

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d)
of The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): October 22, 2018

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

Florida
(State or other jurisdiction
of incorporation)

001-13619
(Commission
File Number)

59-0864469
(IRS Employer
Identification No.)

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

Registrant's telephone number, including area code: (386) 252-9601

N/A
(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Indicate by check mark whether the registrant is an emerging growth company as defined in as defined in Rule 405 of the Securities Act of 1933 or Rule 12b-2 of the Securities Exchange Act of 1934.

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 1.01 Entry into a Material Definitive Agreement

On October 22, 2018, Brown & Brown, Inc. (the “Company”), a Florida corporation, BBHG, Inc. (“Buyer”), a Florida corporation and wholly owned subsidiary of the Company, The Hays Group, Inc., a Minnesota corporation (“THG”), The Hays Group Of Wisconsin LLC, a Minnesota limited liability company (“THGW”), The Hays Benefits Group, LLC, a Minnesota limited liability company, PlanIT, LLC, a Minnesota limited liability company (“PlanIT”), The Hays Benefits Group of Wisconsin, LLC, a Minnesota limited liability company (“THBGW”), and The Hays Group of Illinois, LLC, a Minnesota limited liability company (“THGI”); and Claims Management of Missouri, LLC, a Missouri limited liability company (dba MMMA Claims Management) (“MMMA,” and together with THG, THGW, THBG and PlanIT, each a “Seller” and collectively, the “Sellers”), and THG, as the Sellers’ Representative (the “Sellers’ Representative”), entered into an asset purchase agreement (the “Agreement”). The Agreement contemplates that the Buyer will purchase certain assets and assume certain liabilities of the Sellers (the “Acquisition”).

Pursuant to the terms of the Agreement, Buyer will pay a purchase price of \$705 million (the “Purchase Price”), consisting of \$605 million in cash to be paid to the Sellers’ Representative at the closing of the Acquisition and the issuance at the closing of the Acquisition to certain key owners of one or more of the Sellers’ of such number of shares of common stock, par value \$0.10, of the Company (the “Shares”) equal to \$100 million (as valued at the average closing price on the New York Stock Exchange over the 30-day period prior to the closing of the Acquisition). In addition, the Sellers may receive additional consideration from the Buyer, if earned, in the form of earn-out payments in the aggregate amount of up to \$25 million in cash over three years, which is subject to certain conditions and the successful achievement of average annual EBITDA compound annual growth rate targets for the acquired business during 2019, 2020 and 2021.

The Agreement contains customary representations, warranties and covenants, including, among others, covenants requiring the Sellers to conduct its business in the ordinary course in the period between execution of the Agreement and the closing. Under the Agreement, the Acquisition is subject to certain closing conditions, including the receipt of required regulatory approvals for the Acquisition (including the approval of antitrust authorities necessary to complete the Acquisition). If the Acquisition is not closed by January 1, 2019 (which may potentially be extended by the parties), either party may terminate the Agreement.

The foregoing description of the terms and conditions of the Agreement does not purport to be complete and is qualified in its entirety by reference to the full text of the Agreement, a copy of which is expected to be filed as an exhibit to our Annual Report on Form 10-K for the fiscal year ending December 31, 2018.

This Form 8-K contains Forward Looking Statements, including those regarding the closing of the Acquisition. These statements are not historical facts, but instead represent only the Company’s current belief regarding future events, many of which, by their nature, are inherently uncertain and outside of the Company’s control. It is possible that actual events may differ, possibly materially, from the anticipated events indicated in these forward-looking statements. These risks and uncertainties include, but are not limited to those set forth in the Press Release attached as Exhibit 99.1 hereto.

Item 3.02 Unregistered Sales of Equity Securities

The description set forth under Item 1.01 of this Current Report on Form 8-K related to the issuance of Shares as consideration for the Acquisition is incorporated into this Item 3.02 by reference. The Shares will be issued in a private placement in reliance upon the exemption from the registration requirements set forth in Section 4(a)(2) of the Securities Act of 1933, as amended (the “Securities Act”), and Rule 506 of Regulation D promulgated thereunder. At the closing of the Acquisition, the Sellers will agree, subject to customary exceptions, to a five-year lock-up on the sale, pledge or other disposition of the Shares issued in connection with the Acquisition that are held by them.

Item 7.01 Regulation FD Disclosure

On October 22, 2018, the Company issued a press release announcing the execution of the Agreement. The press release is attached as Exhibit 99.1.

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

Item 9.01. Financial Statements and Exhibits

(d) Exhibits

The following exhibit is furnished herewith:

Exhibit No.	Description
99.1	<u>Press Release dated October 22, 2018.</u>

SIGNATURES

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

Date: October 22, 2018

BROWN & BROWN, INC.
(Registrant)

By: /S/ R. ROBERT W. LLOYD

Robert W. Lloyd
Executive Vice President, Secretary and
General Counsel



News Release

October 22, 2018

R. Andrew Watts
Chief Financial Officer
(386) 239-5770

BROWN & BROWN, INC. ENTERS INTO AGREEMENT TO ACQUIRE HAYS COMPANIES

(Daytona Beach) . . . J. Scott Penny, Chief Acquisitions Officer of Brown & Brown, Inc. (NYSE:BRO), and Jim Hays, on behalf of Hays Companies, today announced that Brown & Brown, Inc. (Brown & Brown) has entered into an agreement to acquire the assets of the Hays Companies insurance operations. The transaction is expected to close in November 2018, subject to certain closing conditions.

Jim Hays formed the Hays Companies in 1994. Since formation, Jim, along with Mike Egan, Bill Mershon, Steve Lerum and many others, have successfully grown Hays Companies to number 22 on Business Insurance Magazine's list of 100 largest U.S. brokers, with annualized revenue of approximately \$200 million. Headquartered in Minneapolis, Hays Companies is comprised of over 700 risk management and employee benefits professionals in 32 locations across 21 states. The Hays Companies focuses on risk management, commercial insurance, employee benefits, consulting services, specialty programs and private client services.

Hays Companies will operate as a region inside Brown & Brown Retail. The operations will continue to be led by Jim Hays, as Chief Executive Officer of the Hays Companies, and Mike Egan will continue to serve as President/COO. Following completion of the transaction, Jim will join Brown & Brown, Inc. as Vice Chairman and will serve on the board of directors, and Mike will become a Regional President of the Brown & Brown Retail Segment. Mike will continue reporting to Jim and Jim will report up to Powell Brown, Chief Executive Officer of Brown & Brown.

Powell Brown stated, "For the past several years, Jim and I have gotten to know one another both professionally and personally. It became clear to me over that time that our organizations share a common sales, service, entrepreneurial and teammate focused culture which delivers results and that joining the Hays Companies team with Brown & Brown will be mutually beneficial to our collective clients, teammates and carrier partners. We are excited to have the experience and client focused team of Hays Companies join with us under the leadership of Jim and Mike."

Jim Hays stated, “After 24 years as an independent insurance broker, we feel the time is now to partner with an industry leader who shares our cultural values. Brown & Brown has the same client focused attitude that our clients have come to expect from the Hays Companies team. This partnership enhances our ability to provide expanded solutions for our clients and new opportunities for our employees. Because the Hays Companies name, our executive group, and our account teams will not change, we expect a smooth transition. As far as we are concerned, it is business as usual. This is a new era for Hays Companies. I am very excited about the future as a part of the Brown & Brown family.”

Brown & Brown, Inc. will provide an overview of the transaction in its third-quarter earnings release.

Brown & Brown, Inc., through its subsidiaries, offers a broad range of insurance products and related services. Additionally, certain Brown & Brown subsidiaries offer a variety of risk management, third-party administration, and other services. Serving business, public entity, individual, trade and professional association clients nationwide, Brown & Brown is ranked by *Business Insurance* magazine as the United States’ sixth largest independent insurance intermediary. For more information on Brown & Brown, visit www.bbinsurance.com. Hays Companies’ current operations can be reviewed at www.hayscompanies.com.

This press release may contain certain statements relating to future results which are forward-looking statements, including those associated with this acquisition; the appointments of those individuals currently employed by Hays Companies to leadership positions with Brown & Brown after the transaction; and the integration of the current Hays Companies operations with Brown & Brown after the transaction. These statements are not historical facts, but instead represent only Brown & Brown’s current belief regarding future events, many of which, by their nature, are inherently uncertain and outside of Brown & Brown’s control. It is possible that actual results may differ, possibly materially, from the anticipated results indicated in these forward-looking statements due to a number of risks and uncertainties. These risks and uncertainties include, but are not limited to: Brown & Brown’s consummation and integration of the announced acquisition, including adequately addressing any matters analyzed in the due diligence process; Brown & Brown’s ability to retain Hays Companies’ clients following the transaction; the post-transaction performance of the operations acquired from Hays Companies combined with Brown & Brown’s operations; material adverse changes in the business and financial condition of Hays Companies, Brown & Brown, or both, and their respective clients; material adverse changes in economic conditions in the markets Brown & Brown serves and in the general economy; management’s decisions after the transaction regarding employment positions with Brown & Brown; the inability of certain individuals to fill certain positions with Brown & Brown after the transaction; changes to management’s strategy, including the future strategic decisions regarding its insurance carrier relationships and/or the products and services it offers its distribution partners; future regulatory actions and conditions in the states in which Brown & Brown conducts its business; competition from others in the insurance agency, wholesale brokerage, insurance programs and service business. Further information concerning Brown & Brown and its business, including factors that

potentially could materially affect Brown & Brown's financial results and condition, as well as its other achievements, is contained in Brown & Brown's filings with the Securities and Exchange Commission. All forward-looking statements made herein are made only as of the date of this release, and Brown & Brown does not undertake any obligation to publicly update or correct any forward-looking statements to reflect events or circumstances that subsequently occur or of which Brown & Brown hereafter becomes aware.

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