INCREASE IN FOURTH QUARTER REVENUES

(Daytona Beach and Tampa, Florida) . . . Brown & Brown, Inc. (NYSE:BRO) today announced its net income for the fourth quarter of 2007 of \$33,004,000, or \$0.23 per share, a decrease of 12.3% from the \$37,623,000, or \$0.27 per share, reported for the quarter ended December 31, 2006. Total revenue for the quarter ended December 31, 2007 was \$217,226,000, compared with 2006 fourth-quarter revenue of \$214,650,000, an increase of 1.2%.

Total revenue for the twelve months ended December 31, 2007 was \$959,667,000, compared with revenue of \$878,004,000 for the corresponding period in 2006, up 9.3%. Net income for the twelve months of 2007 was \$190,959,000, versus \$172,350,000 during the comparable 2006 period, an increase of 10.8%. Net income per share for the twelve months ended December 31, 2007 was \$1.35, versus the \$1.22 per share posted during the same period in 2006, an increase of 10.7%.

J. Hyatt Brown, Chairman and Chief Executive Officer, noted, "The fourth quarter of 2007 was a very challenging quarter. Property and Casualty lines of insurance continued to renew at 15% to 30% less than expiring premiums. New business production was in line with expectations but not sufficient to make up the price reductions across the states in which we operate. These price reductions are of course good news for our insureds. For the year of 2007, our net income per share was up a respectable 10.7%."

Jim W. Henderson, Vice Chairman and Chief Operating Officer, added, "We are very pleased to report an increase in merger and acquisitions activity with 20 transactions and \$61.2 million in estimated annualized revenues acquired during the period extending from the fourth quarter of 2007 through the first 40 days of 2008. During the 2007 calendar year, we acquired approximately \$107.0 of annualized revenues, a 90% increase over 2006. There is a general improvement in the merger and acquisitions environment, and as such, acquisitions will continue to be a bright spot in our long-term growth plans."

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.

This press release may contain certain statements relating to future results which are forward-looking statements, including those relating to 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, Texas 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.

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

	For the		For the	
	Three Months Ended		Twelve Months Ended	
	December 31		December 31	
	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
REVENUES				
Commissions and fees	\$213,194	\$210,763	\$914,650	\$864,663
Investment income	2,639	3,096	30,494	11,479
Other income, net	<u>1,393</u>	<u>791</u>	<u>14,523</u>	<u>1,862</u>
Total revenues	<u>217,226</u>	<u>214,650</u>	<u>959,667</u>	<u>878,004</u>
EXPENSES				
Employee compensation and benefits	110,164	100,160	444,101	404,891
Non-cash stock-based compensation	1,340	815	5,667	5,416
Other operating expenses	34,962	35,887	131,371	126,492
Amortization	10,638	9,431	40,436	36,498
Depreciation	3,271	3,007	12,763	11,309
Interest	<u>3,357</u>	<u>3,277</u>	<u>13,802</u>	<u>13,357</u>
Total expenses	<u>163,732</u>	<u>152,577</u>	<u>648,140</u>	<u>597,963</u>
Income before income taxes	53,494	62,073	311,527	280,041
Income taxes	<u>20,490</u>	<u>24,450</u>	<u>120,568</u>	<u>107,691</u>
Net income	<u>\$ 33,004</u>	<u>\$ 37,623</u>	<u>\$190,959</u>	<u>\$ 172,350</u>
Net income per share:	=====	=====	=====	=====
Basic	\$0.23	\$0.27	\$1.36	\$1.23
	=====	=====	=====	=====
Diluted	\$0.23	\$0.27	\$1.35	\$1.22
	=====	=====	=====	=====
Weighted average number of shares outstanding:				
Basic	140,701	139,969	140,476	139,634
	=====	=====	=====	=====
Diluted	141,355	141,227	141,257	141,020
	=====	=====	=====	=====
Dividends declared per share	\$0.07	\$0.06	\$0.25	\$0.21
	=====	=====	=====	=====

Brown & Brown, Inc.
INTERNAL GROWTH SCHEDULE
Core Commissions and Fees⁽¹⁾
Three Months Ended December 31, 2007
(in thousands)
(unaudited)

	Quarter Ended 12/31/07	Quarter Ended 12/31/06	Total Net Change	Total Net Growth %	Less Acquisition Revenues	Internal Net Growth %
Florida Retail	\$ 41,250	\$ 45,347	\$ (4,097)	(9.0)%	\$ 982	(11.2)%
National Retail	62,241	48,236	14,005	29.0%	15,450	(3.0)%
Western Retail	<u>21,910</u>	<u>23,793</u>	<u>(1,883)</u>	(7.9)%	<u>80</u>	(8.3)%
Total Retail	<u>125,401</u>	<u>117,376</u>	<u>8,025</u>	6.8%	<u>16,512</u>	(7.2)%
Professional Programs	11,630	10,980	650	5.9%	47	5.5%
Special Programs	<u>31,253</u>	<u>32,921</u>	<u>(1,668)</u>	(5.1)%	<u>10</u>	(5.1)%
Total National Programs	<u>42,883</u>	<u>43,901</u>	<u>(1,018)</u>	(2.3)%	<u>57</u>	(2.4)%
Wholesale Brokerage	34,988	37,382	(2,394)	(6.4)%	3,454	(15.6)%
Services	<u>7,977</u>	<u>8,702</u>	<u>(725)</u>	(8.3)%	-	(8.3)%
Total Core Commissions and Fees ⁽¹⁾	\$211,249 =====	\$207,361 =====	\$ 3,888 =====	1.9%	\$20,023 =====	(7.8)%

**Reconciliation of Internal Growth Schedule
to Total Commissions and Fees**
**Included in the Consolidated Statements of Income
for the Three Months Ended December 31, 2007 and 2006**
(in thousands)
(unaudited)

	Quarter Ended 12/31/07	Quarter Ended 12/31/06
Total core commission and fees(1)	\$211,249	\$207,361
Contingent commissions	<u>1,945</u>	<u>885</u>
Total commissions & fees	<u>\$213,194</u>	<u>\$210,763</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).

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

December 31, December 31,

	<u>2007</u>	<u>2006</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 38,234	\$ 88,490
Restricted cash and investments	254,404	242,187
Short-term investments	2,892	2,909
Premiums, commissions and fees receivable	240,680	282,440
Deferred income taxes	17,208	-
Other current assets	<u>33,964</u>	<u>32,180</u>
Total current assets	587,382	648,206
Fixed assets, net	62,327	44,170
Goodwill	846,433	684,521
Amortizable intangible assets, net	443,224	396,069
Investments	355	15,826
Other assets	<u>20,938</u>	<u>19,160</u>
Total assets	<u>\$1,960,659</u>	<u>\$1,807,952</u>
	=====	=====
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Premiums payable to insurance companies	\$ 394,034	\$ 435,449
Premium deposits and credits due customers	41,211	33,273
Accounts payable	18,760	17,854
Accrued expenses	90,599	86,009
Current portion of long-term debt	<u>11,519</u>	<u>18,082</u>
Total current liabilities	556,123	590,667
Long-term debt	227,707	226,252
Deferred income taxes, net	65,736	49,721
Other liabilities	13,635	11,967
Shareholders' equity:		
Common stock, par value \$0.10 per share; authorized 280,000 shares; issued and outstanding 140,673 at 2007 and 140,016 at 2006	14,067	14,002
Additional paid-in capital	231,888	210,543
Retained earnings	851,490	695,656
Accumulated other comprehensive income	<u>13</u>	<u>9,144</u>
Total shareholders' equity	<u>1,097,458</u>	<u>929,345</u>
Total liabilities and shareholders' equity	<u>\$1,960,659</u>	<u>\$1,807,952</u>
	=====	=====