

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934 (NO FEE REQUIRED, EFFECTIVE OCTOBER 7, 1996).
For the fiscal year ended December 31, 1996.

or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission file number 0-7201.

POE & BROWN, INC.
(Exact name of Registrant as specified in its charter)

Florida

59-0864469

(State or other jurisdiction of
incorporation or organization)

(I.R.S. Employer
Identification Number)

220 South Ridgewood Avenue, Daytona Beach, FL 32114
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: (904) 252-9601

Securities registered pursuant to Section 12(b) of the Act: None
Securities registered pursuant to Section 12(g) of the Act:

Common Stock, \$.10 par value
(Title of class)

Indicate by check mark whether the Registrant (1) has filed all reports re
quired to be filed by Section 13 or 15(d) of the Securities Exchange Act of
1934 during the preceding 12 months, and (2) has been subject to such
filing requirements for the past ninety (90) days. Yes X No ___

Indicate by check mark if disclosure of delinquent filers pursuant to Item
405 of Regulation S-K is not contained herein and will not be contained, to
the best of the Registrant's knowledge, in definitive proxy or information
statements incorporated by reference in Part III of this Form 10-K or any
amendment to this Form 10-K [].

The aggregate market value of the voting stock held by non-affiliates of
the Registrant, computed by reference to the last reported price at which
the stock was sold on March 7, 1997, was \$176,787,330.

The number of shares of the Registrant's common stock, \$.10 par value, out
standing as of March 7, 1997, was 8,699,489.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Registrant's 1996 Annual Report to Shareholders are
incorporated by reference into Parts I and II of this Report. With the
exception of those portions which are incorporated by reference, the
Registrant's Annual Report to Shareholders is not deemed filed as part of
this Report.

Portions of the Registrant's Proxy Statement for the 1997 Annual Meeting of
Shareholders are incorporated by reference into Part III of this Report.

POE & BROWN, INC.

FORM 10-K ANNUAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 1996

PART I

ITEM 1. BUSINESS

GENERAL

Poe & Brown, Inc. (the "Company") is a general insurance agency headquartered in Daytona Beach and Tampa, Florida that resulted from an April 28, 1993 business combination involving Poe & Associates, Inc. ("Poe") and Brown & Brown, Inc. ("Brown"). Poe was incorporated in 1958 and Brown commenced business in 1939. Industry segment information is not presented because the Company realizes substantially all of its revenues from the general insurance agency business.

The Company is a diversified insurance brokerage and agency that markets and sells primarily property and casualty insurance products and services to its clients. Because the Company does not engage in underwriting activities, it does not assume underwriting risks. Instead, it acts in an agency capacity to provide its customers with targeted, customized risk management products.

The Company is compensated for its services by commissions paid by insurance companies and fees for administration and benefit consulting services. The commission is usually a percentage of the premium paid by an insured. Commission rates generally depend upon the type of insurance, the particular insurance company, and the nature of the services provided by the Company. In some cases, a commission is shared with other agents or brokers who have acted jointly with the Company in a transaction. The Company may also receive from an insurance company a contingent commission that is generally based on the profitability and volume of business placed with it by the Company over a given period of time. Fees are principally generated by the Company's Service Division, which offers administration and benefit consulting services primarily in the workers' compensation and employee benefit markets. The amount of the Company's income from commissions and fees is a function of, among other factors, continued new business production, retention of existing customers, acquisitions, and fluctuations in insurance premium rates and insurable exposure units.

Premium pricing within the property and casualty insurance underwriting industry has been cyclical and has displayed a high degree of volatility based on prevailing economic and competitive conditions. Since the mid-1980s, the property and casualty insurance industry has been in a "soft market" during which the underwriting capacity of insurance companies expanded, stimulating an increase in competition and a decrease in premium rates and related commissions and fees. Significant reductions in premium rates occurred during the years 1987 through 1989 and continue, although to a lesser degree, through the present. The effect of this softness in rates on the Company's revenues has been somewhat offset by the Company's acquisitions and new business production. The Company cannot predict the timing or extent of premium pricing changes as a result of market fluctuations or their effect on the Company's operations in the future.

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The Company's activities are conducted in 19 locations throughout Florida, and in eight additional locations in Arizona, California, Connecticut, Georgia, New Jersey, North Carolina, Pennsylvania, and Texas. Because the Company's business is concentrated in Florida, the occurrence of adverse economic conditions or an adverse regulatory climate in Florida could have a materially adverse effect on its business, although the Company

has not encountered such conditions in the past.

The Company's business is divided into five divisions: (i) the Retail Division; (ii) the Professional Programs Division; (iii) the Commercial Programs Division; (iv) the Service Division; and (v) the Brokerage Division. The Retail Division is composed of Company employees in 23 offices who market and sell a broad range of insurance products to insureds. The two Program Divisions work with underwriters to develop proprietary insurance programs for specific niche markets. These programs are marketed and sold primarily through approximately 350 independent agencies and more than 2,000 independent agents across the United States. The Company receives an override on the commissions generated by these independent agencies. The Service Division provides insurance-related services such as third-party administration and consultation for workers' compensation and employee benefit markets. The Brokerage Division markets and sells excess and surplus commercial insurance, as well as certain niche programs, primarily through independent agents.

The following table sets forth a summary of (i) the commission and fee revenues realized from each of the Company's operating divisions for each of the three years in the period ended December 31, 1996 (in thousands of dollars), and (ii) the percentage of the Company's total commission and fee revenues represented by each division for each of such periods:

	1994	%	1995	%	1996	%
Retail Division	\$56,018	58.4%	\$ 59,552	58.4%	\$ 66,798	58.4%
Professional Programs Division	20,907	21.8%	21,463	21.0%	20,377	17.8%
Commercial Programs Division	5,612	5.9%	6,079	6.0%	5,355	4.7%
Service Division	10,643	11.1%	10,751	10.5%	11,887	10.4%
Brokerage Division	2,672	2.8%	4,153	4.1%	9,961	8.7%
Total	<u>\$95,852</u>	<u>100 %</u>	<u>\$101,998</u>	<u>100 %</u>	<u>\$114,378</u>	<u>100%</u>

RETAIL DIVISION

The Company's Retail Division operates through 23 locations in eight states. These locations employ approximately 591 persons. The Company's retail insurance agency business consists primarily of selling and marketing property and casualty insurance coverages to commercial, professional and, to a limited extent, individual customers. The categories of insurance principally sold by the Company are: Casualty - insurance relating to legal liabilities, workers' compensation, commercial and private passenger automobile coverages, and fidelity and surety insurance; and Property - insurance against physical damage to property and resultant interruption of business or extra expense caused by fire, windstorm or other perils. The Company also sells and services all forms of group and individual life, accident, health, hospitalization, medical and dental insurance programs. Each category of insurance is serviced by insurance specialists employed by the Company.

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No material part of the Company's retail business depends upon a single customer or a few customers. During 1996, the Company's Retail Division received approximately \$440,000 of fees and commissions from Rock-Tenn Company, the Company's largest single Retail Division customer. Such amount represented

approximately 1% of the Retail Division's total commission and fee revenues for 1996.

In connection with the selling and marketing of insurance coverages, the Company provides a broad range of related services to its customers, such as risk management surveys and analysis, consultation in connection with placing insurance coverages, and claims processing. The Company believes these services are important factors in securing and retaining customers.

PROFESSIONAL AND COMMERCIAL PROGRAMS DIVISIONS

In 1996, the Company's National Programs Division was divided into two distinct market-responsive groups as a result of changes in market conditions. The two divisions created as a result of this separation are the Professional Programs Division and the Commercial Programs Division. These divisions tailor insurance products to the needs of a particular professional or trade group, negotiate policy forms, coverages and commission rates with an insurance company and, in certain cases, secure the formal or informal endorsement of the product by a professional association or trade group. Programs are marketed and sold primarily through a national network of approximately 350 independent agencies and more than 2,000 independent agents, who solicit customers through advertisements in association publications, direct mailings and personal contact. The Company also markets a variety of these products through certain of its retail offices. Under agency agreements with the insurance companies that underwrite these programs, the Company usually has authority to bind coverages, subject to established guidelines, to bill and collect premiums and, in some cases, to process claims.

The Company is committed to ongoing market research and development of new proprietary programs. The Company employs a variety of methods, including interviews with members of various professional and trade groups to which the Company does not presently offer insurance products, to assess the coverage needs of such professional associations and trade groups. If the initial market research is positive, the Company studies the existing and potential competition and locates potential carriers for the program. A proposal is then submitted to and negotiated with a selected carrier and, in most instances, a professional or trade association from which endorsement of the program is sought. New programs are introduced through written communications, personal visits with agents, placements of advertising in trade publications and, where appropriate, participation in trade shows and conventions. Several new programs are currently being reviewed or implemented by the Company. There can be no assurance, however, as to whether the Company will be successful in developing or implementing any such new programs, or what the market reception will be.

Professional Programs. The professional groups serviced by the Professional Programs Division include dentists, lawyers, physicians, chiropractors, and optometrists and opticians. Set forth below is a brief description of the programs offered to these major professional groups.

- Dentists: The largest program marketed by the Professional Programs Division is a package insurance policy known as the Professional Protector PlanR, which provides comprehensive coverage for dentists, including practice protection and professional liability. This program, initiated in 1969, is endorsed by 31 state or local dental societies, and is offered in 49 states, the District of Columbia, the Virgin Islands and Puerto Rico. This program presently insures approximately 36,300 dentists, which the Company

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believes represents approximately 28% of the eligible practicing dentists within the Company's marketing territories.

- Lawyers: The Company began marketing lawyers'

professional liability insurance in 1973, and the national Lawyer's Protector PlanR was introduced in 1983. The program presently insures approximately 36,000 attorneys and is offered in 45 states, the District of Columbia and the Virgin Islands.

- Physicians: The Company markets professional liability insurance for physicians, surgeons, and other health care providers through a program known as the Physicians Protector PlanR. The program, initiated in 1980, is currently offered in thirteen states and insures approximately 3,000 physicians.

- Optometrists and Opticians: The Optometric Protector PlanR was created in 1973 to provide optometrists and opticians with a package of practice and professional liability coverage. This program insures approximately 7,100 optometrists and opticians in all 50 states and Puerto Rico.

- Chiropractors: The Chiropractic Protector PlanSM (the "CPP") was introduced in 1996 to provide professional liability and comprehensive general liability coverage for chiropractors. This program is currently being offered in Florida and Illinois with the expectation that it will soon be offered in other states.

The professional programs described above are underwritten predominantly through CNA Insurance Companies ("CNA"). The Company and CNA are parties to Program Agency Agreements with respect to each of the programs described above except for the CPP, with respect to which an agreement is currently being finalized. Among other things, these agreements grant the Company the exclusive right to solicit and receive applications for program policies directly and from other licensed agents and to bind and issue such policies and endorsements thereto. In fulfilling its obligations under the agreements, the Company must comply with the administrative and underwriting guidelines established by CNA. The Company must use its best efforts to promote the programs and solicit and sell program policies. The Company is compensated through commissions on premiums, which vary according to insurance product (e.g., workers' compensation, commercial umbrella, package coverage, monoline professional and general liability) and the Company's role in the transaction. The commission to which the Company is entitled may change upon 90 days written notice from CNA. The Program Agency Agreements are generally cancellable by either party for any reason on advance written notice of six months or one year. An agreement may also be terminated upon breach, by the non-breaching party, subject to certain opportunities to cure the breach.

Commercial Programs. The Commercial Programs Division's Towing Operators Protector PlanR was introduced in 1993 and currently provides specialized insurance products to tow-truck operators in 42 states. The Automobile Dealers Protector PlanR insures non-franchised automobile dealers whose primary business is the sale of used cars and trucks. In Florida, the program is endorsed by the Florida Independent Auto Dealers Association. Since 1994, this program has been expanded into all 50 states and currently insures approximately 3,600 dealers. The Automobile Transporters Protector PlanSM, introduced in 1996 and offered in all 50 states, encompasses risks engaged in the transportation of automobiles and trucks on vehicles designed for multiple automobile transportation. The Automotive Aftermarket Protector PlanSM, introduced in 1996 and currently offered in 47 states, is a property and casualty program for manufacturers of automotive parts, manufacturers of machinery and equipment that make or alter parts, and companies in

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the business of vehicle conversion. The Company also plans to introduce its Manufacturers Protector PlanSM and Railroad Protector PlanSM in 1997.

The Insurance Administration Center ("IAC") became a wholly-owned subsidiary of the Company in 1989. IAC was founded in 1962 to serve as insurance consultant to the National Association of

Wholesaler-Distributors ("NAW"), including NAW's Industry Associations, which have a total of approximately 40,000 member companies. IAC currently serves NAW members as a third-party administration facility for life and health coverages, and markets and sells various employee benefit and property and casualty insurance products to NAW members.

IAC's third-party administration services include billing, premium accounting, eligibility, enrollment, claims payments and financial reporting, and IAC currently processes claims for approximately 265 employers associated with NAW in a program for which John Hancock Life Insurance Company is the lead underwriter. Since April 1995, IAC's property and casualty offerings have been principally underwritten by General Accident Insurance Company. Premiums written in 1996 totalled \$37.8 million.

In April 1996, the Company sold substantially all the assets of Health Care Insurers, Inc. ("HCI"), a wholly-owned subsidiary located in Colorado Springs, Colorado. HCI marketed and sold professional health care liability insurance and property coverages through independent agents to hospitals, laboratories, nursing homes, medical groups and clinics.

SERVICE DIVISION

The Service Division consists of two separate components: (i) insurance and related services as a third-party administrator ("TPA") and consultant for employee health and welfare benefit plans, and (ii) insurance and related services providing comprehensive risk management and third-party administration to self-funded workers' compensation plans.

In connection with its employee benefit plan administrative services, the Service Division provides TPA services and consulting related to benefit plan design and costing, arrangement for the placement of stop-loss insurance and other employee benefit coverages, and settlement of claims. The Service Division provides utilization management services such as pre-admission review, concurrent/retrospective review, pre-treatment review of certain non-hospital treatment plans, and medical and psychiatric case management. In addition to the administration of self-funded health care plans, the Service Division offers administration of flexible benefit plans, including plan design, employee communication, enrollment and reporting. The Service Division's workers' compensation TPA services include risk management services such as loss control, claim administration, access to major reinsurance markets, cost containment consulting, and services for secondary disability and subrogation recoveries.

The Service Division provides workers' compensation TPA services for approximately 2,500 employers representing more than \$3 billion of employee payroll. The Company's largest workers' compensation contract represents approximately 69% of the Company's workers' compensation TPA revenues, or 4% of the Company's total commission and fee revenues.

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BROKERAGE DIVISION

The Brokerage Division markets excess and surplus lines and specialty niche insurance products to the Company's Retail Division, as well as to other retail agencies throughout Florida and the southeastern United States. The Brokerage Division represents various U.S. and U.K. surplus lines companies and is also a Lloyd's of London correspondent. In addition to surplus lines carriers, the Brokerage Division represents admitted carriers for smaller agencies that do not have access to large insurance carrier representation. Excess and surplus products include commercial automobile, garage, restaurant, builder's risk and inland marine lines. Difficult-to-insure general liability and products liability coverages are a specialty, as is excess

workers' compensation. Retail agency business is solicited through mailings and direct contact with retail agency representatives. In 1996, the Company acquired a 75% ownership interest in Florida Intracoastal Underwriters, Limited Company ("FIU") of Miami Lakes, Florida. FIU is a managing general agency that specializes in providing insurance coverages for coastal and inland high-value condominiums and apartments. FIU has developed a unique reinsurance facility to support the underwriting activities associated with these risks.

EMPLOYEES

At December 31, 1996, the Company had 1,075 full-time equivalent employees. The Company has contracts with its sales employees that include provisions restricting their right to solicit the Company's customers after termination of employment with the Company. The enforceability of such contracts varies from state to state depending upon state statutes, judicial decisions and factual circumstances. The majority of these contracts are terminable by either party; however, the agreements not to solicit the Company's customers generally continue for a period of three years after employment termination.

None of the Company's employees is represented by a labor union, and the Company considers its relations with its employees to be satisfactory.

COMPETITION

The insurance agency business is highly competitive, and numerous firms actively compete with the Company for customers and insurance carriers. Although the Company is the largest insurance agency headquartered in Florida, a number of firms with substantially greater resources and market presence compete with the Company in Florida and elsewhere. This situation is particularly pronounced outside Florida. Competition in the insurance business is largely based on innovation, quality of service and price.

A number of insurance companies are engaged in the direct sale of insurance, primarily to individuals, and do not pay commissions to agents and brokers. To date, such direct writing has had relatively little effect on the Company's operations, primarily because the Company's Retail Division is commercially oriented.

REGULATION, LICENSING AND AGENCY CONTRACTS

The Company or its designated employees must be licensed to act as agents by state regulatory authorities in the states in which the Company conducts business. Regulations and licensing laws vary in individual states and are often complex.

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The applicable licensing laws and regulations in all states are subject to amendment or reinterpretation by state regulatory authorities, and such authorities are vested in most cases with relatively broad discretion as to the granting, revocation, suspension and renewal of licenses. The possibility exists that the Company could be excluded or temporarily suspended from carrying on some or all of its activities in, or otherwise subjected to penalties by, a particular state.

ITEM 2. PROPERTIES

The Company's executive offices are located at 220 South Ridgewood Avenue, Daytona Beach, Florida 32114 and 401 East Jackson Street, Suite 1700, Tampa, Florida 33602. The Company also maintains offices in the following cities: Phoenix, Arizona; San Francisco, California; Glastonbury, Connecticut; Aventura, Florida; Brooksville, Florida; Ft. Lauderdale, Florida; Ft. Myers, Florida; Jacksonville, Florida; Kissimmee, Florida; Leesburg, Florida; Maitland, Florida; Melbourne, Florida; Miami Lakes, Florida; Naples, Florida; Orlando, Florida; St.

Petersburg, Florida; Sarasota, Florida; West Palm Beach, Florida; Winter Haven, Florida; Atlanta, Georgia; Clark, New Jersey; Charlotte, North Carolina; Philadelphia, Pennsylvania; and Houston, Texas.

The Company occupies office premises under noncancellable operating leases expiring at various dates. These leases generally contain renewal options and escalation clauses based on increases in the lessors' operating expenses and other charges. The Company expects that most leases will be renewed or replaced upon expiration. See Note 8 of the "Notes to Consolidated Financial Statements" in the Company's 1996 Annual Report to Shareholders for additional information on the Company's lease commitments.

In 1996, the Company sold a building located in downtown Daytona Beach, Florida, having an aggregate book value of approximately \$128,000, for a nominal gain. The Company also owns an office condominium in Venice, Florida which has a net book value of \$188,000, with no outstanding mortgage.

ITEM 3. LEGAL PROCEEDINGS

On February 21, 1995, an Amended Complaint was filed in an action pending in the Superior Court of Puerto Rico, Bayamon division, and captioned Cadillac Uniform & Linen Supply Company, et al. v. General Accident Insurance Company, Puerto Rico, Limited, et al. The case was originally filed on November 23, 1994, and named General Accident Insurance Company, Puerto Rico Limited, and Benj. Acosta, Inc. as defendants. The Amended Complaint added several defendants, including the Company and Poe & Brown of California, Inc. ("P&B/Cal."), a subsidiary of the Company, as parties to the case. The Plaintiffs allege that P&B/Cal. failed to procure sufficient coverage for a commercial laundry facility that was rendered inoperable for a period of time as the result of a fire, and further allege that the Company is vicariously liable for the actions of P&B/Cal. The Amended Complaint seeks damages of \$11.2 million against P&B/Cal., the Company, the P&B/Cal. employee who handled the account and LBI Corp., a/k/a Levinson Bros., Inc. The Company and P&B/Cal. believe that P&B/Cal. has meritorious defenses to each of the claims asserted against it, and that the Company likewise has meritorious defenses to allegations premised upon theories of vicarious liability. Both the Company and P&B/Cal. are contesting this action vigorously, and trial is currently scheduled for December 1997. In the event that damages are awarded against P&B/Cal. or the Company, P&B/Cal. and the Company believe that insurance would be available to cover such loss.

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The Company is involved in various other pending or threatened proceedings by or against the Company or one or more of its subsidiaries that involve routine litigation relating to insurance risks placed by the Company and other contractual matters. Management of the Company does not believe that any of such pending or threatened proceedings (including the proceeding described above) will have a materially adverse effect on the consolidated financial position or future operations of the Company.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

No matters were submitted to a vote of security holders during the Company's fourth quarter ended December 31, 1996.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

The Company's common stock is traded on the National Market System of The Nasdaq Stock Market under the symbol "POBR." The number of shareholders of record as of March 7, 1997 was 799, and the closing price per share on that date was \$26.50.

The table below sets forth information for each quarter in the last two fiscal years concerning (i) the high and low sales prices for the Company's common stock, and (ii) cash dividends declared per share.

	Stock Price Range		Cash Dividends Per Share
	High	- Low	
1996			
First quarter	\$25.50	\$24.00	\$0.12
Second quarter	24.75	22.75	0.12
Third quarter	25.38	23.50	0.12
Fourth quarter	27.50	24.00	0.13
1995			
First quarter	\$22.50	\$20.25	\$0.12
Second quarter	24.25	22.00	0.12
Third quarter	25.25	23.25	0.12
Fourth quarter	25.25	24.25	0.12

ITEM 6. SELECTED FINANCIAL DATA

Information under the caption "Financial Highlights" on page 6 of the Company's 1996 Annual Report to Shareholders is incorporated herein by reference.

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ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Information under the caption "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 20-24 of the Company's 1996 Annual Report to Shareholders is incorporated herein by reference.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The Consolidated Financial Statements of Poe & Brown, Inc. and its subsidiaries, together with the reports thereon of Arthur Andersen LLP and Ernst & Young LLP, appearing on pages 25-41 of the Company's 1996 Annual Report to Shareholders, are incorporated herein by reference.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

Not Applicable.

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

Information contained under the captions "Management" and "Section 16(a) Beneficial Ownership Reporting Compliance" on pages 4-6 of the Company's Proxy Statement for its 1997 Annual Meeting of Shareholders is incorporated herein by reference.

ITEM 11. EXECUTIVE COMPENSATION

Information contained under the caption "Executive Compensation" on pages 7-10 of the Company's Proxy Statement for its 1997 Annual Meeting of Shareholders is incorporated herein by

reference; provided, however, that the report of the Compensation Committee on executive compensation, which begins on page 9 thereof, and the stock performance graph on page 11 thereof shall not be deemed to be incorporated herein by reference.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

Information contained under the caption "Security Ownership of Management and Certain Beneficial Owners" on pages 2-3 of the Company's Proxy Statement for its 1997 Annual Meeting of Shareholders is incorporated herein by reference.

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ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Information contained under the caption "Executive Compensation -- Compensation Committee Interlocks and Insider Participation" on page 9 of the Company's Proxy Statement for its 1997 Annual Meeting of Shareholders is incorporated herein by reference.

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PART IV

ITEM 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES, AND REPORTS ON FORM 8-K

(a) The following documents are filed as part of this report:

1. Consolidated Financial Statements of Poe & Brown, Inc. (incorporated herein by reference from pages 25-41 of the Company's 1996 Annual Report to Shareholders) consisting of:
 - (a) Consolidated Statements of Income for each of the three years in the period ended December 31, 1996.
 - (b) Consolidated Balance Sheets as of December 31, 1996 and 1995.
 - (c) Consolidated Statements of Shareholders' Equity for each of the three years in the period ended December 31, 1996.
 - (d) Consolidated Statements of Cash Flows for each of the three years in the period ended December 31, 1996.
 - (e) Notes to Consolidated Financial Statements.
 - (f) Reports of Independent Certified Public Accountants.
2. Consolidated Financial Statement Schedule included on page 11 of this report, consisting of:
 - (a) Schedule II - Valuation and Qualifying Accounts.

All other schedules are omitted because they are not applicable or not required, or because the required information is included in the Consolidated Financial Statements or the Notes thereto. The independent auditors' report with respect to the above-referenced financial statement schedule appears on page 12 of this report on Form 10-K.

3. EXHIBITS

- 3a Articles of Incorporation of the Registrant, as last amended on April 28, 1993

(incorporated by reference to Exhibit 3a to Form 10-K for the year ended December 31, 1994).

- 3b Amended and Restated Bylaws of the Registrant effective July 30, 1996 (filed herewith).
- 4 Revolving Loan Agreement dated November 9, 1994, by and among the Registrant and SunTrust Bank, Central Florida, N.A., f/k/a SunBank, National Association

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(incorporated by reference to Exhibit 4 to Form 10-K for the year ended December 31, 1994).

- 10a(1) Lease of the Registrant for office space at 220 South Ridgewood Avenue, Daytona Beach, Florida dated August 15, 1987 (incorporated by reference to Exhibit 10a(3) to Form 10-K for the year ended December 31, 1993).
- 10a(2) Lease Agreement for office space at SunTrust Financial Centre, Tampa, Florida, dated February 1995, between Southeast Financial Center Associates, as landlord, and the Registrant, as tenant (incorporated by reference to Exhibit 10a(4) to Form 10-K for the year ended December 31, 1994).
- 10b Registrant's 1985 Stock Option Plan (incorporated by reference to Exhibit 10b(1) to Form 10-K for the year ended December 31, 1984).
- 10c Registrant's 1989 Stock Option Plan (incorporated by reference to Exhibit 10f to Form 10-K for the year ended December 31, 1989).
- 10d Loan Agreement between Continental Casualty Company and the Registrant dated August 23, 1991 (incorporated by reference to Exhibit 10d to Form 10-K for the year ended December 31, 1991).
- 10e Indemnity Agreement dated January 1, 1979, among the Registrant, Whiting National Management, Inc., and Pennsylvania Manufacturers' Association Insurance Company (incorporated by reference to Exhibit 10g to Registration Statement No. 33-58090 on Form S-4).
- 10f Agency Agreement dated January 1, 1979 among the Registrant, Whiting National Management, Inc., and Pennsylvania Manufacturers' Association Insurance Company (incorporated by reference to Exhibit 10h to Registration Statement No. 33-58090 on Form S-4).
- 10g Indemnification Agreement, dated February 22, 1993, between the Registrant and William F. Poe, Sr. (incorporated by reference to Exhibit 10k to Registration Statement No. 33-58090 on Form S-4).*
- 10h Deferred Compensation Agreement, dated May 1, 1983, as amended April 27, 1993, between Brown & Brown, Inc. and Kenneth E. Hill (incorporated by reference to Exhibit 10i to Form 10-K for the year ended December 31, 1993).
- 10i Employment Agreement, dated April 28, 1993, between the Registrant and William F. Poe, Sr. (incorporated by reference to Exhibit 10j to Form 10-K for the year ended December 31, 1993).

10j Employment Agreement, dated April 28, 1993 between the Registrant and J. Hyatt Brown (incorporated by reference to Exhibit 10k to Form 10-K for the year ended December 31, 1993).

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10k Portions of Employment Agreement, dated April 28, 1993 between the Registrant and Kenneth E. Hill (incorporated by reference to Exhibit 10l to Form 10-K for the year ended December 31, 1993).

10l Portions of Employment Agreement, dated April 28, 1993 between the Registrant and Jim W. Henderson (incorporated by reference to Exhibit 10m to Form 10-K for the year ended December 31, 1993).

10m Registrant's Stock Performance Plan (incorporated by reference to Exhibit 4 to Registration Statement No. 333-14925 on Form S-8).

10n Asset Purchase Agreement, dated as of April 1, 1996, among the Registrant, Health Care Insurers, Inc., Richard J. Greenwood, Bruce G. Geer, and Richard J. Greenwood & Bruce G. Geer, Inc. (filed herewith).

11 Statement Re: Computation of Per Share Earnings.

13 Portions of Registrant's 1996 Annual Report to Shareholders (not deemed "filed" under the Securities Exchange Act of 1934, except for those portions specifically incorporated by reference herein).

22 Subsidiaries of the Registrant.

23a Consent of Ernst & Young LLP.

23b Consent of Arthur Andersen LLP.

24a Powers of Attorney pursuant to which this Form 10-K has been signed on behalf of certain directors and officers of the Registrant.

24b Resolutions of the Registrant's Board of Directors, certified by the Secretary.

27 Financial Data Schedule.

* The registrant has Indemnification Agreements with certain of its other directors and former directors (Joseph E. Brown, Bruce G. Geer, V.C. Jordan, Jr., Byrne Litschgi, Charles W. Poe, William F. Poe, Jr., and Bernard H. Mizel) that are identical in all material respects to Exhibit 10g except for the parties involved and the dates executed.

(b) REPORTS ON FORM 8-K

None.

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SCHEDULE II
POE & BROWN, INC. AND SUBSIDIARIES
VALUATION AND QUALIFYING ACCOUNTS
Years ended December 31, 1996, 1995 and 1994

COLUMN A Description -----	COLUMN B Balance at beginning of period -----	COLUMN C Additions		COLUMN D Deductions- describe -----	COLUMN E Balance at end of period -----
		(1)	(2)		
		Charged to cost and expenses -----	Charged to other accounts- expenses -----		
Year ended December 31, 1996 Deducted from asset account: Allowance for doubtful accounts	\$100,000	\$259,000	\$ -----	\$359,000 (A)	\$ -----
Year ended December 31, 1995 Deducted from asset account: Allowance for doubtful accounts	\$ 69,000	\$ 72,000	\$ -----	\$ 41,000 (A)	\$100,000
Year ended December 31, 1994 Deducted from asset account: Allowance for doubtful accounts	\$435,000	\$ 19,000	\$ -----	\$385,000 (A)	\$ 69,000

(A) Uncollectible accounts written off, net of recoveries.

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

To the Board of Directors
of Poe & Brown, Inc.:

We have audited in accordance with generally accepted auditing standards, the 1996 and 1995 consolidated financial statements included in Poe & Brown, Inc.'s Annual Report to Shareholders incorporated by reference in this Form 10-K, and have issued our report thereon dated January 24, 1997. Our audit was made for the purpose of forming an opinion on those statements taken as a whole. The schedule listed in Item 14(a)2(a) Schedule II - Valuation and Qualifying Accounts is the responsibility of the Company's management and is presented for purposes of complying with the Securities and Exchange Commission's rules and is not part of the basic consolidated financial statements. The 1996 and 1995 amounts in this schedule have been subjected to the auditing procedures applied in the audit of the 1996 and 1995 basic consolidated financial statements and, in our opinion, fairly state in all material respects the financial data required to be set forth therein in relation to the 1996 and 1995 basic consolidated financial statements taken as a whole.

ARTHUR ANDERSEN LLP

Orlando, Florida
January 24, 1997

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SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

POE & BROWN, INC.
Registrant

By: *

J. Hyatt Brown
Chief Executive Officer

Date: March 21, 1997

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed by the following persons on behalf of the Registrant and in the capacities and on the date indicated.

Signature	Title	Date
_____	_____	_____
*	Chairman of the Board, President and Chief Executive Officer (Principal Executive Officer)	March 21, 1997
_____ J. Hyatt Brown		
*	Director	March 21, 1997
_____ Samuel P. Bell, III		
*	Director	March 21, 1997
_____ Bradley Currey, Jr.		
*	Director	March 21, 1997
_____ Bruce G. Geer		
*	Director	March 21, 1997
_____ Jim W. Henderson		
*	Director	March 21, 1997
_____ Kenneth E. Hill		
*	Director	March 21, 1997
_____ Theodore J. Hoepner		
*	Vice President, Treasurer and Chief Financial Officer (Principal Financial and Accounting Officer)	March 21, 1997
_____ James A. Orchard		

*By: /s/ LAUREL L. GRAMMIG

Laurel L. Grammig
Attorney-in-Fact

EXHIBIT 3b

AS AMENDED EFFECTIVE AS
OF JULY 30, 1996

BY-LAWS
POE & BROWN, INC.

ARTICLE I
SHAREHOLDERS

Section 1. Annual Meetings of Shareholders

The annual meeting of the Shareholders for the election of the Board of Directors and the transaction of such further business as may come before the meeting shall be held at the Company's offices on the fourth Thursday of April each year (or in the event such day is a legal holiday, on the day next following which is not a legal holiday), unless by resolution of the Board of Directors in any year a different time is designated. Meetings of the shareholders may be held either within or without the State of Florida.

Section 2. Special Meetings of Shareholders

Special meetings of the shareholders may be called by the President or the Board of Directors whenever he or they deem it proper and shall be called by the President or by the Board of Directors upon the written request of shareholders holding a majority of common stock outstanding. Such meetings may be held either within or without the State.

Section 3. Notice of Meetings of Shareholders

A notice of each meeting of shareholders, signed by the Secretary, shall be mailed to each shareholder having the right and entitled to vote at such meeting, at his address as it appears on the records of the Corporation, not less than 10 nor more than 60 days before the date set for the meeting. If any such shareholder's address is unknown, notice shall be given by advertising once, in some newspaper published in Tampa, Florida within the time above specified for served or mailed notice. If any shareholder shall transfer any of his stock after notice, it shall not be necessary to notify the transferee. Any shareholder, however, may waive notice of any meeting, either before, at or after such meeting.

Section 4. Qualification of Voters

The directors may fix a date not more than 70 days prior to the date set for such meeting as the record date of which the shareholders of record who have the right to and are entitled to notice of and to vote at such meeting and any adjournment thereof shall be determined.

Section 5. Proxy and Voting

Shareholders who are qualified to vote may vote at any meeting, either in person or, if absent, by proxy in writings which shall be filed with the Secretary of the meeting before being voted. Each common shareholder shall be entitled to as many votes as he holds shares of stock.

Section 6. Quorum

At any meeting of the shareholders a majority in interest of all the common stock issued and outstanding represented by shareholders of record in person or by proxy shall constitute a

quorum for the transaction of business. A less interest may adjourn any meeting and the meeting may be held as adjourned without further notice, provided however, that directors shall not be elected at meetings so adjourned. Any question may be considered and acted upon at an annual meeting of the shareholders, but no question not stated in the call for a special meeting shall be acted upon thereat except by the written consent to the holders of a majority of the outstanding common stock, said consent to be filed with the records of the Corporation.

ARTICLE II

BOARD OF DIRECTORS

Section 1. Number and Qualifications of Directors

The Board of Directors shall consist of nine (9) in number to be elected annually at the meeting of the shareholders by a majority of the shares voted. The number may be increased or diminished from time to time, by resolution of the Board of Directors, but shall never be less than three (3). It shall not be necessary for directors to be shareholders, but all directors shall be of full age and at least one shall be a citizen of the United States. A director shall hold office until his successor is elected and has qualified.

Section 2. Meetings of Directors

The Board of Directors shall hold its regular and its special meetings at such times and places, within or without the state, as they deem to be to the best interest of the Corporation. The Board of Directors shall fix the time and place of its regular meetings. The President or any two directors may call special meetings of the Board of Directors but the President shall call a special meeting or meetings whenever requested in writing so to do by the holders of a majority of the stock then outstanding. The Board of Directors may conduct meetings by means of a conference telephone hookup.

Section 2A. Action by Written Consent

Any action required or permitted to be taken at a meeting of the Board of Directors or of a Committee may be taken by written consent, without a meeting, if the action is taken by all of the members of the Board or the Committee. The action shall be evidenced by one or more written consents describing the action taken and shall be signed by each director or Committee member.

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Section 3. Notice of Meetings of Board of Directors

After the Board of Directors has determined the time and place for regular meetings no notice thereof need be given. Notice of special meetings, stating the time and place thereof, shall be given to each director by mailing the same special delivery and, if it will expedite the notice, airmail, at his residence or business address at least two (2) days before the meeting, or by delivering the same to him personally or telegraphing or telecopying the same to him at his residence or business address not later than the day before the day on which the meeting is to be held, unless in case of emergency the President shall prescribe a shorter notice to be given personally, by telephone, telegram or by telecopy. The meeting of the Board of Directors for the election of officers may be held without notice immediately after the annual meeting of the shareholders and at the same place. Any director may waive notice of any meeting of the Board of Directors either before, at or after such meeting.

Section 4. Powers of Directors

The Board of Directors shall have the entire management of

the business of the Corporation. In the management and control of the property, business and affairs of the Corporation, the Board of Directors is hereby vested with all the powers possessed by the Corporation itself, so far as this delegation of authority is not inconsistent with the laws of the State of Florida, with the Certificate of Incorporation or with these By-Laws. The Board of Directors shall have the power to determine what constitutes net earnings, profits, and surplus, respectively, what amount shall be reserved for working capital and for any other purposes and what amount shall be declared as dividends, and such determination by the Board of Directors shall be final and conclusive. The Board of Directors shall also have power to determine what amounts, if any, shall be borrowed by the Corporation and upon what terms, conditions or security and shall be authorized to incur such indebtedness as they may deem necessary and to authorize the execution thereof by the officers of the Corporation. The Board of Directors may, by resolution, designate two or more of their number to constitute an executive committee, who, to the extent provided in such resolution, shall have and may exercise the powers of the Board of Directors.

Section 5. Vacancies

When for any reason the office of a director shall become vacant, the remaining directors shall by a majority vote elect a successor who shall hold office until his successor is elected and has qualified. Vacancies resulting from an increase in the number of directors may be filled in the same manner.

Section 6. Quorum of Directors

A majority of the members of the Board of Directors is required to constitute a quorum for the transaction of business, but a lesser number (not less than two) may adjourn any meeting and the meeting may be held as adjourned without further notice. When a quorum is present at any meeting, the act of the majority of the directors present shall be the act of the Board of Directors and this shall be true even if no notice of such meeting shall have been given, provided a majority of the Board shall waive, as hereinabove provided, the giving of such notice.

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Section 7. Resignation or Removal

Any director may resign at any time by giving written notice to the Board of Directors, the President or the Secretary. Any such resignation shall take effect at the time specified therein, or if the time not be specified therein, upon its acceptance by the Board of Directors. The shareholders at any meeting called for the purpose by vote of a majority of the common stock issued and outstanding may remove from office any director elected by the shareholders or Board of Directors and elect his successor.

ARTICLE III

OFFICERS

Section 1. Election and Qualification

The Officers of this Corporation shall consist of a Chairman of the Board, a President, a Vice President, a Secretary and a Treasurer and one or more additional Vice Presidents, one or more Assistant Secretaries, one or more Assistant Treasurers or such other officers as the Board of Directors may provide. All of such officers shall be elected by the Board of Directors immediately after the annual meeting of the shareholders. None of the officers need be directors. The same person may hold more than one office, except those of President and Secretary or Assistant Secretary. The Board of Directors shall have the authority to fill any vacancy in any office.

The Board of Directors shall have full authority to fix the compensation of all officers. All officers shall hold office until their successors are elected and have qualified.

Section 2. Chairman of the Board

The Chairman of the Board shall preside at all meetings of the shareholders and shall preside at meetings of the Board of Directors, and in the absence, sickness or other disability of the President, shall serve as the chief executive officer of the Corporation. The Chairman of the Board, President or Vice President, unless some other person is specifically authorized by vote of the Board of Directors, shall sign all Certificates of stocks, bonds, deeds, mortgages, leases, or any other written instruments of the Corporation. He shall perform all the duties commonly incident to his office and shall perform such other duties as the Board of Directors shall designate.

Section 2A. President

The President shall be the chief executive officer of the Corporation and shall preside at meetings of the shareholders and/or directors in the absence, sickness or other disability of the Chairman of the Board. The President shall perform all the duties commonly incident to his office and shall perform such other duties as the Board of Directors shall designate.

Section 3. Vice President

The Vice President shall perform the duties and have the powers of the President (other than those as specified as duties of the Chairman of the Board) during the absence, sickness, or other

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disability of the President. In addition, he shall perform such other duties and have such other powers as the Board of Directors shall designate.

Section 4. Secretary

The Secretary shall keep accurate minutes of all meetings of the shareholders and the Board of Directors and shall perform all the duties commonly incident to his office and shall perform such other duties and have such other powers as the Board of Directors shall designate. The Secretary shall have charge of the Corporate Seal and shall, if requested to do so, attest written instruments of the Corporation executed by the President or the Chairman the Board and affix the Corporate Seal thereto. In the absence of the Secretary, the Assistant Secretary shall perform the aforesaid duties.

Section 5. Treasurer

The Treasurer, subject to the order of the Board of Directors, shall have the care and custody of the money, funds, valuable papers and documents of the Corporation and shall have and exercise under the supervision of the Board of Directors all the powers and duties commonly incident to his office. He shall keep accurate accounts of the Corporation's transactions which shall be the property of the Corporation.

Section 6. Resignation and Removal

Any officer of the Corporation may resign at any time by giving written notice to the Board of Directors, the President or the Secretary of the Corporation. Any such resignation shall take effect at the time specified therein or if the time be not specified therein upon its acceptance by the Board of Directors. The shareholders at any meeting called for the purpose by vote of a majority of the stock issued and outstanding may remove from office any officer elected or appointed by the Board of Directors and elect or appoint his successor. The Board of Directors by vote of not less than a majority of the entire Board may remove from office any officer or agent elected or appointed by it.

STOCK

Section 1. Certificate of Stock

Certificates shall be signed by the Chairman of the Board or the President and the Secretary or an Assistant Secretary and sealed with the seal of the Corporation. The seal may be facsimile, engraved or printed. When such Certificate is signed by a transfer agent or by a registrar, the signature of any of those officers named herein may be facsimile. Shares of stock may be transferable only by the registered holder thereof in person or by his attorney duly authorized in writing at the office of an authorized transfer agent of the Corporation upon the surrender of the certificate or certificates for such shares.

Section 2. Stock Register

A stock book, stock records or register shall be kept at the office of the Corporation in Florida, or in the office of one or more of its transfer agents or registrars, containing the names, alphabetically

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arranged, with the address, of every shareholder, showing the number of shares of stock held of record by him. If the stock records are kept in the office of a transfer agent or registrar, the Corporation shall keep at its office in Florida copies of the stock list prepared from the stock records and sent to it from time to time by said transfer agent or registrar.

Section 3. Defaced or Mutilated Stock Certificates

A new certificate may be issued in lieu of any certificate previously issued that may be defaced or mutilated, upon surrender for cancellation of the part of the old certificate sufficient, in the opinion of the Secretary, to protect the Corporation against loss or liability.

Section 4. Loss of Stock Certificates

In case of loss of any certificate of stock, the owner, before obtaining a duplicate thereof, shall be required to make affidavit that the stock has been lost, stolen or destroyed, describing the same accurately, which affidavit shall be filed with the Treasurer and shall be further required to give to the Corporation a bond or indemnity agreement satisfactory to the Board of Directors.

ARTICLE V

SEAL

Section 1. Description of Seal

The corporate seal of the Corporation shall bear the words POE & BROWN, INC., and the word "FLORIDA", which shall be between two concentric circles, and on the inside the inner circle shall be the words "CORPORATE SEAL" and figures "1959", an impression of the said seal appearing on the margin hereof.

ARTICLE VI

AMENDMENTS

Section 1. Method of Amendment or Change

These By-Laws may be amended or repealed and additional By-Laws added or adopted by a majority vote of the entire Board of Directors so long as the proposed action is not inconsistent with any By-Laws which may have been adopted by any shareholders meeting by a vote of the majority of the issued and outstanding common stock of the Corporation. These By-Laws may be amended or repealed at any shareholders meeting by a vote of the majority of the issued and outstanding common stock of the Corporation.

ARTICLE VII

MISCELLANEOUS

Section 1. Indemnification of Directors and Officers

Every person who now is or hereafter may be a director or officer of this Corporation, or a director or officer of any other corporation serving as such at the request of this Corporation because of this Corporation's interest as a shareholder or creditor of such other corporation, shall be indemnified by this Corporation against all costs and amounts of liability therefor and expenses, including counsel fees, reasonably incurred by or imposed upon him in connection with or resulting from any action, suit, proceeding or claim of whatever nature to which he is or shall be made a party by reason of his being or having been a director or officer of this Corporation or for such other corporation (whether or not he is such director or such officer at the time he is made a party to such action, suit, proceeding or claim or at the time such costs, expenses, amounts or liability therefor are incurred by or imposed upon him), provide that such indemnification shall not apply with respect to any matter as to which such director or officer shall be finally adjudged in such action, suit, proceeding or claim to have been individually guilty of gross negligence or wilful malfeasance in the performance of his duty as such director or officer and provided further that the indemnification herein provided shall, with respect to any settlement of any such suit, action, proceeding or claim, include reimbursement of any amounts paid and expenses reasonably incurred in settling any such suit, action, proceeding or claim when, in the judgment of the Board of Directors of this Corporation, such settlement and reimbursement appeared to be for the best interests of this Corporation. The foregoing right of indemnification shall be in addition to and not exclusive of any and all other rights as to which any such director or officer may be entitled under any agreement, vote of shareholders or others.

Section 2. Validity of Certain Contracts

No contract other transaction between this Corporation and any other association, firm corporation (whether or not a majority of the ownership or capital stock of such other association, firm or corporation shall be owned by this Corporation), shall in any way be affected or invalidated by the fact that any of the directors or officers this Corporation are pecuniarily or otherwise interest in, or are directors or officer such other association, firm or corporation; any director of officer of this Corporation, individually, may be a party to or may be pecuniarily or otherwise interested in any contract or transaction of this Corporation; and any director of this Corporation who is also a director of officer of such other corporation, or who is so interested, may be counted in determinate into existence of a quorum at the meeting of the Board Directors of this Corporation which shall authorize or confirm any such contract or transaction and may vote thereat to authorize or confirm any such contract or transaction with like force and effect as if he were not such director officer of such other corporation or not so interested; and each and every person who may become a director or officer of this Corporation is hereby relieve from any liability that might otherwise exist from thus contracting with this Corporation of the benefit of himself or any person, firm, association or corporation in which he may be in any way - interested; provided, however, in any said contract or transaction there shall be an absence of actual fraud

EXHIBIT 10n

ASSET PURCHASE AGREEMENT

This is an ASSET PURCHASE AGREEMENT, dated as of April 1, 1996 (the "Agreement"), among RICHARD J. GREENWOOD & BRUCE G. GEER, INC., a Colorado corporation ("Buyer"), HEALTH CARE INSURERS, INC., a Colorado corporation ("Seller"), POE & BROWN, INC., a Florida corporation ("Parent"), BRUCE G. GEER ("Geer") and RICHARD GREENWOOD ("Greenwood").

BACKGROUND

Seller is engaged primarily in the insurance agency business and wishes to sell substantially all of its assets relating to its insurance agency business to Buyer. Buyer desires to acquire such assets upon the terms and conditions expressed in this Agreement. Parent owns all of the capital stock of Seller and is entering into this Agreement to provide to, and receive from, Buyer, certain assurances regarding the conduct of their respective businesses following the closing. Geer and Greenwood (collectively, the "Shareholders") own all of the outstanding capital stock of Buyer and are entering into this Agreement to provide certain assurances to Seller and Parent as an inducement for Seller and Parent to enter into this Agreement.

THEREFORE, in consideration of the foregoing and the respective representations, warranties, covenants and agreements set forth herein, the parties agree as follows:

ARTICLE 1
The Acquisition

Section 1.1 Covenants of Sale and Purchase. At the Closing (as defined in Section 2.1), and upon and subject to the terms and conditions of this Agreement, Seller will sell, convey, and assign to Buyer all right, title, and interest in and to the Acquired Assets (as defined in Section 1.2) free and clear of all liens, claims, pledges, security interests, charges, restrictions, or encumbrances of any nature whatsoever, and Buyer will purchase the Acquired Assets from Seller in exchange for the Purchase Price (as defined in Section 1.4).

Section 1.2 The Acquired Assets. In this Agreement, except as set forth in Section 1.3 below, the phrase "Acquired Assets" means and shall include all goodwill, properties, and rights of Seller used directly or indirectly in the conduct of, or constituting the insurance agency business of, Seller, and includes, without limitation, the following:

(a) Purchased Book of Business. All of the insurance agency business of Seller, including but not limited to the professional health care liability and property insurance business and renewals and expirations thereof, together with all written or otherwise recorded documentation, data or information relating to Seller's insurance agency business, including but not limited to: (i) lists of insurance companies and records pertaining thereto; (ii) customer lists, prospect lists, policy forms, and/or rating information, expiration dates, information on risk characteristics, information concerning insurance markets for large or unusual risks, and all other types of written or otherwise recorded

information customarily used by Seller or available to Seller, including all other records of and pertaining to the accounts and customers of Seller, past and present, including, but not limited to, the active insurance customers of Seller, all of whom are listed on Schedule 1.2(a) (the "Purchased Book of Business"). Schedule 1.2(a) lists only

those accounts from which Seller derived revenues from insurance carriers from the placement of business with such carriers in 1995 or 1996.

(b) General Intangibles. All of the following intangible personal property used in connection with Seller's insurance agency business or pertaining to the Acquired Assets:

(i) all of those licenses, permits, and authorizations granted by any governmental authority in connection with the operation of Seller's insurance agency business that are transferable;

(ii) all right, title, and interest in and under the contracts, leases and agreements listed in Schedule 1.2(b)(ii);

(iii) all of Seller's business records necessary to enable Buyer to operate the Purchased Book of Business;

(iv) the goodwill of Seller's insurance agency business, including the right to use the name "Health Care Insurers, Inc." and any other fictitious names and trade names which are currently in use by Seller, telephone listings, post office box, mailing address, and advertising signs and materials; and

(v) any assignable covenants not to compete made by employees of Seller and all other assignable covenants not to compete in favor of Seller.

(c) Tangible Personal Property. All tangible personal property now located at the business premises of Seller and used in the operation of Seller's insurance agency business, including office supplies, software, manuals, furniture, fixtures and equipment, the principal items of which are set forth on Schedule 1.2(c).

(d) Miscellaneous Items. All other assets of Seller relating or pertaining to the Purchased Book of Business, including proprietary rights and information, trade secrets, computer disks, software, data bases whether in the form of computer tapes or otherwise, related object and source codes, and associated manuals, and any other records or media of storage or programs for retrieval of information pertaining to the Purchased Book of Business, and all supplies and materials, including promotional and advertising materials, brochures, plans, supplier lists, manuals, handbooks, and related written data and information.

Section 1.3 Exclusions and Exceptions. Notwithstanding the foregoing, Seller does not agree to sell or assign, and Buyer does not agree to purchase or assume, the following:

(a) any prepaid expenses, cash in hand or in banks, notes receivable, money market certificates, stocks, or bonds; or

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(b) any trade accounts receivable or other receivables described in Sections 1.5(a), (c) and (f).

Section 1.4 The Purchase Price.

(a) As consideration for the Acquired Assets and the other covenants of Seller herein, Buyer shall pay to Seller the following (collectively, the "Purchase Price"):

(i) On the Closing Date (as defined in Section 2.1), Buyer shall pay \$1,020,000 to Seller by wire transfer of immediately available funds.

(ii) On or before May 1, 1997 (the "Second Payment Date"), Buyer shall pay to Seller, in cash or immediately

available funds, a sum equal to 15% of the amount, if any, by which Buyer's total revenues from the operation of Seller's former insurance agency business during the twelve-month period beginning on April 1, 1996 and ending on March 31, 1997 (the "Earn Out Period"), exceeds \$900,000 (15% of such excess is herein referred to as the "Earn Out Amount"). For purposes of this Section 1.4(a)(ii), the term "revenues" shall mean all commissions, contingent commissions, interest income, and all other revenues related to Buyer's insurance agency business after the Closing, less brokerage fees payable on commissions. Buyer agrees to operate the business in the ordinary course during the Earn Out Period, substantially in accordance with the policies and practices followed by Seller on a consistent basis prior to the Closing Date.

(b) Buyer shall prepare its financial statements in accordance with generally accepted accounting principles applied on a consistent basis, and such financial statements shall be the basis for determining the Earn Out Amount. Copies of Buyer's financial statements for the Earn Out Period shall be promptly furnished by Buyer to Seller or Parent. Seller and Parent shall have the right, within 30 days of receipt of such financial statements, to question and receive answers from Buyer's executive officers and audit the financial books and records of Buyer for the purpose of determining the accuracy of Buyer's calculation of the Earn Out Amount and Buyer's compliance with the terms of this Section 1.4.

(c) The parties will attempt in good faith to resolve any disputes regarding the determination of the Earn Out Amount by negotiations between executives of Buyer and Parent. In the event the parties are unable to resolve any such dispute, the dispute shall be resolved by informal arbitration before a single arbitrator, who shall be an independent certified public accountant chosen by mutual agreement of the parties. The arbitrator shall determine the items in dispute in accordance with this Agreement, and his or her determination shall be conclusive, final, and binding for all purposes under this Agreement. The fees of the arbitrator and the expenses of the arbitration shall be borne by the non-prevailing party in the arbitration proceeding.

(d) For federal income tax and other purposes, the Purchase Price shall be allocated among the Acquired Assets by each of the parties as follows:

- (i) Fixed assets and other tangible property:
\$35,000;
- (ii) Purchased Book of Business: \$900,000; and
- (iii) Goodwill: \$85,000 plus the Earn Out Amount.

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Section 1.5 Commissions Collected. It is understood and agreed as follows:

(a) All commissions on agency billed policies or endorsements effective (whether new business or renewal business) prior to the Effective Date, excluding any installments due on or after the Effective Date, shall be the property of Seller regardless of whether commissions for such policies are collected before or after the Effective Date, and Seller (with Buyer's assistance, as described in Section 1.5(g)) shall be responsible for paying all premiums due the respective insurance companies relative to such policies or endorsements. Buyer shall use its best efforts to assist Seller in the collection and delivery to Seller of all receivables due to Seller after the Effective Date.

(b) All commissions on agency billed policies or endorsements effective (whether new business or renewal business) on or after the Effective Date, including any installments due on or after the Effective Date related to policies effective prior

to the Effective Date, shall be the property of Buyer, regardless of whether commissions for such policies are collected before or after the Effective Date, and Buyer shall be responsible for paying all premiums due the respective insurance companies relative to such policies or endorsements.

(c) Commission income related to any and all direct bill policies, endorsements, cancellations, and audits receivable before the Effective Date, but entered and received on or after the Effective Date, shall be the property of Seller, whether credit or debit, and regardless of effective date.

(d) Commission income related to all direct bill policies, endorsements, cancellations, and audits receivable on or after the Effective Date shall be the property of Buyer, whether credit or debit, and regardless of effective date.

(e) Each of the parties will be responsible for brokerage fees due on the respective commissions to which they are entitled.

(f) Any and all contingent commissions related to business placed in 1995 received prior to, on or after the Effective Date shall be the property of Seller.

(g) Buyer shall assume responsibility for continuing the business of Seller after the Closing, and shall take all actions necessary or appropriate to assist Seller in fulfilling its responsibilities with respect to currently unissued policies, such as remitting premiums received that are payable to insurance companies, paying any refunds due to insureds from cash received from such insureds, and similar tasks with respect to insurance accounts acquired from Seller.

Section 1.6 Expenses.

(a) All taxes, utilities, and expenses related to Seller's insurance agency business shall be prorated as of the Effective Date, with Seller responsible for the portions of such items accruing before the Effective Date and Buyer responsible for the portions of such items accruing on and after the Effective Date.

(b) In connection with Buyer's assumption of the lease for Seller's business premises, Buyer shall promptly refund to Seller, upon Buyer's receipt thereof, the rent deposit made by Seller with

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respect to such lease, and Buyer shall also promptly refund to Seller the amount of any prepaid utilities and other prepaid items made by Seller prior to the Closing Date.

Section 1.7 Sales Taxes. To the extent they relate to the Acquired Assets, all sales taxes due as a result of the transfer of the Acquired Assets shall be paid by Buyer.

Section 1.8 Assumed Liabilities. On the Closing Date, Seller shall deliver the Acquired Assets to Buyer, free and clear of any and all liens and encumbrances, and Buyer shall assume all obligations of Seller under the contracts and agreements assumed by Buyer pursuant to Section 1.2(b)(ii); provided, however, that except as contemplated by Section 6.7, Buyer shall not assume or be deemed to have assumed (i) any obligations incurred by Seller under the assumed contracts and agreements prior to the Effective Date, (ii) any obligations of Seller under the provisions of Sections 1.5 or 1.6, or (iii) any other liability or obligation of Seller whatsoever.

ARTICLE 2

Closing, Items To Be Delivered, Further Assurances, And Effective Date

Section 2.1 Closing. The consummation of the purchase and sale of assets under this Agreement (the "Closing") will take

place at 10:30 a.m. on April 10, 1996 (the "Closing Date"), at the offices of Poe & Brown, Inc., 401 East Jackson Street, Suite 1700, Tampa Florida 33602, unless another date or place is agreed to in writing by the parties hereto.

Section 2.2 Conveyance and Delivery by Seller. On the Closing Date, Seller will surrender and deliver possession of the Acquired Assets to Buyer and take such steps as may be required to put Buyer in actual possession and operating control of the Acquired Assets, and in addition shall deliver to Buyer such bill of sale and assignments and other good and sufficient instruments and documents of conveyance, in form reasonably satisfactory to Buyer and its counsel, as shall be necessary and effective to transfer and assign to, and vest in, Buyer all right, title, and interest in and to the Acquired Assets free and clear of any lien, charge, pledge, security interest, restriction or encumbrance of any kind.

Section 2.3 Wire Transfer by Buyer. On the Closing Date, Buyer will wire transfer to Seller \$1,020,000 in immediately available funds, representing the portion of the Purchase Price to be paid at Closing.

Section 2.4 Prepaid Expenses. Within three days after the Closing Date, Buyer shall deliver a check to Seller representing payment of all prepaid expenses of Seller. To the extent that certain prepaid expenses are unknown at such time, Buyer will pay Seller the amount of such additional expenses promptly upon their determination.

Section 2.5 Mutual Performance. At or prior to the Closing, the parties hereto shall also deliver to each other the agreements, opinions, certificates, and other documents and instruments referred to in Article 8 of this Agreement.

Section 2.6 Third Party Consents. To the extent that Seller's rights under any agreement or other Acquired Asset to be assigned to Buyer hereunder may not be assigned without the consent of

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another person which has not been obtained, Buyer will use its best efforts to obtain such consents, and Seller shall cooperate with Buyer to obtain any such required consents as promptly as possible.

Section 2.7 Change in Name. Immediately after the Closing Date, Seller shall execute and file all documents required to change Seller's name to another name bearing no similarity to Health Care Insurers, Inc. Neither Seller, Parent nor any of their respective subsidiaries or affiliates shall use the name "Health Care Insurers, Inc." (or any derivative name) after the Closing Date.

Section 2.8 Further Assurances. From time to time after the Closing, Seller, at Buyer's request, will execute, acknowledge and deliver to Buyer such other instruments of conveyance and transfer and will take such other actions and execute and deliver such other documents, certificates and further assurances as Buyer may reasonably require in order to vest more effectively in Buyer, or to put Buyer more fully in possession of, any of the Acquired Assets. Each of the parties will cooperate with the other and execute and deliver to the other party such other instruments and documents and take such other actions as may be reasonably requested from time to time as necessary to carry out, evidence and confirm the intended purposes of this Agreement.

Section 2.9 Effective Date. The Effective Date of the Agreement and all related instruments executed at the Closing shall be April 1, 1996 unless otherwise specified.

ARTICLE 3

Representations And Warranties Of Seller And Parent

Seller and Parent represent and warrant to Buyer as follows:

Section 3.1 Organization. Each of Seller and Parent is a corporation duly organized, validly existing, and in good standing under the laws of the jurisdiction of its incorporation and has all requisite corporate power and authority and all necessary governmental approvals to own, lease, and operate its properties and to carry on its business as now being conducted except where failure to be so organized, valid, or active would not, in the aggregate, have a material adverse effect on Seller. Seller is duly qualified or licensed to do business and is in good standing in each jurisdiction in which the property owned, leased, or operated by it or the nature of the business conducted by it makes such qualification or licensing necessary, except where the failure to be so duly qualified or licensed and be in good standing would not in the aggregate have a material adverse effect on Seller.

Section 3.2 Authority. Each of Seller and Parent has the requisite corporate power and authority to execute and deliver this Agreement and to consummate the transactions contemplated hereby. The execution, delivery, and performance of this Agreement has been duly authorized by all necessary corporate action and no other corporate proceedings on the part of Seller or Parent are necessary to authorize this Agreement. This Agreement has been duly executed and delivered by Seller and Parent and, assuming this Agreement constitutes a valid and binding obligation of Buyer, constitutes the legal, valid, and binding obligation of Seller and Parent, enforceable against them in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, or similar laws from time to time in effect which offset creditors' rights generally and general equitable principles (regardless of whether the issue of enforceability is considered in a proceeding in equity or in law).

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Section 3.3 Consents and Approvals; No Violations. Except as set forth in Schedule 3.3, neither the execution, delivery, or performance of this Agreement by Seller or Parent nor the consummation by them of the transactions contemplated hereby nor compliance by them with any of the provisions hereof will (i) conflict with or result in any breach of any provision of their Articles of Incorporation or Bylaws, (ii) require any filing with, or authorization, consent, or approval of, any court, arbitral tribunal, administrative agency or commission, or other governmental or other regulatory authority or agency (a "Governmental Entity"), (iii) result in a violation or breach of, or constitute a default under, any of the terms, conditions, or provisions of any agreement or other instrument or obligation to which Seller or Parent is a party or by which Seller or Parent or any of their respective properties or assets are bound, or (iv) violate any order, writ, injunction, decree, statute, rule, or regulation applicable to Seller or Parent or any of their respective properties or assets, except in the case of (iii) or (iv) for violations, breaches, or defaults that would not, individually or in the aggregate, have a material adverse effect on Seller or Parent.

Section 3.4 Financial Statements. Seller has delivered to Buyer true and complete copies of (i) the unaudited balance sheet of Seller at December 31, 1995 and the related statement of income for the fiscal year then ended, and (ii) the unaudited balance sheet of Seller at February 29, 1996 and the related statement of income for the two months then ended, each of which has been prepared in accordance with generally accepted accounting principles consistently applied throughout the periods involved. Such balance sheets fairly present the financial position, assets, and liabilities of Seller at the dates indicated and such statements of income fairly present the results of operations for the periods then ended.

Section 3.5 Absence of Certain Changes. Except as disclosed in Schedule 3.5 and in the unaudited balance sheet and

statement of income for the period ended February 29, 1996, to the knowledge of Seller and Parent, since December 31, 1995, there have been no events or changes having a material adverse effect on Seller or the Acquired Assets.

Section 3.6 Acquired Assets. Seller owns and holds, free and clear of any lien, charge, pledge, security interest, restriction or encumbrance, sole and exclusive right, title, and interest in and to the Acquired Assets, including but not limited to the customer expiration records therefor, together with the exclusive right to use such records and all customer accounts, dailies, copies of insurance policies and contracts in force and all files, invoices and records pertaining to the customers, their contracts and insurance policies, and all other information comprising the Purchased Book of Business.

Section 3.7 Litigation. Except as disclosed in Schedule 3.7, there is no suit, claim, action, proceeding, or investigation pending or, to the best knowledge of Seller and Parent, threatened, against Seller. Except as disclosed in Schedule 3.7, to the knowledge of Seller and Parent, Seller is not subject to any outstanding order, writ, injunction, or decree which, insofar as can be reasonably foreseen, individually or in the aggregate, in the future would have a material adverse effect on Seller or the Acquired Assets or would prevent Seller from consummating the transactions contemplated hereby.

Section 3.8 Compliance with Applicable Law. Seller holds all permits, licenses, variances, exemptions, orders, and approvals of all Governmental Entities necessary for the lawful conduct of the insurance agency business (the "Permits"), except for failures to hold such permits, licenses, variances, exemptions, orders, and approvals that would not, individually or in the aggregate, have an adverse effect on Seller. Seller is in compliance with the terms of the Permits, except where the failure so to comply would not have an adverse effect on Seller. As of the date of this Agreement, no investigation or review

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by any Governmental Entity with respect to Seller is pending or threatened, nor has any Governmental Entity indicated an intention to conduct the same, other than, in each case, those the outcome of which, as far as reasonably can be foreseen, in the future will not have a material adverse effect on Seller or the Acquired Assets.

Section 3.9 Tax Returns and Audits. Seller has timely filed all federal, state, local, and foreign tax returns required to be filed by it or has paid or made provision for the payment of any penalty or interest arising from the late filing of any such return, has correctly reflected all taxes required to be shown thereon, and has fully paid or made adequate provision for the payment of all taxes that have been incurred or are due and payable pursuant to such returns or pursuant to any assessment with respect to taxes in such jurisdictions, whether or not in connection with such returns.

Section 3.10 Errors and Omissions. To the knowledge of Seller and Parent, except as disclosed on Schedule 3.10, Seller has not incurred any liability or taken or failed to take any action that will result in a liability for errors or omissions in the conduct of its insurance agency business, except such liabilities as are covered by insurance. To the knowledge of Seller and Parent, Seller now has adequate errors and omission (E & O) insurance coverage in force under policies covering Parent and its subsidiaries.

Section 3.11 Defaults Under Contracts. To the knowledge of Seller and Parent, no party is in default under any of the contracts and agreements listed in Schedule 1.2(b)(ii).

Section 3.12 No Misrepresentations. None of the representations and warranties set forth in this Article 3 contains any untrue statement of a material fact or omits the

statement of any material fact necessary to render the statements made not misleading.

ARTICLE 4
Representations And Warranties Of Buyer

Buyer represents and warrants to Seller as follows:

Section 4.1 Organization. Buyer is a corporation organized, validly existing, and in active status under the laws of Colorado and has all requisite corporate power and authority and all necessary governmental approvals to own, lease, and operate its properties and to carry on its business as now being conducted and as proposed to be conducted, except where failure to be so organized, valid, or active would not, in the aggregate, have a material adverse effect on Buyer. Buyer is duly qualified or licensed to do business and is in good standing in each jurisdiction in which the property owned, leased, or operated by it or the nature of the business conducted by it or as proposed to be conducted by it makes such qualification or licensing necessary, except where the failure to be so duly qualified or licensed and be in good standing would not in the aggregate have a material adverse effect on Buyer.

Section 4.2 Authority. Buyer has the requisite corporate power and authority to execute and deliver this Agreement and to consummate the transactions contemplated hereby. The execution, delivery, and performance of this Agreement, and the consummation of the Agreement and the other transactions contemplated hereby, have been duly authorized by all necessary corporate action on the part of Buyer and no other corporate proceeding on the part of Buyer is necessary to authorize this Agreement or to consummate the transactions so contemplated. This Agreement has been duly executed and delivered by Buyer, and, assuming this Agreement constitutes a valid and binding obligation of

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Seller, constitutes a valid and binding obligation of Buyer, enforceable against it in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization or similar laws from time to time in effect which offset creditors' rights generally and general equitable principles (regardless of whether the issue of enforceability is considered in a proceeding in equity or in law).

Section 4.3 Consents and Approvals; No Violations. Neither the execution, delivery, or performance of this Agreement by Buyer nor the consummation by Buyer of the transactions contemplated hereby nor compliance by Buyer with any of the provisions hereof will (i) conflict with or result in any breach of any provision of the Articles of Incorporation or the Bylaws of Buyer, (ii) require any filing with, or authorization, consent, or approval of, any Governmental Entity, (iii) result in a violation or breach of, or constitute (with or without due notice or lapse of time or both) a default (or give rise to any right of termination, amendment, cancellation, or acceleration) under, any of the terms, conditions, or provisions of any agreement or other instrument or obligation to which Buyer is a party or by which Buyer or its properties or assets may be bound, or (iv) violate any order, writ, injunction, decree, statute, rule, or regulation applicable to Buyer or any of its properties or assets, except in the case of (iii) or (iv) for violations, breaches, or defaults that would not, individually or in the aggregate, have a material adverse effect on Buyer.

Section 4.4 Litigation. There is no suit, claim, action, proceeding, or investigation pending or, to the best knowledge of Buyer, threatened against Buyer or its affiliates before any Governmental Entity that is reasonably likely to have a material adverse effect on Buyer or would prevent Buyer from consummating the transactions contemplated by this Agreement.

Section 4.5 Compliance with Applicable Law. Buyer holds all permits, licenses, variances, exemptions, orders, and

approvals of all Governmental Entities necessary for the lawful conduct of the insurance agency business of Seller being acquired by Buyer, except for failures to hold such permits, licenses, variances, exemptions, orders, and approvals that would not have a material adverse effect on Buyer.

Section 4.6 Contracts with Third Parties. Buyer and its affiliates have no contract, agreement or understanding with any third party concerning a potential sale of Seller's insurance agency business following the Closing.

Section 4.7 No Misrepresentations. None of the representations and warranties set forth in this Article 4 contains any untrue statement of a material fact, or omits the statement of any material fact necessary to render the statements made not misleading.

ARTICLE 5
Covenants Of Seller And Parent

Section 5.1 Operation of Business. During the period through the Closing Date, Seller agrees that (except as expressly contemplated or permitted by this Agreement or to the extent that Buyer otherwise consents in writing):

(a) Ordinary Course. Seller shall carry on its business in the usual, regular, and ordinary course in substantially the same manner as heretofore conducted and shall use all reasonable efforts to preserve intact its present business, keep available the services of its present employees, and

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preserve its relationships with customers, suppliers, vendors and others having business dealings with it to the end that the goodwill, the ongoing business, and the Acquired Assets shall not be impaired in any material respect at the Closing Date.

(b) No Dispositions. Other than (i) as may be required by law to consummate the transactions contemplated hereby, or (ii) sales or licenses of products or technology in the ordinary course of business consistent with prior practice, Seller shall not sell, lease, license, encumber, or otherwise dispose of, or agree to sell, lease, license, encumber, or otherwise dispose of, any of its assets that are material, individually or in the aggregate.

(c) No Acquisitions. Seller shall not acquire or agree to acquire by merging or consolidating with, or by purchasing a substantial equity interest in or substantial portion of the assets of, or by any manner, any business or any corporation, partnership, or other business organization or division thereof, or otherwise acquire or agree to acquire any property or assets not in the ordinary course of business.

(d) Indebtedness and Leases. Seller shall not incur any indebtedness for borrowed money, guarantee any such indebtedness, issue or sell any debt securities, warrants, or rights to acquire any of its debt securities, or guarantee any debt securities of others or enter into any material contracts, leases, agreements or transactions other than, in each case, in the ordinary course of business consistent with prior practice. Seller shall not enter into any material leases.

(e) Employee Benefits. Seller will not, except as expressly agreed by Buyer, (i) enter into, adopt, amend (except as may be required by law), or terminate any employee benefit plan, or any agreement, arrangement, plan, or policy between it and one or more of its employees except in the ordinary course of business consistent with past practice that, in the aggregate, do not result in a material increase in benefits or compensation expense, increase the compensation or fringe benefits of any director, officer, or employee, (iii) pay any benefit not required by any plan or arrangement as in effect as of the date hereof, or (iv) enter into any contract, agreement, commitment,

or arrangement to do any of the foregoing.

Section 5.2 Access to Information. Upon reasonable notice, Seller shall afford to the officers, employees, accountants, counsel, and other authorized representatives of Buyer access during normal business hours in the period prior to the Closing Date, to its properties, books, contracts, commitments, records, and senior management. Unless otherwise required by law, Buyer will hold any such information which is nonpublic in confidence, will not use such information in its business if the transaction does not close and will return such information if the transaction does not close.

Section 5.3 Covenant Against Solicitation. For a period of three years following the Closing Date, each of Seller and Parent agrees not to (and Parent shall cause each of its affiliates not to) solicit, divert, accept business from, nor service, directly or indirectly, as insurance solicitor, insurance agent, insurance broker, or otherwise, for its account or the account of any other agent, broker, or insurer, either as owner, shareholder, promoter, consultant, manager, or otherwise, in any area of the United States, any insurance account that is part of the Purchased Book of Business identified in Schedule 1.2(a). This Section 5.3 shall not prohibit Seller or Parent or their respective subsidiaries and affiliates from (i) maintaining business relationships with, or placing business through or for insurance agents utilized by Buyer, so long as such business does not relate to the insurance accounts identified in Schedule 1.2(a), or (ii) marketing the accounts listed in Schedule 5.3 that Parent or any of its affiliates has placed with Seller

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(and which will be acquired by Buyer hereunder) through agents or brokers other than Buyer and/or to different insurance carriers upon any renewal of such accounts, provided that any movement of such accounts will be as a result of the availability of more favorable policy terms and conditions.

Section 5.4 Covenant Not to Interfere. For a period of three years following the Closing Date, each of Seller and Parent agrees not to (and Parent shall cause each of its subsidiaries and affiliates not to) hire or directly or indirectly solicit any of Buyer's employees to work for Seller, Parent or any of their respective subsidiaries or affiliates.

Section 5.5 Confidentiality. Each of Seller and Parent, for a period of three years following the Closing Date, agrees that it will not (and Parent shall cause each of its subsidiaries and affiliates not to) disclose confidential information concerning the Acquired Assets to any person, firm, corporation, or entity for any reason without the prior written approval of Buyer, which shall not be unreasonably withheld. The term "confidential information" shall mean written documentation related to the Acquired Assets known by Seller or Parent as of the Closing Date, including (i) lists of Seller's customers and companies and records pertaining thereto, (ii) customer lists, prospect lists, policy forms, rating information, expiration dates, information on risk characteristics, and other types of written information customarily used by Seller. This Section 5.5 shall not apply to any confidential information that is or becomes generally available to the public other than as a result of a disclosure by Seller, Parent, or their respective affiliates. This Section 5.5 shall also be inoperable to the extent that Seller, Parent, or their respective affiliates reasonably deems it necessary to disclose such information to legal counsel, in connection with obtaining reasonably necessary legal advice, or to the extent that Seller, Parent or their respective affiliates become legally compelled to disclose such information.

Section 5.6 Remedy for Breach of Covenants. In the event of a breach of the provisions of Sections 5.3, 5.4 or 5.5, Buyer shall be entitled to injunctive relief as well as any other applicable remedies at law or in equity. Should a court of

competent jurisdiction declare any of the covenants set forth in Sections 5.3, 5.4 or 5.5 unenforceable due to an unreasonable restriction, duration, geographical area or otherwise, each of the parties agrees that such court shall be empowered and shall grant each injured party injunctive relief to the extent reasonably necessary to protect its interests.

Section 5.7 Successor Rights. The covenants contained in Sections 5.3, 5.4 and 5.5 shall inure to the benefit of any successor in interest of Buyer by way of merger, consolidation, sale or other succession.

ARTICLE 6
Covenants of Buyer And Shareholders

Section 6.1 Covenant Against Solicitation. For a period of three years following the Closing Date, Buyer agrees, and, for the period (not to exceed three years following the Closing Date) that such Shareholder remains a shareholder of Buyer, each of the Shareholders agrees, not to solicit, divert, accept business from, nor service, directly or indirectly, as insurance solicitor, insurance agent, insurance broker, or otherwise, for its or his account or the account of any other agent, broker, or insurer, either as owner, shareholder, promoter, consultant, employee, manager, or otherwise, any insurance account serviced by Parent or any of its subsidiaries or affiliates in any area of the United States or Puerto Rico as of the Closing Date (other than those accounts constituting the Purchased Book of Business identified in Schedule 1.2(a)). This Section 6.1 shall not prohibit Buyer or the Shareholders from maintaining business relationships with, or placing business through or for insurance agents utilized by Parent or its

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affiliates, so long as such business does not relate to any insurance account serviced by Parent or any of its subsidiaries or affiliates as of the Closing Date.

Section 6.2 Covenant Not to Interfere. For a period of three years following the Closing Date, Buyer agrees not to hire or directly or indirectly solicit any employees of Seller, Parent, or their respective affiliates, to work for Buyer, any of its affiliates, or any company that competes with Parent or its affiliates.

Section 6.3 Remedy for Breach of Covenants. In the event of a breach of the provisions of Sections 6.1 or 6.2, Seller and/or Parent shall be entitled to injunctive relief as well as any other applicable remedies at law or in equity. Should a court of competent jurisdiction declare any of the covenants set forth in Sections 6.1 or 6.2 unenforceable due to an unreasonable restriction, duration, geographical area or otherwise, each of the parties agrees that such court shall be empowered and shall grant each injured party injunctive relief to the extent reasonably necessary to protect its interests.

Section 6.4 Successor Rights. The covenants contained in Sections 6.1 and 6.2 shall inure to the benefit of any successor in interest of either Seller or Parent by way of merger, consolidation, sale or other succession.

Section 6.5 Offers of Employment. All employees of Seller who are actively employed on the business day immediately preceding the Effective Date shall be offered employment with the Buyer as of the Effective Date. Buyer shall also offer employment to each employee that is temporarily absent on the business day immediately preceding the Effective Date from active employment, and who has rights of re-employment, upon termination of such employee's temporary absence. Each offer of employment shall be at the same position, location and rate of salary as of the last day of his or her active employment immediately preceding the Effective Date, except in the case of any such employee who upon returning after a period of sickness or other disability is not fully capable of performing all the essential

functions of his or her former position. Subject to applicable laws, Buyer shall have the right to dismiss any or all of such employees at any time, and to change the terms and conditions of employment for such employees. To the extent permitted by applicable law and the terms and conditions of Buyer's plans, from and after the Effective Date, Buyer shall credit to such employees, for eligibility and vesting purposes under all benefit plans, benefit arrangements and compensation policies and practices of Buyer, all previous service recognized for such purposes by Seller under similar plans, arrangements, policies and practices on the business day immediately preceding the Effective Date. Buyer shall make available to all employees comprehensive health and medical insurance coverage within 30 days after the Closing Date.

Section 6.6 Advise of Changes. From the Closing Date through the Second Payment Date, Buyer shall confer on a regular and frequent basis with Parent, report on operational matters, and promptly advise Parent of any change or event having or which, insofar as can reasonably be foreseen, could have, a material adverse effect on Buyer's financial condition or results of operations.

Section 6.7 Payment of Remaining Obligations. Following the Closing, Buyer shall promptly pay, when due, the stipulated percentage of commissions received by Buyer that is payable to Insurance Marketing Enterprises, Inc. ("IME") under the terms of the IME contract described in Schedule 1.2(b)(ii).

Section 6.8 Covenants of Shareholders. Each of the Shareholders hereby agrees that, if he terminates his status as a shareholder of Buyer within three years after the Closing Date, he will not, during a three-year period commencing on the date such Shareholder liquidates his equity interest in

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Buyer, solicit, divert, accept business from, nor service, directly or indirectly, as insurance solicitor, insurance agent, insurance broker, or otherwise, for his account or the account of any other agent, broker, or insurer, either as owner, shareholder, promoter, employee, consultant, manager or otherwise, any insurance account placed by Parent or any of its subsidiaries with Seller (before the Closing) or Buyer (after the Closing) that is serviced by Buyer on the date such Shareholder liquidates his equity interest in Buyer.

ARTICLE 7 Mutual Covenants

Section 7.1 Expenses. Whether or not the transaction is consummated, all costs and expenses incurred in connection with this Agreement and the transactions contemplated hereby shall be paid by the party incurring such expenses.

Section 7.2 Brokers or Finders. Each of Seller, Buyer and Parent represents, as to itself and its affiliates, that no agent, broker, investment banker, financial advisor, or other firm or person is or will be entitled to any broker's or finder's fee or any other commission or similar fee in connection with the transactions contemplated by this Agreement, and each of Buyer, Seller and Parent agrees to indemnify and hold the other parties harmless from and against any and all claims, liabilities, or obligations with respect to any other fees, commissions, or expenses asserted by any person on the basis of any act or statement alleged to have been made by such party or its affiliate

Section 7.3 Preferred Agent Status. The parties agree that Parent will continue to represent Buyer in a "Preferred Agent" capacity following the Closing for a minimum of two years on terms and conditions no less favorable than the most favorable terms and conditions afforded to other agents. Buyer further agrees to assist in any other placement needs reasonably

requested by Parent.

ARTICLE 8
Conditions

Section 8.1 Conditions to Each Party's Obligation To Effect the Asset Purchase. The respective obligations of each party to effect the transaction shall be subject to the satisfaction prior to the Closing Date of the following conditions:

(a) Approvals. All authorizations, consents, orders, or approvals of, or declarations or filings with, or expirations of waiting periods imposed by, any Governmental Entity, the failure to obtain which would have a material adverse effect on Seller or Buyer, shall have been filed, occurred, or been obtained.

(b) No Injunctions or Restraints. No temporary restraining order, preliminary or permanent injunction, or other order issued by any court of competent jurisdiction or other legal restraint or prohibition preventing the consummation of the transaction shall be in effect, and no action, suit, or proceeding shall be pending before any court or judicial or administrative agency wherein an unfavorable judgment, order, decree, stipulation or charge would prevent consummation of the transactions contemplated by this Agreement or cause such transactions to be rescinded following consummation.

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(c) Opinion of Buyer's Counsel. Collins & McConnell, as counsel to Buyer, shall have delivered to Buyer and Seller a written opinion dated as of the Closing Date in the form attached hereto as Exhibit 8.1(c) with only such changes as shall be in form and substance reasonably satisfactory both to Seller and Buyer.

Section 8.2 Conditions to Obligations of Buyer. The obligation of Buyer to effect this acquisition are subject to the satisfaction of the following conditions, unless waived by Buyer:

(a) Representations and Warranties. The representations and warranties of Seller set forth in this Agreement shall be true and correct as of the Effective Date and (except to the extent such representations and warranties speak as of an earlier date) as of the Closing Date as though made on and as of the Closing Date, and Buyer shall have received a certificate signed on behalf of Seller to such effect.

(b) Performance of Obligations by Seller. Seller shall have performed all obligations required to be performed by it under this Agreement at or prior to the Closing Date, and Buyer shall have received a certificate signed on behalf of Seller to such effect.

(c) Opinion of Seller's Counsel. Parent's general counsel, as counsel to Seller, shall have delivered to Buyer a written opinion dated as of the Closing Date in the form attached hereto as Exhibit 8.2(c) with only such changes as shall be in form and substance reasonably satisfactory to Buyer and its counsel.

Section 8.3 Conditions to Obligations of Seller. The obligation of Seller to effect this transaction is subject to the satisfaction of the following conditions, unless waived by Sellers:

(a) Representations and Warranties. The representations and warranties of Buyer set forth in this Agreement shall be true and correct in all material respects as of the date of this Agreement and (except to the extent such representations speak as of an earlier date) as of the Closing Date as though made on and as of the Closing Date, and Seller shall have received a certificate signed on behalf of Buyer by an executive officer of Buyer to such effect.

(b) Performance of Obligations by Buyer. Buyer shall have performed in all material respects all obligations required to be performed by it under this Agreement at or prior to the Closing Date, and Seller shall have received a certificate signed on behalf of Buyer by an executive officer of Buyer to such effect.

(c) Third Party Consents and Amendments. Seller and its affiliates shall have received any required consents and approvals under their respective agreements governing outstanding indebtedness.

ARTICLE 9 Termination and Amendment

Section 9.1 Termination. This Agreement may be terminated at any time prior to the Closing Date:

(a) by mutual consent of Buyer, Seller and Parent;

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(b) by Buyer, Seller or Parent if there shall have been a material breach of any representation, warranty, covenant, or agreement on the part of the other party set forth in this Agreement which breach shall not have been cured, in the case of a representation or warranty, prior to the Closing or, in the case of a covenant or agreement, within two business days following receipt by the breaching party of notice of such breach; or

(c) by either Buyer, Seller or Parent if any permanent injunction or other order of a court or other competent authority preventing the consummation of the acquisition shall have become final and nonappealable.

Section 9.2 Effects of Termination. In the event of a termination of this Agreement by either party as provided in Section 9.1, this Agreement shall forthwith become void and there shall be no liability or obligation on the part of any party, or any of their respective officers or directors, except to the extent that such termination results from the willful breach by a party hereto of any of its representations, warranties, covenants, or agreements set forth in this Agreement.

Section 9.3 Amendment. This Agreement may not be amended except by an instrument in writing signed on behalf of each of the parties hereto.

Section 9.4 Extension; Waiver. At any time prior to the Closing Date, the parties may, to the extent legally allowed, (i) extend the time for the performance of any of the obligations or other acts of the other parties hereto, (ii) waive any inaccuracies in the representations and warranties contained herein or in any document delivered pursuant hereto, and (iii) waive compliance with any of the agreements or conditions contained herein. Any agreement on the part of a party hereto to any such extension or waiver shall be valid only if set forth in a written instrument signed on behalf of such party.

ARTICLE 10 Indemnification

Section 10.1 Indemnification Provisions for Benefit of Buyer. Seller and Parent, jointly and severally, agree to indemnify and hold Buyer harmless from and against any Adverse Consequences (as defined below) Buyer may suffer or incur resulting from or arising out of the breach of any of the representations, warranties or covenants of Seller and Parent contained herein. The phrase "Adverse Consequences" means damages, fines, costs, amounts paid in settlement, liabilities, obligations, taxes, losses, and fees, including all attorneys' fees and court costs, both at the trial and the appellate level.

Section 10.2 Indemnification Provisions for the Benefit of Seller and Parent. Buyer agrees to indemnify and hold Seller, Parent, and their respective subsidiaries and affiliates harmless from and against any Adverse Consequences any of such parties may suffer or incur resulting from or arising out of the breach of any of Buyer's representations, warranties, or covenants contained herein.

Section 10.3 Matters Involving Third Parties. If any third party shall notify any party hereto (the "Indemnified Party") with respect to any matter that may give rise to a claim for indemnification against another party (the "Indemnifying Party") under this Article 10, then the Indemnified Party shall notify the Indemnifying Party promptly; provided, however, that no delay on the part of the Indemnified Party in notifying the Indemnifying Party shall relieve the Indemnifying Party from any liability or obligation hereunder unless (and then solely to the extent) the Indemnifying Party thereby is damaged. The

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Indemnifying Party shall have the right, within fifteen days after the Indemnified Party has given notice of the matter, to assume the defense of any such claim, provided that the Indemnifying Party admits in writing its indemnification obligations hereunder. If the Indemnifying Party does not assume the defense of any such claim, the Indemnified Party may defend against or enter into any settlement with respect to, the matter in any manner it may reasonably deem appropriate.

Section 10.4 Limitation. No party shall have the right to make a claim for indemnification under this Article 10 unless and until the aggregate amount of Adverse Consequences incurred by such party exceeds \$5,000, at which point the Indemnifying Party shall be responsible for the entire amount of any such Adverse Consequences, including the initial \$5,000 thereof.

ARTICLE 11
Miscellaneous

Section 11.1 Survival of Representations, Covenants, Warranties, and Agreements. Unless a specific term is set forth elsewhere in this Agreement, all representations, warranties, covenants, and indemnities made by the parties in this Agreement shall be deemed made for the purpose of inducing the others to enter into this Agreement, and shall survive the Closing and remain operative and in full force and effect for a period of one year following the Closing Date.

Section 11.2 Notices. All notices and other communications hereunder shall be in writing and shall be deemed given if delivered personally, telecopied (if confirmed), or mailed by registered or certified mail (return receipt requested) to the parties at the following addresses or at such other address for a party as shall be specified by like notice):

If to Seller or Parent, to

Poe & Brown, Inc.
401 East Jackson Street
Suite 1700
Tampa, Florida 33602
Attention: Thomas G. Cole
Telecopy No.: (813) 222-4166

(b) if to Buyer, to

Health Care Insurers, Inc.
5353 North Union, Suite 201
Colorado Springs, Colorado 80918
Attention: Richard Greenwood
Telecopy No.: (719) 528-8323

Section 11.3 Counterparts. This Agreement may be executed in two or more counterparts, all of which shall be considered one and the same agreement, and shall become effective when one or more

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counterparts have been signed by each of the parties and delivered to the other parties, it being understood that all parties need not sign the same counterpart.

Section 11.4 Entire Agreement; No Third Party Beneficiaries; Rights of Ownership. This Agreement (including the documents and instruments referred to herein) constitutes the entire agreement and supersedes all prior agreements and understandings, both written and oral, among the parties with respect to the subject matter hereof.

Section 11.5 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Florida without regard to any applicable conflicts of law.

Section 11.6 Publicity. Except as otherwise required by law or the rules of The Nasdaq Stock Market, neither Seller, Parent nor Buyer shall issue or cause the publication of any press release or other public announcement with respect to the transactions contemplated by this Agreement prior to the Closing without the consent of the other parties, which consent shall not be unreasonably withheld. Notwithstanding the foregoing, Parent and its affiliates may respond to routine inquiries from securities analysts in connection with the transactions contemplated hereby.

Section 11.7 Assignment. Neither this Agreement nor any of the rights, interests, or obligations hereunder shall be assigned by any of the parties hereto (whether by operation of law or otherwise) without the prior written consent of the other parties. Subject to the preceding sentence, this Agreement will be binding upon, inure to the benefit of, and be enforceable by the parties and their respective successors and assigns.

Section 11.8 Arbitration. Any dispute arising under this Agreement that is not resolved by discussions among the parties hereto shall be submitted to arbitration proceedings in Tampa, Florida, to be conducted in accordance with the rules and procedures of the American Arbitration Association (the "AAA"). The parties shall select an arbitrator that is a member of the AAA to arbitrate the dispute. If the parties are unable to agree upon such an arbitrator, each party shall select an arbitrator that is a member of the AAA, and those arbitrators shall select a third arbitrator, who is a member of the AAA, who shall serve as the sole arbitrator in the proceeding.

IN WITNESS WHEREOF, the parties have signed or caused this Agreement to be signed by their respective officers thereunto duly authorized as of the date first written above.

HEALTH CARE INSURERS, INC.,
a Colorado corporation

By: /s/ THOMAS G. COLE

Thomas G. Cole, Vice President

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POE & BROWN, INC.,
a Florida corporation

By: /s/ LAUREL J. LENFESTEY

Title: Vice President

RICHARD J. GREENWOOD &
BRUCE G. GEER, INC.

a Colorado corporation

By: /s/ RICHARD GREENWOOD

Title: President

/s/ BRUCE G. GEER

Bruce G. Geer

/s/ RICHARD GREENWOOD

Richard Greenwood

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LIST OF EXHIBITS AND SCHEDULES

SCHEDULE 1.2(a): Purchased Book of Business
SCHEDULE 1.2(b)(ii): List of Material Contracts
SCHEDULE 1.2(c): List of Tangible Personal Property
SCHEDULE 3.3: Exceptions to Section 3.3 Representations
SCHEDULE 3.5: List of Material Changes
SCHEDULE 3.7: List of Lawsuits and Claims
SCHEDULE 3.10: List of E&O Claims
SCHEDULE 5.3: Accounts Placed by Parent with Seller
EXHIBIT 8.1(c): Opinion of Buyer's Counsel
EXHIBIT 8.2(c): Opinion of Seller's Counsel

EXHIBIT 11

Statement Re: Computation Of Per Share Earnings

	Year Ended December 31,		
	1996	1995	1994
	(in thousands, except per share data)		
Average shares outstanding	8,658	8,660	8,593
Net effect of dilutive stock options, based on the treasury stock method	25	39	77
	-----	-----	-----
Total shares used in computation	8,683	8,699	8,670
	=====	=====	=====
Net income	\$16,498	\$14,799	\$13,519
	=====	=====	=====
Net income per share	\$ 1.90	\$ 1.70	\$ 1.56
	=====	=====	=====

EXHIBIT 13

PORTIONS OF 1996 ANNUAL REPORT TO SHAREHOLDERS

Financial Highlights

(in thousands, except per share data)	Year ended December 31,				
	1996	1995	1994	1993	1992
Commissions and fees(1)	\$114,378	\$101,998	\$ 95,852	\$ 94,420	\$ 88,276
Total revenues(2)	\$118,680	\$106,365	\$101,580	\$ 97,821	\$ 91,508
Total expenses	\$ 91,634	\$ 83,036	\$ 80,994	\$ 84,774	\$ 83,190
Net income before taxes and loss from discontinued operations	\$ 27,046	\$ 23,329	\$ 20,586	\$ 13,047	\$ 8,318
Net income from continuing operations	\$ 16,498	\$ 14,799	\$ 13,519	\$ 8,118	\$ 4,138
Net income(2, 3)	\$ 16,498	\$ 14,799	\$ 13,519	\$ 8,118	\$ 2,558
Net income per share from continuing operations(2, 3)	\$ 1.90	\$ 1.70	\$ 1.56	\$ 0.95	\$ 0.48
Net income per share	\$ 1.90	\$ 1.70	\$ 1.56	\$ 0.95	\$ 0.30
Weighted average number of shares outstanding	8,683	8,699	8,670	8,571	8,569
Dividends declared per share	\$ 0.49	\$ 0.48	\$ 0.42	\$ 0.40	\$ 0.40
Total assets	\$179,743	\$151,121	\$140,980	\$134,924	\$129,143
Long-term debt	\$ 5,300	\$ 7,023	\$ 7,430	\$17,637	\$ 18,870
Shareholders' equity(4)	\$ 67,286	\$ 54,412	\$ 44,106	\$27,246	\$ 21,232

- (1) See Notes 2 and 3 to consolidated financial statements for information regarding business purchase transactions which impact the comparability of this information.
- (2) During 1994, the Company sold 150,000 shares of its investment in the common stock of Rock-Tenn Company for \$2,314,000, resulting in a net after-tax gain of \$1,342,000, or \$.16 per share.
- (3) During 1995 and 1994, the Company reduced its general tax reserves by \$451,000 and \$700,000, or \$0.05 and \$0.08 per share, respectively, as a result of reaching a settlement with the Internal Revenue Service on certain examination issues. See Note 9 to consolidated financial statements.
- (4) Shareholders' equity as of December 31, 1996 and 1995 included net increases of \$6,511,000 and \$4,836,000, respectively, as a result of the Company's application of SFAS 115, "Accounting for Certain Investments in Debt and Equity Securities."

Management's Discussion and Analysis
of Financial Condition and Results of Operations

General

In April of 1993, Poe & Associates, Inc., headquartered in Tampa, Florida, merged with Brown & Brown, Inc., headquartered in Daytona Beach, Florida, forming Poe & Brown, Inc. (the "Company"). Since that merger, the Company's operating results have steadily improved. The Company achieved pre-tax income from operations of \$27,046,000 in 1996 compared to \$23,329,000 in 1995 and \$20,586,000 in 1994. Pre-tax income as a percentage of total revenues was 22.8% in 1996, 21.9% in 1995 and 20.3% in 1994. This upward trend is primarily the result of the Company's achievement of revenue growth and operating efficiency improvements.

The Company's revenues are comprised principally of commissions paid by insurance companies, fees paid directly by clients and investment income. Commission revenues generally represent a percentage of the premium paid by the insured and are materially affected by fluctuations in both premium rate levels charged by insurance underwriters and the volume of premiums written by such underwriters. These premium rates are established by insurance companies based upon many factors, none of which is controlled by the Company. Beginning in 1986 and continuing through 1996, revenues have been adversely influenced by a consistent decline in premium rates resulting from intense competition among property and casualty insurers for expanding market share. Among other factors, this condition of prevailing decline in premium rates, commonly referred to as a "soft market," has generally resulted in flat to reduced commissions on renewal business. The possibility of rate increases in 1997 is unpredictable.

Revenues are further impacted by the development of new and existing proprietary programs, fluctuations in insurable exposure units and the volume of business from new and existing clients and changes in general economic and competitive conditions. For example, stagnant rates of inflation in recent years have generally limited the increases in insurable exposure units such as property values, sales and payroll levels. Conversely, the increasing trend in litigation settlements and awards has caused some clients to seek higher levels of insurance coverage. Still, the Company's revenues continue to grow through quality acquisitions, intense initiatives for new business and development of new products, markets and services. Effective March 1, 1995, the Company acquired Insurance West by merger. This merger was accounted for as a pooling-of-interests and, accordingly, the Company's consolidated financial statements have been restated for all prior periods. Also during 1995, the Company acquired four general insurance agencies, an insurance brokerage firm and several books of business (customer accounts) which were accounted for as purchases. During 1996, the Company acquired three general insurance agencies, an insurance brokerage firm and several books of business (customer accounts) which were accounted for as purchases.

Contingent commissions may be paid to the Company by insurance carriers based upon the volume and profitability of the business placed with such carriers by the Company and are generally received in the first quarter of each year. In each of the last three years, contingent commissions have represented less than 3.5% of total revenues.

Fee revenues are substantially generated by the Service Division of the Company, which offers administration and benefit consulting services primarily in the workers' compensation and employee

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benefit self-insurance markets. Florida's legislative reform of workers' compensation insurance, as well as certain market factors, have resulted in increased competition in this service sector. In response to the increased competition, the Company has offered value-added services that enabled it to increase 1996 fee revenues over that recognized in 1995. For the past three years, service fee revenues have ranged from 9.1% to 11.1% of total commissions and fees.

Investment income consists primarily of interest earnings on premiums and advance premiums collected and not immediately remitted to insurance carriers, with such funds being held in a fiduciary capacity. Investment income also includes gains and losses realized from the sale of investments, although in 1996 and 1995, such sales were minimal and realized gains and losses were immaterial. In 1994, investment income included a \$2,185,000 realized gain from the sale of a portion of the Company's investment in Rock-Tenn Company ("Rock-Tenn"). The Company's policy is to invest its available funds in high-quality, short-term fixed income investment securities.

The Company anticipates that results of operations for 1997 will continue to be influenced by these competitive and economic conditions.

The following discussion and analysis regarding results of operations and liquidity and capital resources should be considered in conjunction with the accompanying consolidated financial statements and related notes.

Results of operations for the years ended December 31, 1996, 1995 and 1994

Commissions and Fees

Commissions and fees increased 12% in 1996, 6% in 1995 and 2% in 1994. Excluding the effects of acquisitions, commissions and fees increased 4% in 1996 and 3% in 1995. Acquisition activity in 1994 did not have a material impact on commissions and fees. The 1996 results reflect an increase in commissions for all but one of the Company's operating divisions, mainly through new business growth. In general, property and casualty insurance premium prices remained flat in 1996; however, there were some increases in premium rates for coastal properties as a result of recent hurricanes in Florida. In addition, certain segments and industries had some increases in insurable exposure units during 1996.

Investment Income

Investment income decreased to \$3,230,000 in 1996 compared to \$3,733,000 in 1995 and \$5,126,000 in 1994. This decrease is primarily due to lower levels of invested cash and reductions in interest rate returns. The 1994 results included a \$2,185,000 gain from the sale of approximately 23% of the Company's investment in the common stock of Rock-Tenn. This sale was in conjunction with an initial public offering by Rock-Tenn of its common stock. The Company continues to own 559,970 shares of common stock of Rock-Tenn and has no current plans to sell these shares. Excluding this gain, investment income in 1995 increased by \$792,000, or 27%. The increase in investment income after excluding the Rock-Tenn gain is due to increased available funds and the implementation of a consolidated cash management program which resulted in improved earnings on cash and cash equivalents.

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Other Income

Other income consists primarily of gains and losses from the sale and disposition of assets. During 1996, gains on the sale of customer accounts were \$997,000 compared to \$590,000 in 1995 and \$411,000 in 1994.

Employee Compensation & Benefits

Employee compensation and benefits increased approximately 10% in 1996, 5% in 1995 and remained constant in 1994. Without acquisitions, employee compensation and benefits increased 5% in 1996, 1% in 1995 and remained constant in 1994. Employee compensation and benefits as a percentage of total revenue was 51% in 1996 down from 52% in 1995 and 1994. As of December 31, 1996, the Company had 1,075 full-time equivalent employees compared to 1,035 at the beginning of the year. The increase in personnel in 1996 is primarily related to acquisitions. The 1996 increase in compensation and employee benefits of \$5,324,000 is primarily attributable to the addition of personnel through acquisitions and additional commission expense as a result of the increased commission revenue.

Other Operating Expenses

Other operating expenses increased 11% in 1996, remained constant in 1995 and decreased 12% in 1994. Without acquisitions,

operating expenses increased 6% in 1996 and decreased 3% in 1995. Other operating expenses as a percentage of total revenues remained constant in 1996 and 1995 at 22%, down from 23% in 1994.

Interest and Amortization

Interest and amortization increased \$703,000, or 14%, in 1996 and decreased \$580,000, or 10%, in 1995 and \$553,000, or 9%, in 1994. The increase in 1996 is due primarily to increased amortization of purchased intangible assets as a result of acquisition activity.

Income Taxes

The effective tax rate on income from operations was 39.0% in 1996, 36.6% in 1995, and 34.3% in 1994. The lower effective tax rate in 1995 and 1994 is primarily due to the effect of recording a \$451,000 and a \$700,000 reduction, respectively, to the general tax reserves as a result of reaching a settlement with the Internal Revenue Service ("Service") on the Service's outstanding examination issues (see below for detailed discussion of this adjustment).

In 1992, the Service completed examinations of the Company's federal income tax returns for tax years 1988, 1989 and 1990. As a result of these examinations, the Service issued Reports of Proposed Adjustments asserting income tax deficiencies which, by including interest and state income taxes for the periods examined and the Company's estimates of similar adjustments for subsequent periods through December 31, 1993, would total \$6,100,000. The disputed items related primarily to the deductibility of amortization of purchased customer accounts of approximately \$5,107,000 and non-compete agreements of approximately \$993,000. In addition, the Service's report included a dispute regarding the time at which the Company's payments made pursuant to certain indemnity agreements would be deductible for tax reporting purposes.

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During 1994 and 1995, the Company reached settlement agreements with the Service with respect to all of the disputed items. In 1994, a partial settlement was reached. Payments made under this partial settlement resulted in a \$400,000 reduction to the previously established tax reserves. During 1994, after considering this reduction, the Company reduced the remaining general tax reserves by \$700,000. This decrease was recorded as a reduction to the 1994 income tax provision.

In March of 1995, the Company reached an agreement with the Service on all remaining items. This agreement resulted in payments that reduced the reserve by approximately \$349,000. After considering these reductions, the Company recorded a \$451,000 reduction in the general tax reserve which was recorded as a reduction to the 1995 income tax provision.

Liquidity and Capital Resources

The Company's cash and cash equivalents of \$31,786,000 at December 31, 1996 increased \$3,436,000 from the December 31, 1995 balance of \$28,350,000. During 1996, cash of \$28,621,000 was provided from operating activities, proceeds of \$984,000 from sales of fixed assets and customer accounts and proceeds of \$1,118,000 from the sale of investments. Cash was used during 1996 primarily for payments on long-term debt and notes payable of \$4,222,000, additions to fixed assets of \$4,630,000, purchases of investments of \$881,000, acquisitions of business of \$12,254,000, repurchase of common stock of \$1,055,000 and dividend payments of \$4,245,000.

The Company's cash and cash equivalents of \$28,350,000 at December 31, 1995 increased \$5,165,000 from the December 31, 1994 balance of \$23,185,000. During 1995, primary sources of cash were \$21,208,000 from operating activities, \$1,469,000 from sales of fixed assets and customer accounts and \$106,000 from the exercise

of stock options and issuances of common stock. Cash was used during 1995 primarily for payments on long-term debt of \$2,132,000, additions to fixed assets of \$5,321,000, purchases of investments of \$1,208,000, acquisitions of businesses of \$6,005,000 and dividend payments of \$4,149,000.

The Company's cash and cash equivalents of \$23,185,000 at December 31, 1994 decreased \$3,947,000 from the December 31, 1993 balance of \$27,132,000. During 1994, primary sources of cash were \$10,396,000 from operating activities, \$2,346,000 from sales of investments and \$1,687,000 from the exercise of stock options and issuances of common stock. Cash was used during 1994 primarily for payments on long-term debt of \$12,004,000 and dividend payments of \$3,542,000.

The Company's current ratio was 1.06 to 1.0, 1.13 to 1.0 and 1.10 to 1.0 as of December 31, 1996, 1995 and 1994, respectively. The decrease in the ratio at December 31, 1996 was primarily the result of increased current long-term debt due to acquisitions.

In November 1994, the Company entered into a revolving credit facility with a national banking association that provides for borrowings of up to \$10,000,000. On borrowings under this facility of less than \$1,000,000, the interest rate is the higher of the prime rate or the federal funds rate plus .50%. On borrowings under this facility equal to or in excess of \$1,000,000, the interest rate is LIBOR plus .50% to 1.25%, depending on certain financial ratios. A commitment fee is assessed in the amount of .25% per annum on the unused balance. The facility expires in November 1998. No borrowings were outstanding

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against this line of credit as of December 31, 1996. Borrowings would be secured by substantially all of the assets of the Company, subject to existing or permitted liens.

The Company has a credit agreement with a major insurance company under which \$5,000,000 (the maximum amount available for borrowings) was borrowed at December 31, 1996 at an interest rate equal to the prime rate plus 1%. The amount available under this facility decreases by \$1,000,000 each August through the year 2001, when it will expire.

The Company believes that its existing cash, cash equivalents, short-term investment portfolio, funds generated from operations and the availability of the bank line of credit will be sufficient to satisfy its normal financial needs through at least the end of 1997. Additionally, the Company believes that funds generated from future operations will be sufficient to satisfy its normal financial needs, including the required annual principal payments of its long-term debt and any potential future tax liability.

CONSOLIDATED STATEMENTS OF INCOME

(in thousands, except per share data)

	1996	Year ended December 31,	
		1995	1994
REVENUES			
Commissions and fees	\$114,378	\$101,998	\$ 95,852
Investment income	3,230	3,733	5,126
Other income	1,072	634	602
Total revenues	118,680	106,365	101,580
EXPENSES			
Employee compensation and benefits	60,397	55,073	52,554

Other operating expenses	25,522	22,951	22,848
Interest and amortization	5,715	5,012	5,592
Total expenses	91,634	83,036	80,994
Income before income taxes	27,046	23,329	20,586
Income taxes	10,548	8,530	7,067
Net income	\$ 16,498	\$ 14,799	\$ 13,519
Net income per share	\$ 1.90	\$ 1.70	\$ 1.56
Weighted average number of shares outstanding	8,683	8,699	8,670

See notes to consolidated financial statements.

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CONSOLIDATED BALANCE SHEETS

(in thousands, except per share data)

	December 31,	
	1996	1995
ASSETS		
Cash and cash equivalents	\$ 31,786	\$ 28,350
Short-term investments	1,087	1,308
Premiums, commissions and fees receivable, less allowance for doubtful accounts of \$100 at 1995	62,940	56,553
Other current assets	7,307	6,336
Total current assets	103,120	92,547
Fixed assets, net	12,085	10,412
Intangibles, net	50,167	36,613
Investments	11,288	8,473
Other assets	3,083	3,076
Total assets	\$179,743	\$151,121
LIABILITIES		
Premiums payable to insurance companies	\$ 73,570	\$ 64,588
Premium deposits and credits due customers	7,329	6,070
Accounts payable and accrued expenses	11,130	9,417
Current portion of long-term debt	5,365	1,768
Total current liabilities	97,394	81,843
Long-term debt	5,300	7,023
Deferred income taxes	3,603	1,502
Other liabilities	6,160	6,341
Total liabilities	112,457	96,709
SHAREHOLDERS' EQUITY		
Common stock, par value \$.10 per share; authorized 18,000 shares; issued 8,656 shares at 1996 and 8,682 shares at 1995	866	868
Additional paid-in capital	1,671	2,614
Retained earnings	58,238	46,094
Net unrealized appreciation of available-for-sale securities, net of tax effect of \$4,163 at 1996 and \$3,027 at 1995	6,511	4,836
Total shareholders' equity	67,286	54,412
Total liabilities and shareholders' equity	\$179,743	\$151,121

See notes to consolidated financial statements.

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CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

(in thousands, except per share data)

	Common Stock		Additional Paid-in Capital	Retained Earnings	Net Unrealized Appreciation (Depreciation)	Treasury Stock		
	Shares	Amount				Shares	Amount	Total
Balance, January 1, 1994	8,550	\$ 855	\$1,314	\$ 25,883	—	45	(\$806)	\$27,246
Net income	13,519	13,519						
Issued for stock option plans and employee stock purchase plans	85	9	872			(45)	806	1,687
Tax benefit from sale of option shares by employees			55					55
Cumulative effect of change in accounting principle (see Note 1)					23			23
Net increase in unrealized appreciation of available- for-sale securities					5,318			5,318
Partnership distributions for Insurance West				(200)				(200)
Cash dividends paid (\$.42 per share)				(3,542)				(3,542)
Balance, December 31, 1994	8,635	864	2,241	35,660	5,341	--	--	44,106
Net income				14,799				14,799
Acquired and issued for stock option plans and employee stock purchase plans	47	4	318	(216)				106
Tax benefit from the sale of option shares by employees			55					55
Net decrease in unrealized appreciation of available- for-sale securities					(505)			(505)
Cash dividends paid (\$.48 per share)				(4,149)				(4,149)
Balance, December 31, 1995	8,682	868	2,614	46,094	4,836	--	--	54,412
Net income				16,498				16,498
Acquired and issued for stock option plans and employee stock purchase plans	(26)	(2)	(943)	(109)				(1,054)
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Net increase in unrealized appreciation of available- for-sale securities					1,675			1,675
Cash dividends paid (\$.49 per share)				(4,245)				(4,245)
Balance, December 31, 1996	8,656	\$866	\$ 1,671	\$58,238	\$6,511	--	\$--	67,286

See notes to consolidated financial statements.

Consolidated Statements of Cash Flows

(in thousands)

Year ended December 31,
1996 1995 1994

CASH FLOWS FROM OPERATING ACTIVITIES

Net income	\$ 16,498	\$ 14,799	\$ 13,519
Adjustments to reconcile net			

income to net cash provided by operating activities:			
Depreciation and amortization	7,471	6,487	6,398
Provision for doubtful accounts	(100)	31	19
Deferred income taxes	966	(2,191)	(1,173)
Net gains on sales of investments, fixed assets and customer accounts	(1,001)	(537)	(2,231)
Premiums, commissions and fees receivable (increase) decrease	(6,287)	200	(2,374)
Other assets (increase) decrease	(699)	235	(2,439)
Premiums payable to insurance companies increase (decrease)	8,982	1,393	(3,951)
Premium deposits and credits due customers increase (decrease)	1,259	(900)	1,919
Accounts payable and accrued expenses increase (decrease)	1,713	1,115	(683)
Other liabilities (decrease) increase	(181)	576	1,392
Net cash provided by operating activities	28,621	21,208	10,396
 CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to fixed assets	(4,630)	(5,321)	(2,400)
Payments for businesses acquired, net of cash acquired	(12,254)	(6,005)	(1,382)
Proceeds from sales of fixed assets and customer accounts	984	1,469	1,337
Purchases of investments	(881)	(1,208)	(187)
Proceeds from sales of investments	1,118	642	2,346
Other investing activities, net	-	-	(53)
Net cash used in investing activities	(15,663)	(10,423)	(339)
 CASH FLOWS FROM FINANCING ACTIVITIES			
Payments on long-term debt	(4,223)	(2,132)	(12,004)
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Proceeds from long-term debt	-	500	-
Exercise of stock options, issuances of stock and treasury stock sales	(1,054)	106	1,687
Tax benefit from sale of option shares by employees	-	55	55
Partnership distributions	-	-	(200)
Cash dividends paid	(4,245)	(4,149)	(3,542)
Net cash used in financing activities	(9,522)	(5,620)	(14,004)
 Net increase (decrease) in cash and cash equivalents	3,436	5,165	(3,947)
Cash and cash equivalents at beginning of year	28,350	23,185	27,132
Cash and cash equivalents at end of year	\$31,786	\$28,350	\$23,185

See notes to consolidated financial statements.

Notes to Consolidated Financial Statements

Note 1 - Summary of Significant Accounting Policies

Nature of Operations

Poe & Brown, Inc. (the "Company") is a diversified insurance brokerage and agency that markets and sells primarily property and casualty insurance products and services to its clients. The Company's business is divided into five divisions: the Retail Division, which markets and sells a broad range of insurance products to commercial, professional and individual clients; the Professional Programs Division, which develops and administers property and casualty insurance solutions for professionals nationwide; the Commercial Programs Division, which serves individual large accounts of commercial groups and trade associations, providing primarily property and casualty and employee benefits coverages; the Service Division, which provides

insurance-related services such as third-party administration and consultation for workers' compensation and employee benefit self-insurance markets; and the Brokerage Division, which markets and sells excess and surplus commercial insurance primarily through non-affiliated independent agents and brokers.

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of Poe & Brown, Inc. and its subsidiaries. All significant intercompany account balances and transactions have been eliminated in consolidation.

Revenue Recognition

Commissions relating to the brokerage and agency activity whereby the Company has primary responsibility for the collection of premiums from insureds are generally recognized as of the latter of the effective date of the insurance policy or the date billed to the customer. Commissions to be received directly from insurance companies are generally recognized when determined. Subsequent commission adjustments, such as policy endorsements, are recognized upon notification from the insurance companies. Commission revenues are reported net of sub-broker commissions. Contingent commissions

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from insurance companies are recognized when received. Fee income is recognized as services are rendered.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents principally consist of demand deposits with financial institutions and highly liquid investments having maturities of three months or less when purchased. Premiums received from insureds but not yet remitted to insurance carriers are held in cash and cash equivalents in a fiduciary capacity.

Premiums, Commissions and Fees Receivable

In its capacity as an insurance broker or agent, the Company typically collects premiums from insureds and, after deducting its authorized commission, remits the premiums to the appropriate insurance companies. In other circumstances, the insurance companies collect the premiums directly from the insureds and remit the applicable commissions to the Company. Accordingly, as reported in the Consolidated Balance Sheets, "premiums" are receivable from insureds and "commissions" are receivable from insurance companies. "Fees" are receivable from customers pertaining to the Company's Service Division.

Investments

Effective January 1, 1994, the Company adopted Statement of Financial Accounting Standards (SFAS) No. 115, "Accounting for Certain Investments in Debt and Equity Securities." Under these rules, the Company's marketable equity securities have been classified as "available-for-sale" and are reported at estimated fair value, with the unrealized gains and losses, net of tax, reported as a separate component of shareholders' equity. Realized gains and losses and declines in value judged to be other-than-temporary on available-for-sale securities are included in investment income. The cost of securities sold is based on the specific identification method. Interest and

dividends on securities classified as available-for-sale are included in investment income.

Nonmarketable equity securities and certificates of deposit having maturities of more than three months when purchased are reported at cost, adjusted for other-than-temporary market value declines.

Application of SFAS No. 115 resulted in net unrealized gains reported in shareholders' equity of \$6,511,000 at December 31, 1996, \$4,836,000 at December 31, 1995 and \$5,341,000 at December 31, 1994, net of deferred income taxes of \$4,163,000, \$3,027,000 and \$3,344,000, respectively. The adoption of this Statement resulted in an increase of \$23,000 to shareholders' equity as of January 1, 1994, net of \$15,000 in deferred taxes.

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As of January 1, 1994, the Company owned 659,064 shares of common stock of Rock-Tenn Company ("Rock-Tenn") with an aggregate cost of \$565,000. As of that date, the common stock of Rock-Tenn was not publicly traded and, therefore, had no readily determinable market value. However, on March 3, 1994, the common stock of Rock-Tenn was registered with the Securities and Exchange Commission and began trading on the NASDAQ over-the-counter securities market at the initial public offering price of \$16.50 per share. As part of the initial public offering of Rock-Tenn's common stock, the Company sold 150,000 shares of its investment in this stock and reported a net after-tax gain of \$1,342,000 in the first quarter of 1994. During 1996, the Company received a Rock-Tenn stock dividend of 50,906 shares. The 559,970 and 509,064 shares of Rock-Tenn common stock held by the Company as of December 31, 1996 and 1995, respectively, have been classified as non-current, available-for-sale securities. The Company has no current plans to sell these shares.

Fixed Assets

Fixed assets are stated at cost. Expenditures for improvements are capitalized and expenditures for maintenance and repairs are charged to operations as incurred. Upon sale or retirement, the cost and related accumulated depreciation and amortization are removed from the accounts and the resulting gain or loss, if any, is reflected in income. Depreciation has been provided using principally the straight-line method over the estimated useful lives of the related assets, which range from three to ten years. Leasehold improvements are amortized on the straight-line method over the term of the related leases.

Intangibles

Intangible assets are stated at cost less accumulated amortization and principally represent purchased customer accounts, non-compete agreements, purchased contract agreements and the excess of costs over the fair value of identifiable net assets acquired (goodwill). Purchased customer accounts, non-compete agreements and purchased contract agreements are being amortized on a straight-line basis over the related estimated lives and contract periods, which range from three to 15 years. The excess of costs over the fair value of identifiable net assets acquired is being amortized on a straight-line basis over 15 to 40 years. Purchased customer accounts are records and files obtained from acquired businesses that contain information on insurance policies and the related insured parties that is essential to policy renewals.

The carrying value of intangibles, corresponding with each agency division comprising the Company, is periodically reviewed by management to determine if the facts and circumstances suggest that they may be impaired. In the insurance brokerage and agency industry, it is common for agencies or customer accounts to be acquired at a price determined as a multiple of the corresponding revenues. Accordingly, the Company assesses the carrying value of its intangibles by comparison to a reasonable multiple applied to corresponding revenues, as well as considering the operating cash

flow generated by the corresponding agency division. Any impairment identified through this assessment may require that the carrying value of related intangibles be adjusted.

Income Taxes

The Company files a consolidated federal income tax return. Deferred income taxes are provided for in the consolidated financial statements and relate principally to expenses charged to income for

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financial reporting purposes in one period and deducted for income tax purposes in other periods, unrealized appreciation of available-for-sale securities and basis differences of intangible assets.

Net Income Per Share

Net income per share is based on the weighted average number of shares outstanding, adjusted for the dilutive effect of stock options, which is the same on both a primary and fully-diluted basis.

Note 2 - Mergers

Effective March 1, 1995, the Company issued 146,300 shares of its common stock in exchange for all of the partnership interest in Insurance West, a Phoenix, Arizona general insurance agency. The merger has been accounted for as a pooling-of-interests and, accordingly, the Company's consolidated financial statements have been restated for all periods prior to the merger to include the results of operations, financial positions and cash flows of Insurance West. The individual company operating results of Insurance West prior to the date of the merger are not material to the Company's consolidated operating results.

Note 3 - Acquisitions

During 1996, the Company acquired three general insurance agencies, one insurance brokerage firm and several books of business (customer accounts), which were all accounted for as purchases. The total cost of these acquisitions was \$18,328,000, including \$12,254,000 of cash payments and notes payable of \$6,074,000. The total purchase price was assigned to purchased customer accounts, goodwill and other intangible assets.

During 1995, the Company acquired four general insurance agencies, an insurance brokerage firm and several books of business (customer accounts), which were all accounted for as purchases. The total cost of these acquisitions was \$7,250,000, including \$5,715,000 of cash payments and notes payable of \$1,535,000. The excess of the total purchase price over the fair value of net tangible assets acquired of approximately \$7,225,000 was assigned to purchased customer accounts, goodwill and other intangible assets.

During 1994, the Company acquired the assets of three insurance agencies for an aggregate cost of \$656,000. Substantially all of this cost was assigned to purchased customer accounts, non-compete agreements and goodwill.

Additional or return consideration resulting from acquisition contingency provisions is recorded as an adjustment to intangibles when the contingency occurs. There were no contingency payments made during 1996 or 1995. As of December 31, 1996, the maximum future contingency payments related to the 1996 and 1995 acquisitions totaled \$2,150,000. The results of operations of the acquired companies have been included in the consolidated financial statements from their respective acquisition dates. Pro forma results of operations of the Company for the years ended December 31, 1996, 1995 and 1994, including 1996, 1995 and 1994 acquisitions as though they occurred on January 1, 1996, 1995 and 1994, respectively, were not materially different from the results of operations as reported.

Note 4 - Investments

Investments at December 31 consisted of the following:

(in thousands)	1996	
	Current	Non-current
Available-for-sale marketable equity securities	\$ 78	\$11,059
Nonmarketable equity securities and certificates of deposit	1,009	229
Total investments	\$1,087	\$11,288

(in thousands)	1995	
	Current	Non-current
Available-for-sale marketable equity securities	\$ 287	\$8,272
Nonmarketable equity securities and certificates of deposit	1,021	201
Total investments	\$1,308	\$8,473

The following summarizes available-for-sale securities at December 31:

(in thousands)	Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
Marketable Equity Securities:				
1996	\$516	\$10,637	\$16	\$11,137
1995	\$732	\$ 7,855	\$28	\$ 8,559

In 1996, proceeds from sales of available-for-sale securities totaled \$1,118,000, resulting in gross realized gains and losses of \$91,300 and \$71,700, respectively. Proceeds from sales of available-for-sale securities totaled \$329,000 in 1995, resulting in gross realized gains and losses of \$42,000 and \$41,000, respectively. In 1994, proceeds from sales of available-for-sale securities totaled \$2,314,000, from which \$2,185,000 of gross gains were realized.

Cash, cash equivalents, investments, premiums and commissions receivable, premiums payable to insurance companies, premium deposits and credits due customers, accounts payable and accrued expenses, and current and long-term debt are considered financial instruments. The carrying amount for each of these items at December 31, 1996 approximates its fair value.

Note 5 - Fixed Assets

Fixed assets at December 31 consisted of the following:

(in thousands)	1996	1995
Furniture, fixtures and equipment	\$23,766	\$20,153
Land, buildings and improvements	262	672

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Leasehold improvements	926	644
	\$24,954	\$21,469
Less accumulated depreciation and amortization	12,869	11,057
	\$12,085	\$10,412

Depreciation and amortization expense amounted to \$2,697,000 in 1996, \$2,352,000 in 1995 and \$2,132,000 in 1994.

Note 6 - Intangibles

Intangibles at December 31 consisted of the following:

(in thousands)	1996	1995
Purchased customer accounts	\$ 49,985	\$ 32,244
Non-compete agreements	11,722	10,996
Goodwill	20,189	20,358
Purchased contract agreements	1,102	1,102
	82,998	64,700
Less accumulated amortization	32,831	28,087
	\$ 50,167	\$ 36,613

Amortization expense amounted to \$4,774,000 in 1996, \$4,135,000 in 1995 and \$4,266,000 in 1994.

Note 7 - Long-Term Debt

Long-term debt at December 31 consisted of the following:

(in thousands)	1996	1995
Long-term credit agreement	\$ 5,000	\$ 6,000
Notes payable from treasury stock purchases	1,162	1,422
Acquisition notes payable	4,351	1,350
Other notes payable	152	19
	10,665	8,791
Less current portion	5,365	1,768
Long-term debt	\$ 5,300	\$7,023

In 1991, the Company entered into a long-term credit agreement with a major insurance company that provided \$10,000,000 at an interest rate equal to the prime rate plus 1% (9.25% at December 31, 1996). The amount of available credit

decreases by \$1,000,000 each August through the year 2001, when it will expire. This credit agreement requires the Company to maintain certain financial ratios and comply with certain other covenants.

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In November 1994, the Company entered into a revolving credit facility with a national banking association that provides for borrowings of up to \$10,000,000. On borrowings under this facility of less than \$1,000,000, the interest rate is the higher of the prime rate or the federal funds rate plus .50%. On borrowings under this facility equal to or in excess of \$1,000,000, the interest rate is LIBOR plus .50% to 1.25%, depending on certain financial ratios. A commitment fee is assessed in the amount of .25% per annum on the unused balance. The facility expires in November 1998. No borrowings were outstanding against this line of credit as of December 31, 1996 and 1995. Borrowings would be secured by substantially all of the assets of the Company, subject to existing or permitted liens.

Treasury stock notes payable are due to various individuals for the redemption of Brown & Brown, Inc. stock. These notes bear no interest and have maturities ranging from calendar years ending 1997 to 2001. These notes have been discounted at effective yields ranging from 8.5% to 9.2% for presentation in the consolidated financial statements.

Acquisition notes payable represents debt incurred to former owners of certain agencies acquired in 1996 and 1995. These notes, including future contingent payments, are payable in monthly and annual installments through 1998, including interest ranging from 4% to 6%.

Maturities of long-term debt for succeeding years are \$5,365,000 in 1997, \$1,598,000 in 1998, \$1,307,000 in 1999, \$1,256,000 in 2000 and \$1,139,000 in 2001.

Interest expense included in the consolidated statements of income was \$941,000 in 1996, \$877,000 in 1995 and \$1,326,000 in 1994.

Note 8 - Commitments and Contingencies

The Company leases facilities and certain items of office equipment under noncancelable operating lease arrangements expiring on various dates through 2005. The facility leases generally contain renewal options and escalation clauses based on increases in the lessors' operating expenses and other charges. The Company anticipates that most of these leases will be renewed or replaced upon expiration. At December 31, 1996, the aggregate future minimum lease payments under all noncancelable lease agreements are as follows:

Year Ending December 31,	(in thousands)
1997	\$ 4,164
1998	\$ 3,905
1999	\$ 3,515
2000	\$ 3,120
2001	\$ 2,566
Thereafter	\$ 6,313
Total minimum future lease payments	\$ 23,583

Rental expense in 1996, 1995 and 1994 for operating leases totaled \$5,108,000, \$4,785,000 and \$4,269,000, respectively.

The Company is not a party to any legal proceedings other than various claims and lawsuits arising in the normal course of

business. Management of the Company does not believe that any such

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claims or lawsuits will have a material effect on the Company's financial condition or results of operations.

Note 9 - Income Taxes

At December 31, 1996, the Company had net operating loss carryforwards of \$669,000 for income tax reporting purposes that expire in the years 1997 through 2002. These carryforwards were derived from agency acquisitions by the Company beginning in 1985. For financial reporting purposes, a valuation allowance of \$38,000 has been recognized to offset the deferred tax assets related to these carryforwards.

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for income tax reporting purposes. Significant components of the Company's deferred tax liabilities and assets as of December 31, are as follows:

(in thousands)	1996	1995
Deferred tax liabilities:		
Fixed assets	\$ 975	\$ 577
Net unrealized appreciation of available-for-sale securities	4,163	3,027
Installment sales	108	204
Prepaid insurance and pension	833	769
Intangible assets	368	32
Total deferred tax liabilities	6,447	4,609
Deferred tax assets:		
Deferred compensation	1,386	1,269
Accruals and reserves	965	1,376
Net operating loss carryforwards	261	327
Other	270	173
Valuation allowance for deferred tax assets	(38)	(38)
Total deferred tax assets	2,844	3,107
Net Deferred Tax Liabilities	\$ 3,603	\$ 1,502

Significant components of the provision (benefit) for income taxes are as follows:

(in thousands)	1996	1995	1994
Current:			
Federal	\$ 8,281	\$ 9,374	\$ 7,237
State	1,301	1,347	1,003
Total current provision	9,582	10,721	8,240
Deferred:			
Federal	809	(2,037)	(1,076)
State	157	(154)	(97)
Total deferred (benefit) provision	966	(2,191)	(1,173)
Total tax provision	\$10,548	\$ 8,530	\$7,067

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A reconciliation of the differences between the effective tax rate and the federal statutory tax rate is as follows:

	1996	1995	1994
Federal statutory tax rate	35.0 %	35.0%	35.0%
State income taxes, net of federal income tax benefit	3.3	3.5	2.8
Interest exempt from taxation and dividend exclusion	(0.5)	(0.4)	(0.3)
Non-deductible goodwill amortization	0.6	0.7	0.7
Internal Revenue Service examination	-	(1.9)	(3.4)
Other, net	0.6	(0.3)	(0.5)
Effective tax rate	39.0%	36.6%	34.3%

Income taxes receivable were \$645,000 at December 31, 1996 and income taxes payable were \$425,000 at December 31, 1995 and are reported as a component of accounts receivable and accounts payable and accrued expenses, respectively.

In 1992, the Internal Revenue Service ("Service") completed examinations of the Company's federal income tax returns for tax years 1988, 1989 and 1990. As a result of its examination, the Service issued Reports of Proposed Adjustments asserting income tax deficiencies which, by including interest and state income taxes for the periods examined and the Company's estimates of similar tax adjustments for subsequent periods through December 31, 1993, would total \$6,100,000. The disputed issues related primarily to the deductibility of amortization of purchased customer accounts of approximately \$5,107,000 and non-compete agreements of approximately \$993,000. In addition, the Service's report included a dispute regarding the timing at which the Company's payments made pursuant to certain indemnity agreements would be deductible for tax reporting purposes.

During 1994, the Company reached a settlement with the Service with respect to certain of the disputed amortization items and the indemnity agreement payment issue. This settlement reduced the total remaining asserted income tax deficiencies to approximately \$2,800,000. Based on this settlement and review of the remaining unsettled items, the Company reduced its general income tax reserves to \$800,000, which was sufficient to cover its ultimate liability resulting from the settlement of the remaining items. Accordingly, after taking into consideration a \$400,000 reduction of the reserve resulting from payments under the partial settlement agreement, during 1994 the Company recorded a \$700,000 adjustment to decrease the originally established reserves of \$1,900,000. This decrease has been recorded as a reduction to the 1994 current income tax provision.

In March of 1995, the Company reached a settlement with the Service on all remaining items. The settlement resulted in the payment of approximately \$349,000, which reduced the recorded reserve. As such, with all disputed items settled, the Company recorded a \$451,000 reduction in the general tax reserve which is recorded as a reduction to the 1995 current income tax provision.

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Note 10 - Employee Benefit Plans

The Company maintains a defined benefit pension plan covering substantially all previous Poe & Associates, Inc. employees with one or more years of service. The benefits are based on years of service and compensation during the period of employment. Annual contributions are made in conformance with minimum funding requirements and maximum deductible limitations. During 1994, the defined benefit pension plan was converted to a cash balance plan. The impact of this change on the plan costs and plan liabilities was not material. On April 1, 1995, the defined benefit pension plan was amended to freeze the accrual of further benefits. The impact of this amendment on the defined benefit pension plan's liabilities was not material.

The plan's funded status and amounts recognized in the Company's consolidated balance sheets are as follows:

(in thousands)	December 31,	
	1996	1995
Actuarial present value of benefit obligations:		
Accumulated benefit obligations, including vested benefits of \$2,524 in 1996 and \$2,322 in 1995	\$ (2,524)	\$ (2,326)
Projected benefit obligations for service rendered to date	\$ (2,524)	\$ (2,326)
Plan assets at fair value, principally consisting of a group annuity contract	2,667	2,237
Excess (deficit) of plan assets over (under) projected benefit obligations	143	(89)
Unrecognized net excess of plan assets under previously accrued but unfunded pension costs, to be amortized	572	255
Net prepaid pension costs	\$ 715	\$ 166

The following assumptions were used in determining the actuarial present value of the benefit obligations and pension costs for the years ended December 31, 1996, 1995 and 1994: discount rate of 7.5%; long-term rate for compensation increase of 3.5%; and long-term rate of return on plan assets of 8.0%.

Pension costs included in the Company's consolidated statements of income are comprised of the following:

(in thousands)	Year Ended December 31,		
	1996	1995	1994
Service cost	\$ 36	\$ 63	\$ 91
Interest cost	177	215	304
Actual return on assets	(83)	(318)	113
Net amortization and deferral	(97)	166	(407)
Net pension cost	\$ 33	\$ 126	\$ 101

The Company has an Employee Savings Plan (401(k)) under which substantially all employees with more than 30 days of service are eligible to participate. Under this plan, the Company makes matching contributions, subject to a maximum of 2.5% of each participant's salary. Further, the Company provides for a discretionary profit sharing contribution for all eligible employees. The Company's contributions to the plan totaled \$1,510,000 in 1996, \$1,334,000 in 1995 and \$1,208,000 in 1994.

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Note 11 - Stock-Based Compensation and Incentive Plans

Stock Option Plans

The Company has adopted stock option plans which provide for the granting of options to purchase shares of the Company's stock to key employees who contribute materially to the success and profitability of the Company. The Company accounts for these plans under Accounting Principles Board Opinion No. 25 ("APB 25"), under which no compensation expense has been recognized. In October 1995, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 123, "Accounting

for Stock-Based Compensation" ("SFAS 123"), which is effective for fiscal years beginning after December 15, 1995. SFAS 123 allows companies to continue following the accounting guidance of APB 25, but requires pro-forma disclosure of net income and earnings per share for the effects on compensation expense had the accounting guidance of SFAS 123 been adopted. The pro-forma disclosures are required only for options granted subsequent to December 31, 1994. The Company granted no options in 1995 or 1996.

Under its stock option plans, the Company may grant future options for up to 285,745 shares of the Company's stock to employees and directors. Options previously granted under the plans equaled the market price of the stock at the date of grant and vest over a 5-year period. The following schedule summarizes the stock option transactions from 1994 through 1996 pertaining to these plans:

	Number of Option Shares	Per Share Option Price Range
Outstanding, January 1, 1994	160,242	\$ 6.00 -14.75
Exercised	(65,173)	6.00 -14.75
Canceled	(8,689)	7.60 - 14.75
Outstanding, December 31, 1994	86,380	7.60
Exercised	(60,399)	7.60
Canceled	(10,601)	7.60
Outstanding, December 31, 1995	15,380	7.60
Exercised	(9,323)	7.60
Outstanding, December 31, 1996	6,057	7.60

All of the 6,057 options outstanding at December 31, 1996 have a remaining contractual life of 2 years and are fully-vested and exercisable.

Employee Stock Purchase Plan

The Company has adopted an employee stock purchase plan ("the Stock Purchase Plan"), which allows for substantially all employees to subscribe to purchase shares of the Company's stock at 85% of the lesser of the market value of such shares at the beginning or end of each annual subscription period. During 1995, the shareholders approved the authorization of 150,000 additional shares of stock for Company employees under the Stock Purchase Plan, bringing the total number of shares available for

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issuance to 250,000. As of December 31, 1996, 82,585 shares remained authorized and reserved for future issuance under this plan.

The Company accounts for the Stock Purchase Plan under APB 25, under which no compensation expense has been recognized. Had compensation expense for the Stock Purchase Plan been determined consistent with SFAS 123, it would have had an immaterial effect on the Company's net income and earnings per share for the years ended December 31, 1996 and 1995.

Stock Performance Plan

Effective January 1, 1996, the Company adopted a stock performance plan, under which up to 400,000 shares of the Company's stock ("Performance Stock") may be awarded to key employees contingent on the employees' years of service with the Company and other criteria established by the Company's Compensation Committee. Shares must be granted, awarded and vested before participants take full title to Performance Stock. Of the grants currently outstanding, specified portions will be awarded based on increases in the market value of the Company's common stock from the initial price specified by the Company.

Awards vest on the earlier of: (i) 15 years of continuous employment with the Company from the date shares are granted to the participant; (ii) attainment of age 64; or (iii) death or disability of the participant. Dividends are paid on awarded and unvested Performance Stock and participants may exercise voting privileges on such shares. At December 31, 1996, 238,300 shares have been granted under the plan at initial stock prices ranging from \$22.75 to \$24.875. As of December 31, 1996, no stock performance criteria have been met, and accordingly, no shares have been awarded. The compensation element for Performance Stock is equal to the fair market value of the shares at the date of award and is expensed over the vesting period.

Note 12 - Supplemental Disclosures of Cash Flow Information

The Company's significant non-cash investing and financing activities and cash payments for interest and income taxes are as follows:

(in thousands)	Years Ended December 31,		
	1996	1995	1994
Unrealized appreciation (depreciation) of available-for-sale securities net of tax effect of \$1,136 for 1996, (\$317) for 1995 and \$3,344 for 1994	\$1,675	\$ (505)	\$5,341
Notes payable issued for purchased customer accounts	6,074	1,535	-
Notes received on the sale of fixed assets and customer accounts	280	-	266
Cash paid during the year for:			
Interest	891	896	1,462
Income taxes	10,609	9,107	9,597

Note 13 - Business Concentrations

Substantially all of the Company's premiums receivable from customers and premiums payable to insurance companies arise from policies sold on behalf of insurance companies. The Company, as broker and agent, typically collects premiums, retains its commission, and remits the balance to the insurance companies.

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A significant portion of business written by the Company is for customers located in Florida. Accordingly, the occurrence of adverse economic conditions or an adverse regulatory climate in Florida could have a material adverse effect on the Company's business, although no such conditions have been encountered in the past.

For the years ended December 31, 1996 and 1995, approximately 22% and 24%, respectively, of the Company's revenues were from insurance policies underwritten by one insurance company. Should this carrier seek to terminate its arrangement with the Company, the Company believes alternative insurance companies are available to underwrite the business, although some additional expense and loss of market share would at least initially result. No other insurance company accounts for as much as five percent of the Company's revenues.

Note 14 - Reinsurance Indemnity

Whiting National Insurance Company ("Whiting"), the Company's risk-bearing subsidiary, ceased underwriting operations in early 1985, and in 1988 entered into liquidation under the supervision of the New York State Insurance Department ("Department"). Since then, the handling of Whiting's affairs has been the

responsibility of the Department.

In 1979, the Company agreed to indemnify a ceding insurer should Whiting fail to perform under a reinsurance contract. As a result, the Company is directly responsible for the management and adjudication of claims outstanding under that indemnification contract. The Company has historically estimated that certain recoveries related to the indemnity were available to it from the Whiting liquidation. While none of the underlying facts or applicable law as to the Company's rights or creditor priority had changed, the liquidation activities proceeded more slowly than anticipated, making realization of those recoveries uncertain. As a result, in 1992, those estimated recoveries were written off and reserves associated with the underlying indemnity obligation were bolstered because of adverse loss developments. Reserves are periodically revised based on developments to date, the Company's estimates of the outcome of this matter, and the Company's experience in contesting and settling this matter. As the scope of the liability or recovery becomes better defined, there will be changes in the estimates of future costs or recoveries. Management of the Company does not believe that any such changes will have a material effect on the Company's financial condition or results of operations.

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REPORTS OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

To the Board of Directors of Poe & Brown, Inc.

We have audited the accompanying consolidated balance sheets of Poe & Brown, Inc. and subsidiaries as of December 31, 1996 and 1995, and the related consolidated statements of income, shareholders' equity and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Poe & Brown, Inc. and subsidiaries as of December 31, 1996 and 1995, and the results of their operations and their cash flows for the years then ended in conformity with generally accepted accounting principles.

/s/ Arthur Andersen LLP

Orlando, Florida
January 24, 1997

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To the Board of Directors of Poe & Brown, Inc.

We have audited the accompanying consolidated statements of income, shareholders' equity and cash flows of Poe & Brown, Inc. and subsidiaries for the year ended December 31, 1994. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted

auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated results of operations and cash flows of Poe & Brown, Inc. and subsidiaries for the year ended December 31, 1994, in conformity with generally accepted accounting principles.

As discussed in Note 1 to the consolidated financial statements, in 1994 the Company changed its method of accounting for certain investments in debt and equity securities.

/s/ Ernst & Young LLP

Tampa, Florida
January 28, 1995, except for Note 2,
as to which the date is March 1, 1995

EXHIBIT 22

POE & BROWN, INC.
SUBSIDIARIES

Florida Corporations:

Arch-Holmes Insurance, Inc.
Brown & Brown, Inc. - d/b/a Poe & Brown Benefits, Poe & Brown
Financial Advisers,
United Self Insured Services, Poe & Brown Insurance
Madoline Corporation
Poe 1991, Inc.
Underwriters Services, Inc.
W.F. Poe Associates, Inc.

Foreign Corporations:

A.G. General Agency, Inc. (TX)
P & O of Texas, Inc. (TX)
P&B PHYSICIANplans, Inc. (CT)
Poe & Associates of Illinois, Inc. (IL) - d/b/a Insurance
Administration Center
Poe & Brown of Arizona, Inc. (AZ)
Poe & Brown of California, Inc. (CA)
Poe & Brown of Colorado, Inc. (CO)
Poe & Brown of Connecticut, Inc. (CT)
Poe & Brown of Georgia, Inc. (GA)
Poe & Brown Insurance Benefits, Inc. (TX)
Poe & Brown Metro, Inc. (NJ)
Poe & Brown of New Jersey, Inc. (NJ)
Poe & Brown of North Carolina, Inc. (NC)
Poe & Brown of Pennsylvania, Inc. (PA)
Poe & Brown of Texas, Inc. (TX)

Indirect Subsidiaries:

American Underwriting Management, Inc. (FL)
DSD Insurance Agency, Inc. (AZ)
Ernest Smith Insurance Agency, Inc. (FL)
Farr Insurance, Inc. (FL)
Florida Intracoastal Underwriters, Limited Co. (FL) (limited
company)
Halcyon Underwriters, Inc. (FL)
The Homeowner Association Risk Purchasing Group, Inc. (AZ)
Hotel-Motel Insurance Group, Inc. (FL)
Jordan, Roberts & Company (FL)
MacDuff America, Inc. (FL)
MacDuff Pinellas Underwriters, Inc. (FL) - d/b/a Roehrig &
MacDuff
MacDuff Underwriters, Inc. (FL) - d/b/a Roehrig & MacDuff
Nevada Apartment Insurance (NV)
Poe & Brown of Nevada, Inc. (NV)

EXHIBIT 23a

CONSENT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

We consent to the incorporation by reference in this Annual Report (Form 10-K) of Poe & Brown, Inc. of our report dated January 28, 1995, except for Note 2, as to which the date is March 1, 1995, included in the 1996 Annual Report to Shareholders of Poe & Brown, Inc.

Our audit also included the financial statement schedule of Poe & Brown, Inc. listed in Item 14(a) for the year ended December 31, 1994. This schedule is the responsibility of the Company's management. Our responsibility is to express an opinion based on our audit. In our opinion, the financial statement schedule referred to above, when considered in relation to the basic financial statements taken as a whole, presents fairly in all material respects the information set forth therein.

We also consent to the incorporation by reference in Post-Effective Amendment Number 1 dated December 3, 1992 to Registration Statement Number 33-1900 dated November 27, 1985 on Form S-8, Registration Statement Number 33-76 dated September 3, 1985 on Form S-8, Post-Effective Amendment Number 2 to Registration Statement Number 2-61019 dated May 27, 1980 on Form S-8, Registration Statement Number 33-41204 dated June 12, 1991 on Form S-8, and Registration Statement Number 333-14925 dated October 28, 1996 on Form S-8, and Registration Statement Number 33-41825 dated July 22, 1991 on Form S-8 of our report dated January 28, 1995, except for Note 2, as to which the date is March 1, 1995, with respect to the consolidated financial statements for the year ended December 31, 1994 incorporated herein by reference, and our report included in the preceding paragraph with respect to the financial statement schedule included in the Annual Report (Form 10-K) of Poe & Brown, Inc.

ERNST & YOUNG LLP

Tampa, Florida
March 21, 1997

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EXHIBIT 23b

CONSENT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

To the Board of Directors
of Poe & Brown, Inc.:

As independent certified public accountants, we hereby consent to the incorporation of our report dated January 24, 1997, included or incorporated by reference in this Form 10-K, into the Company's previously filed Registration Statements (File No.'s. 33-1900, 33-76, 2-61019, 33-41204, 33-41825 and 333-14925).

ARTHUR ANDERSEN LLP

Orlando, Florida
March 21, 1997

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EXHIBIT 24a

POWERS OF ATTORNEY

POWER OF ATTORNEY

The undersigned constitutes and appoints Laurel L. Grammig and James A. Orchard, or either of them, as his true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to sign the 1996 Annual Report on Form 10-K for Poe & Brown, Inc., and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises as fully to all intents and purposes as he might or could in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or their substitutes, may lawfully do or cause to be done by virtue hereof.

/s/ J. HYATT BROWN

J. Hyatt Brown

Dated: January 30, 1997

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POWER OF ATTORNEY

The undersigned constitutes and appoints Laurel L. Grammig and James A. Orchard, or either of them, as his true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to sign the 1996 Annual Report on Form 10-K for Poe & Brown, Inc., and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises as fully to all intents and purposes as he might or could in person, hereby ratifying and

confirming all that said attorneys-in-fact and agents, or their substitutes, may lawfully do or cause to be done by virtue hereof.

/s/ BRADLEY CURREY, JR.

Bradley Currey, Jr.

Dated: January 30, 1997

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POWER OF ATTORNEY

The undersigned constitutes and appoints Laurel L. Grammig and James A. Orchard, or either of them, as his true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to sign the 1996 Annual Report on Form 10-K for Poe & Brown, Inc., and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises as fully to all intents and purposes as he might or could in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or their substitutes, may lawfully do or cause to be done by virtue hereof.

/s/ BRUCE G. GEER

Bruce G. Geer

Dated: January 30, 1997

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POWER OF ATTORNEY

The undersigned constitutes and appoints Laurel L. Grammig and James A. Orchard, or either of them, as his true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to sign the 1996 Annual Report on Form 10-K for Poe & Brown, Inc., and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents full power and authority to do and

perform each and every act and thing requisite and necessary to be done in and about the premises as fully to all intents and purposes as he might or could in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or their substitutes, may lawfully do or cause to be done by virtue hereof.

/s/ JIM W. HENDERSON

Jim W. Henderson

Dated: January 30, 1997

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POWER OF ATTORNEY

The undersigned constitutes and appoints Laurel L. Grammig and James L. Olivier, or either of them, as his true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to sign the 1996 Annual Report on Form 10-K for Poe & Brown, Inc., and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises as fully to all intents and purposes as he might or could in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or their substitutes, may lawfully do or cause to be done by virtue hereof.

/s/JAMES A. ORCHARD

James A. Orchard

Dated: January 30, 1997

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POWER OF ATTORNEY

The undersigned constitutes and appoints Laurel L. Grammig and James A. Orchard, or either of them, as his true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to sign the 1996 Annual Report on Form 10-K

for Poe & Brown, Inc., and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises as fully to all intents and purposes as he might or could in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or their substitutes, may lawfully do or cause to be done by virtue hereof.

/s/ KENNETH E. HILL

Kenneth E. Hill

Dated: January 30, 1997

<PAGE 7>

POWER OF ATTORNEY

The undersigned constitutes and appoints Laurel L. Grammig and James A. Orchard, or either of them, as his true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to sign the 1996 Annual Report on Form 10-K for Poe & Brown, Inc., and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises as fully to all intents and purposes as he might or could in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or their substitutes, may lawfully do or cause to be done by virtue hereof.

/s/ SAMUEL P. BELL, III

Samuel P. Bell, III

Dated: January 30, 1997

<PAGE 8>

POWER OF ATTORNEY

The undersigned constitutes and appoints Laurel L. Grammig

and James A. Orchard, or either of them, as his true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to sign the 1996 Annual Report on Form 10-K for Poe & Brown, Inc., and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises as fully to all intents and purposes as he might or could in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or their substitutes, may lawfully do or cause to be done by virtue hereof.

/s/ THEODORE J. HOEPNER

Theodore J. Hoepner

Dated: January 30, 1997

EXHIBIT 24b

CERTIFIED RESOLUTIONS OF THE BOARD OF DIRECTORS

The undersigned, Laurel L. Grammig, hereby certifies that she is the duly elected, qualified and acting Secretary of Poe & Brown, Inc., a Florida corporation (the "Company"), and that the following resolutions were adopted by unanimous written consent of the Board of Directors of the Company as of March 7, 1997:

RESOLVED, that the March 3, 1997 draft of the Company's 1996 Annual Report on Form 10-K submitted to the Directors is hereby approved in form and substance, subject to any revisions, additions, deletions or insertions deemed necessary or appropriate by Laurel L. Grammig, the Company's Vice President, Secretary and General Counsel, and that the Chief Executive Officer and the Chief Financial Officer are hereby authorized to sign the Form 10-K on behalf of the Company, either personally or through a power of attorney, and to cause the Form 10-K to be filed with the Securities and Exchange Commission in accordance with the rules promulgated by the Commission;

FURTHER RESOLVED, that the appropriate officers of the Company are hereby authorized and directed to take all actions they deem necessary or appropriate, including the payment of any necessary filing fees, to carry out the intent of the foregoing resolutions.

IN WITNESS WHEREOF, the undersigned Secretary of the Company has executed this Certificate this 14th day of March, 1997.

/s/ LAUREL L. GRAMMIG

Laurel L. Grammig
Secretary

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