

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): April 24, 2006

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

Florida  
(State or other jurisdiction  
of incorporation)

0-7201  
(Commission File Number)

59-0864469  
(IRS Employer  
Identification No.)

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

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

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

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

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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**Item 2.02 Results of Operations and Financial Condition.**

On April 24, 2006, Brown & Brown, Inc. issued a press release announcing its results of operations for the first quarter ended March 31, 2006. A copy of the press release is furnished as Exhibit 99.1 hereto and is incorporated herein by reference.

The information furnished herewith pursuant to Item 2.02 of this Current Report shall not be deemed to be filed for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section. The information in this Current Report shall not be incorporated by reference into any registration statement or other document pursuant to the Securities Act of 1933, as amended, except as shall be expressly set forth by specific reference in such filing.

**SIGNATURES**

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

BROWN & BROWN, INC.

(Registrant)

By: /S/ CORY T. WALKER

Cory T. Walker, Chief Financial Officer

Date: April 24, 2006



## News Release

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

April 24, 2006

### **BROWN & BROWN, INC. ANNOUNCES A 16.3% INCREASE IN FIRST QUARTER NET INCOME**

(Daytona Beach and Tampa, Florida) . . . Brown & Brown, Inc. (NYSE:BRO) today announced new records for its net income and net income per share in the first quarter.

Net income per share for the quarter ended March 31, 2006 was \$0.36, an increase of 16.1% over the \$0.31 in net income per share reported for the quarter ended March 31, 2005. Net income rose to \$50,026,000 for the first quarter of 2006, versus net income of \$43,018,000 for the quarter ended March 31, 2005, an increase of 16.3%.

Total revenue for the quarter ended March 31, 2006 was up 13.9%, to \$230,582,000, compared with \$202,374,000 recorded in the corresponding quarter in 2005.

J. Hyatt Brown, Chairman and Chief Executive Officer, noted, "The wind storm capacity crunch, in coastal areas from Texas to Virginia, is the most severe that I have seen in my 47-year insurance career. This tumultuous market place, combined with softening property and casualty pricing, outside of wind-prone areas, presents challenges for our customers and our professionals. We are responding positively and aggressively in finding solutions to those needs. That being said, all-in-all we are pleased with the quarter's results."

Jim W. Henderson, President and Chief Operating Officer, added, "Since the beginning of the year, we have completed seven acquisitions with total annualized revenues of approximately \$24.6 million, most of which already operate at expected Brown & Brown margin levels. Our operating model continues to attract the best-in-class of acquisition candidates, including small and medium agencies with industry-leading margins. Our success with both small and large agencies has provided Brown & Brown with a unique pipeline of opportunities."

Brown & Brown, Inc. and its subsidiaries offer a broad range of insurance and reinsurance products and services, as well as risk management, third party administration, managed health care, and Medicare set-aside services and programs. Providing service to business, public entity, individual, trade and professional association clients nationwide, the Company is ranked by *Business Insurance* magazine as the United States' seventh largest independent insurance intermediary. The Company's Web address is [www.bbinsurance.com](http://www.bbinsurance.com).

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This press release may contain certain statements relating to future results which are forward-looking statements, including those relating to continuing our revenue, earnings and operating growth, as well as identifying and consummating attractive acquisition opportunities. These statements are not historical facts, but instead represent only the Company's current belief regarding future events, many of which, by their nature, are inherently uncertain and outside of the Company's control. It is possible that the Company's actual results, financial condition and achievements may differ, possibly materially, from the anticipated results, financial condition and achievements contemplated by these forward-looking statements. Further information concerning the Company and its business, including factors that potentially could materially affect the Company's financial results and condition, as well as its other achievements, are contained in the Company's filings with the Securities and Exchange Commission. Some factors include: general economic conditions around the country; downward commercial property and casualty premium pressures; the competitive environment; the integration of the Company's operations with those of businesses or assets the Company has acquired or may acquire in the future and the failure to realize the expected benefits of such integration; the potential occurrence of a disaster that affects certain areas of the States of California, Florida, Georgia, New Jersey, New York, Pennsylvania and/or Washington, where significant portions of the Company's business are concentrated; the actual costs of resolution of contingent liabilities; those factors relevant to Brown & Brown's consummation and integration of announced acquisitions, including any matters analyzed in the due diligence process, material adverse changes in the customers of the companies whose operations are acquired, and material adverse changes in the business and financial condition of either or both companies and their respective customers; and the cost and impact on the Company of previously disclosed litigation initiated against the Company and regulatory inquiries regarding industry and Company practices with respect to compensation received from insurance carriers. All forward-looking statements made herein are made only as of the date of this release, and the Company does not undertake any obligation to publicly update or correct any forward-looking statements to reflect events or circumstances that subsequently occur or of which the Company hereafter becomes aware.

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**Brown & Brown, Inc.**  
**CONSOLIDATED STATEMENTS OF INCOME**  
**For the Three Months Ended March 31, 2006 and 2005**  
(in thousands, except per share data)  
(unaudited)

	<u>2006</u>	<u>2005</u>
<b>REVENUES</b>		
Commissions and fees	\$ 227,915	\$ 200,315
Investment income	2,209	965
Other income, net	458	1,094
Total revenues	<u>230,582</u>	<u>202,374</u>
<b>EXPENSES</b>		
Employee compensation and benefits	100,730	90,384
Non-cash stock-based compensation	2,330	891
Other operating expenses	30,969	27,142
Amortization	9,000	7,535
Depreciation	2,595	2,367
Interest	3,522	3,542
Total expenses	<u>149,146</u>	<u>131,861</u>
Income before income taxes	81,436	70,513
Income taxes	<u>31,410</u>	<u>27,495</u>
Net income	<u>\$ 50,026</u>	<u>\$ 43,018</u>
Net income per share:		
Basic	<u>\$ 0.36</u>	<u>\$ 0.31</u>
Diluted	<u>\$ 0.36</u>	<u>\$ 0.31</u>
Weighted average number of shares outstanding:		
Basic	<u>139,383</u>	<u>138,324</u>
Diluted	<u>140,823</u>	<u>139,422</u>
Dividends declared per share	<u>\$ 0.05</u>	<u>\$ 0.04</u>

**Brown & Brown, Inc.**  
**INTERNAL GROWTH SCHEDULE**  
**Core Commissions and Fees<sup>(1)</sup>**  
**Three Months Ended March 31, 2006**  
(in thousands)  
(unaudited)

	<b>Quarter Ended 3/31/06</b>	<b>Quarter Ended 3/31/05</b>	<b>Total Net Change</b>	<b>Total Net Growth %</b>	<b>Less Acquisition Revenues</b>	<b>Internal Net Growth %</b>
Florida Retail	\$ 39,260	\$ 37,311	\$ 1,949	5.2%	\$ 284	4.5%
National Retail	51,257	49,426	1,831	3.7%	3,075	(2.5)%
Western Retail	25,028	25,117	(89)	(0.4)%	1,370	(5.8)%
<b>Total Retail</b>	<u>115,545</u>	<u>111,854</u>	<u>3,691</u>	<u>3.3%</u>	<u>4,729</u>	<u>(0.9)%</u>
Professional Programs	10,338	10,966	(628)	(5.7)%	-	(5.7)%
Special Programs	26,778	21,413	5,365	25.1%	2,523	13.3%
<b>Total Programs</b>	<u>37,116</u>	<u>32,379</u>	<u>4,737</u>	<u>14.6%</u>	<u>2,523</u>	<u>6.8%</u>
<b>Brokerage</b>	35,143	21,366	13,777	64.5%	13,065	3.3%
<b>TPA Services</b>	6,644	6,384	260	4.1%	-	4.1%
<b>Total Core Commissions and Fees<sup>(1)</sup></b>	<u>\$ 194,448</u>	<u>\$ 171,983</u>	<u>\$ 22,465</u>	<u>13.1%</u>	<u>\$ 20,317</u>	<u>1.2%</u>

**Reconciliation of Internal Growth Schedule  
to Total Commissions and Fees**  
**Included in the Consolidated Statements of Income  
for the Three Months Ended March 31, 2006 and 2005**  
(in thousands)  
(unaudited)

	<b>Quarter Ended 3/31/06</b>	<b>Quarter Ended 3/31/05</b>
Total core commissions and fees <sup>(1)</sup>	\$ 194,448	\$ 171,983
Contingent commissions	33,467	27,844
Divested business	-	488
<b>Total commission &amp; fees</b>	<u>\$ 227,915</u>	<u>\$ 200,315</u>

(1) Total core commissions and fees are our total commissions and fees less (i) profit-sharing contingent commissions (revenue derived from special revenue-sharing commissions from insurance companies based upon the volume and the growth and/or profitability of the business placed with such companies during the prior year), and (ii) divested business (commissions and fees generated from offices, books of business or niches sold by the Company or terminated).

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

	<b>March 31, <u>2006</u></b>	<b>December 31, <u>2005</u></b>
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 73,683	\$ 100,580
Restricted cash and investments	256,085	229,872
Short-term investments	2,767	2,748
Premiums, commissions and fees receivable	245,357	257,930
Other current assets	29,141	28,637
Total current assets	607,033	619,767
Fixed assets, net	41,726	39,398
Goodwill	623,124	549,040
Amortizable intangible assets, net	387,151	377,907
Investments	9,119	8,421
Other assets	14,249	14,127
Total assets	\$ 1,682,402	\$ 1,608,660
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Current liabilities:		
Premiums payable to insurance companies	\$ 419,097	\$ 397,466
Premium deposits and credits due customers	27,048	34,027
Accounts payable	50,318	21,161
Accrued expenses	42,870	74,534
Current portion of long-term debt	73,370	55,630
Total current liabilities	612,703	582,818
Long-term debt	210,832	214,179
Deferred income taxes, net	34,961	35,489
Other liabilities	13,304	11,830
Shareholders' equity:		
Common stock, par value \$0.10 per share; authorized 280,000 shares; issued and outstanding 139,516 at 2006 and 139,383 at 2005	13,952	13,938
Additional paid-in capital	196,013	193,313
Retained earnings	595,703	552,647
Accumulated other comprehensive income	4,934	4,446
Total shareholders' equity	810,602	764,344
Total liabilities and shareholders' equity	\$ 1,682,402	\$ 1,608,660