FORM 10-Q
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended June 30, 1998.
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 S. Ridgewood Ave., Daytona Beach, FL	32114
(Address of Principal Executive Offices)	(Zip Code)

Registrant's Telephone Number, Including Area Code: (904) 252-9601

Indicate by check mark whether the registrant: (1) has filed all reports required 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 90 days. Yes X No __

The number of shares of the registrant's common stock, $.10 par value, outstanding as of July 31, 1998, was 13,446,852.

POE & BROWN, INC.

Index to Form 10-Q
For The Quarter Ended June 30, 1998

ITEM 1: FINANCIAL STATEMENTS

POE & BROWN, INC.

CONDENSED CONSOLIDATED STATEMENTS OF INCOME (Unaudited)
(In thousands, except per share data)

	For the three months ended June 30,		For the six months ended June 30,	
	1998	1997	1998	1997
REVENUES				
Commissions and fees	$38,038	$ 30,808	$74,060	$ 63,520
Investment income	812	1,347	1,587	2,155
Other income	124	71	(44)	533
Total revenues	38,974	32,226	75,603	66,208
EXPENSES				

Employee compensation and benefits	20,712	16,492	38,755	33,330
Other operating expenses	8,703	7,042	15,771	14,199
Interest and amortization	1,622	2,111	2,963	3,464
Total expenses	31,037	25,645	57,489	50,993
Income before income taxes	7,937	6,581	18,114	15,215
Income taxes	3,135	2,600	7,155	6,010
NET INCOME	$ 4,802	$ 3,981	$10,959	$ 9,205
Other comprehensive income, net of tax:				
Unrealized gain (loss) on securities:				
Unrealized holding gain (loss), net of tax benefit of $438 and tax effect of $136 for the three-month periods ended June 30, 1998 and 1997, respectively, and net of tax benefit of $1,431 and $501 for the six-month periods ended June 30, 1998 and 1997, respectively.	(779)	207	(2,332)	(902)
Comprehensive Income	$ 4,023	$ 4,188	$ 8,627	$ 8,303
Basic and diluted earnings per share	$ .36	$ .31	$ .82	$ .71
Dividend declared per share	$ .10	$ .0867	$ .20	$ .173
Diluted shares outstanding	13,370	13,025	13,391	13,013

See notes to condensed consolidated financial statements.

POE & BROWN, INC.

CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands)

	(Unaudited) June 30, 1998	December 31, 1997
ASSETS		
Cash and cash equivalents	$ 27,722	$ 47,726
Short-term investments	1,195	1,299
Premiums, commissions and fees receivable	66,610	62,148
Other current assets	9,936	6,507
Total current assets	105,463	117,680
Fixed assets, net	12,850	11,863
Intangible assets, net	70,904	49,593
Investments	8,700	11,480
Other assets	4,642	3,513
Total assets	$202,559	$194,129
LIABILITIES		
Premiums payable to insurance companies	$ 88,832	$ 74,598
Premium deposits and credits due customers	6,211	7,035
Accounts payable and accrued expenses	17,511	15,826
Current portion of long-term debt	2,940	5,339
Total current liabilities	115,494	102,798
Long-term debt	3,841	4,093
Deferred income taxes	2,649	3,951
Other liabilities	5,649	6,145
Total liabilities	127,633	116,987
SHAREHOLDERS' EQUITY		
Common stock, par value $.10 per share: authorized 70,000 shares; issued 13,351 shares at 1998 and 13,107 shares at 1997	1,335	1,311
Retained earnings	69,179	69,087
Accumulated other comprehensive income	4,412	6,744
Total shareholders' equity	74,926	77,142
Total liabilities and shareholders' equity	$202,559	$194,129

See notes to condensed consolidated financial statements.

POE & BROWN, INC.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)
(In thousands)

	For the six months ended June 30, 1998	1997
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	$10,959	$ 9,205
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	4,379	4,458
Net losses (gains) on sales of investments, fixed assets and customer accounts	187	(792)
Premiums, commissions and fees receivable, decrease	182	3,672
Other assets, (decrease) increase	(847)	955
Premiums payable to insurance companies, increase (decrease)	6,824	(1,428)
Premium deposits and credits due customers, (decrease)	(824)	(499)
Accounts payable and accrued expenses, (decrease) increase	(40)	1,903
Other liabilities, (decrease)	(829)	(317)
NET CASH PROVIDED BY OPERATING ACTIVITIES	19,991	17,157
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to fixed assets	(1,634)	(1,296)
Payments for businesses acquired, net of cash acquired	(21,655)	(1,817)
Proceeds from sales of fixed assets and customer accounts	213	275
Purchases of investments	(1,035)	(616)
Proceeds from sales of investments	174	553
NET CASH USED IN INVESTING ACTIVITIES	(23,937)	(2,901)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment on long-term debt	(6,691)	(1,235)
Exercise of stock options and issuances of stock	178	205
Purchases of stock for stock option plan, employee stock purchase plan and performance stock plan	(6,892)	(294)
Cash dividends paid	(2,653)	(2,251)
NET CASH USED IN FINANCING ACTIVITIES	(16,058)	(3,575)
Net (decrease) increase in cash and cash equivalents	(20,004)	10,681
Cash and cash equivalents at beginning of period	47,726	31,786
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$27,722	$42,467

See notes to condensed consolidated financial statements.

POE & BROWN, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

Note 1 - Basis of Financial Reporting

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information and with the instructions for Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. For further information, refer to the consolidated financial statements and the notes thereto included in the Company's Annual Report on Form 10-K for the year ended December 31, 1997.

Results of operations for the three- and six-month periods ended June 30, 1998 are not necessarily indicative of the results that may be expected for the year ending December 31, 1998.

Note 2 - Basic and Diluted Earnings Per Share

All share and per-share information in the financial statements has been adjusted to give effect to the 3-for-2 common stock split which became effective on February 27, 1998.

Basic earnings per share is based upon the weighted average number of shares outstanding. Diluted earnings per share is adjusted for the dilutive effect of stock options. Earnings per share is the same on both a basic and a diluted basis.

As of December 31, 1997, the Company adopted Statement of Financial Accounting Standards No. 128, "Earnings per Share" (SFAS 128). All prior-period EPS information is required to be restated. The Company's basic and fully diluted earnings per share (EPS) for the period ended June 30, 1997 computed under SFAS 128 is not different than previously computed.

Three Months Ended June 30, Six Months Ended June 30,

	1998	1997	1998	1997
BASIC EARNINGS PER SHARE				
Net Income	$ 4,802	$ 3,981	$10,959	9,205
Weighted average shares outstanding	13,351	13,005	$13,373	12,995
Basic earnings per share	$ .36	$ .31	$ .82	$ .71
DILUTED EARNINGS PER SHARE				
Weighted average number of shares outstanding	13,351	13,005	13,373	12,995
Net effect of dilutive stock options, based on the treasury stock method	19	20	18	18
Total diluted shares used in computation	13,370	13,025	13,391	13,013
Diluted earnings per share	$ .36	$ .31	$ .82	$ .71

The Company has adopted SFAS No. 130, "Reporting Comprehensive Income", in the first quarter of 1998, and has reported comprehensive income on the accompanying consolidated statements of income.

Note 3 - Acquisitions

During the second quarter of 1998, the Company acquired substantially all of the assets of the John F. Phillips Insurance Agency, of Prescott, Arizona; Harris Insurance Services, of Las Vegas, Nevada; the Fordham Agency, of St. Petersburg, Florida; Adlerman, Click & Co., of Princeton, New Jersey; Zel Schwanz & Associates, of Phoenix, Arizona; and the Fort Lauderdale office of Hilb, Rogal and Hamilton Company. There were no acquisitions during the second quarter of 1997.

During the first quarter of 1998, the Company acquired substantially all of the assets of Arizona General Insurance, of Tucson, Arizona; Boynton Brothers & Company, of Perth Amboy, New Jersey; Great Northern Insurance, of Phoenix, Arizona; and the Heine-Miles Insurance Agency, of Phoenix, Arizona. During the first quarter of 1997, the Company acquired substantially all of the assets of Dade Underwriters Insurance Agency, of Aventura, Florida and Willits Insurance Agency, of Ft. Lauderdale, Florida.

These acquisitions have been accounted for using the purchase method of accounting. The results of operations for the acquired companies have been combined with those of the Company since their respective acquisition dates. If the acquisitions had occurred at the beginning of the periods presented, the Company's results of operations would be as shown in the following table. These unaudited pro forma results are not necessarily indicative of the actual results of operations that would have occurred had the acquisitions actually been made at the beginning of the respective periods.

SIX-MONTH PERIOD ENDED JUNE 30 (Unaudited),
(In thousands, except per share data)

	1998	1997
Operating revenue	78,881	72,874
Income before income taxes	18,490	15,977
Net income	11,188	9,670
Earnings per share	0.84	0.74

During the second quarter of 1998, the Company issued 278,765 shares of its common stock for all of the outstanding stock of Daniel-James Insurance Agency, Inc., an Ohio corporation with offices in Perrysburg, Ohio and Indianapolis, Indiana, and for all of the outstanding membership interests of Becky-Lou Realty Limited, an Ohio limited liability company with offices in Perrysburg, Ohio. During the first quarter of 1998, the Company issued 22,500 shares of its common stock in exchange for all of the outstanding stock of Thim Insurance Agency, Inc., an Arizona corporation.

These acquisitions have been accounted for as poolings-of-interests; however, due to the immaterial nature of the transactions, the Company's consolidated financial statements have not been restated for all periods prior to the transactions. The operating results of each company for periods prior to their respective acquisitions are not material to the Company's consolidated operating results.

Note 4 - Long-Term Debt

The Company continues to maintain its credit agreement with a major insurance company under which $4 million (the maximum amount available for borrowing) was outstanding at June 30, 1998, at an interest rate equal to the prime lending rate plus one percent (9.5% at June 30, 1998). The available amount will decrease by $1 million on October 1, 1998 in accordance with the amendment to the loan agreement dated July 30, 1998. The available amount will subsequently decrease by $1 million each August thereafter, as described in Note 7 to the consolidated financial statements contained in the Company's Annual Report on Form 10-K for the year ended December 31, 1997.

In November, 1994, the Company entered into a revolving credit facility with a national banking institution that provides for borrowings of up to $10 million. As of June 30, 1998, there were no outstanding borrowings against the line of credit.

Note 5 - Contingencies

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

Note 6 - Supplemental Disclosures of Cash Flow Information

The Company's significant non-cash investing and financing activities are as follows:

(in thousands)	For the six-month period ended June 30, 1998	1997
Unrealized (depreciation) of available-for-sale securities net of tax benefit of $1,431 for 1998 and $501 in 1997	$ (2,332)	$ (902)
Notes payable issued for purchased customer accounts	1,192	-
Notes received on the sale of fixed assets and customer accounts	566	200
Common stock issued in acquisitions	9,426	-

ITEM 2: MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Results of Operations

Net Income. Net income for the second quarter of 1998 was $4,802,000, or $.36 per share, compared with net income in the second quarter of 1997 of $3,981,000, or $.31 per share, a 21% increase. Net income for the six months ended June 30, 1998 was $10,959,000, or $.82 per share, compared with 1997 same-period net income of $9,205,000, or $.71 per share, a 19% increase.

Commissions and Fees. Commissions and fees for the second quarter of 1998 increased $7,230,000, or 23% from the same period in 1997. This increase is primarily attributable to revenues from acquired agencies. Commissions and fees for the six months ended June 30, 1998 were $74,060,000 compared to $63,520,000 for the same period in 1997, a 17% increase. The 1998 increase is due to approximately $8,997,000 of revenue from acquired agencies, with the remainder due to new business production.

Investment Income. Investment income for the second quarter and six-month period ended June 30, 1998 decreased $535,000 and $568,000, respectively, from the same periods in 1997 primarily due to a decrease in recorded gains on the sale of certain investments and a decrease in available cash to invest.

Other Income. Other income primarily includes gains and losses from the sale of customer accounts and other assets. Other income for the second-quarter ended June 30, 1998 increased $53,000 over the same period in 1997. Other income for the six-month period ended June 30, 1998 decreased $577,000 over the same period in 1997, due primarily to the disposition of the assets of the Company's Charlotte, North Carolina office, which resulted in a loss of $490,000.

Employee Compensation and Benefits. Employee compensation and benefits increased 26% and 16%, respectively, during the three-month and six-month periods ended June 30, 1998 over the same periods in 1997. These increases primarily relate to the addition of new employees as a result of acquisitions. Employee compensation and benefits as a percentage of total revenue increased to 53% in the second quarter of 1998 compared to 51% in the same period last year, and increased to 51% for the six months ended June 30, 1998 compared to 50% in the same period last year.

Other Operating Expenses. Other operating expenses for the second quarter of 1998 increased $1,661,000, or 24%, over the same period in 1997, primarily due to acquisitions, but remained constant as a percentage of total revenue at 22%. Other operating expenses as a percentage of total revenue remained constant at 21% for the six month periods ended June 30, 1998 and 1997.

Interest and Amortization. Interest and amortization decreased $489,000, or 23%, and $501,000, or 14%, for the three-month and six-month periods ending June 30, 1998, respectively, over the same periods in 1997. These decreases are due primarily to the write-off of the remaining intangible assets related to a terminated agreement in 1997.

Liquidity and Capital Resources

The Company's cash and cash equivalents of $27,722,000 at June 30, 1998 decreased by $20,004,000 from $47,726,000 at December 31, 1997. For the six-month period ended June 30, 1998,

$19,991,000 of cash was provided by operating activities. From both this amount and existing cash balances, $21,655,000 was used to acquire businesses, $6,892,000 was used for purchases of the Company's stock, $6,691,000 was used for repayment of both existing and assumed long-term debt, $2,653,000 was used for payment of dividends and $1,634,000 was used for fixed asset additions. The current ratio at June 30, 1998 was 0.91 compared to 1.14 at December 31, 1997.

The Company has a revolving credit agreement with a major insurance company under which up to $4 million presently may be borrowed at an interest rate equal to the prime lending rate plus one percent. The available amount will decrease by $1 million on October 1, 1998 in accordance with the amendment to the loan agreement dated July 30, 1998. The available amount will subsequently decrease $1 million each August thereafter, through 2001, when it will expire. As of June 30, 1998, the maximum amount of borrowings was outstanding. In November, 1994, the Company entered into a revolving credit facility with a national banking institution that provides for borrowings of up to $10 million. As of June 30, 1998, there were no outstanding borrowings against the line of credit. The Company believes that its existing cash, cash equivalents, short-term investments portfolio, funds generated from operations and available credit facility borrowings are sufficient to satisfy its normal financial needs.

Year 2000 Date Conversion

The Company has evaluated and identified the risks of software failure due to processing errors arising from calculations using the Year 2000 date. A plan for conversion has been established to maintain the integrity of its financial systems and ensure the reliability of its operating systems. The cost of achieving Year 2000 compliance, which includes software and installation, and will be incurred during 1998 and 1999, is not expected to be material in relation to the Company's financial statements.

ITEM 3: QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Not Applicable.

POE & BROWN, INC.
PART II - OTHER INFORMATION

ITEM 1 - LEGAL PROCEEDINGS

The Company is involved in various pending or threatened proceedings by or against the Company or one or more of its subsidiaries which involve litigation relating to insurance risks placed by the Company and other contractual matters. The Company's management does not believe that any such pending or threatened proceedings will have a material adverse effect on the Company's financial position or results or operations.

ITEM 2 - CHANGE IN SECURITIES AND USE OF PROCEEDS

Effective April 14, 1998, the Company acquired all of the outstanding shares of Daniel-James Insurance Agency, Inc. (Daniel-James) and acquired all of the outstanding membership interests of Becky-Lou Realty Limited (Becky-Lou). In exchange for all of the outstanding common stock of Daniel-James and membership interests of Becky-Lou, the Company issued a total of 278,765 shares of the Company's common stock to the former shareholders and members of Daniel-James and Becky-Lou, respectively. The Company's shares were offered and sold privately, and no underwriting was involved in the transaction.

The Company issued the shares without registration under the Securities Act of 1993 (the "Act"). The Company relied upon the exemptions set forth in Section 4(2) of the Act and Rule 506 of Regulation D, promulgated thereunder. The shares were offered privately by the issuer to less than 35 shareholders and the issuer reasonably believed that each shareholder (or representative of such shareholder) had such knowledge and experience in financial and business matters that he was capable of evaluating the merits and risks of the prospective investment. The Company (i) made available to the purchasers the information required by Rule 502(b) of Regulation D, (ii) did not offer the shares by means of any advertisement, general solicitation or other means proscribed by Rule 502(c) of Regulation D, (iii) informed the purchasers of the limitations on resale of the shares and placed an appropriate restrictive legend on the share certificates, and (iv) filed a notice on Form D with the Securities and Exchange Commission within 15 days after the sale.

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

The Company's Annual Meeting of Shareholders was held on April 29, 1998. At the Annual Meeting, several matters were submitted to a vote of security holders. The matters included:

1. The election of eight directors

The number of votes cast for, withheld or abstaining with respect to the election of each of the directors is set forth below:

	For	Abstain/ Withheld
J. Hyatt Brown	11,340,321	219,946
Samuel P. Bell, III	11,340,357	219,910
Jim W. Henderson	11,340,361	219,906
Kenneth E. Hill	11,340,361	219,906
Bradley Currey, Jr.	11,339,588	220,679
Theodore J. Hoepner	11,340,361	219,906
David H. Hughes	11,340,361	219,906
Jan E. Smith	11,340,361	219,906

There were no broker non-votes with respect to the election of directors.

2. The proposal to increase the number of shares of the Company's authorized common stock from 18,000,000 to 70,000,000.

The number of votes cast for, against or abstaining with respect to the proposal to increase the number of shares is set forth below:

For	10,167,248
Against	1,365,601
Abstain	27,418

There were no broker non-votes with respect to this proposal.

3. The proposal to approve an amendment to the Company's 1990 Employee Stock Purchase Plan to reserve an additional 375,000 shares of common stock for issuance thereunder.

The number of votes cast for, against or abstaining with respect to the proposal to reserve the 375,000 shares is set forth below:

For	10,833,723
Against	31,545
Abstain	10,870

There were 684,129 broker non-votes with respect to this proposal.

4. The proposal to approve an amendment to the Company's Stock Performance Plan to reserve an additional 300,000 shares of common stock for issuance thereunder.

The number of votes cast for, against or abstaining with respect to the proposal to reserve the 300,000 shares is set forth below:

For	10,679,802
Against	108,963
Abstain	68,373

There were 703,129 broker non-votes with respect to this proposal.

ITEM 6 - EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibits

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

Exhibit 3b - Amended and Restated Bylaws (incorporated by reference to Exhibit 3b to Form 10-K for the year ended December 31, 1996)

Exhibit 11 - Statement re: Computation of Basic and Diluted Earnings Per Share

Exhibit 27 - Financial Data Schedule (for SEC use only)

(b) There were no reports filed on Form 8-K during the quarter ended June 30, 1998.

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 thereunto duly authorized.

POE & BROWN, INC.

/S/ WILLIAM A. ZIMMER

Date: August 12, 1998

William A. Zimmer, V

Chief Financial Officer and Treasurer
(duly authorized officer, principal
financial officer and principal
accounting officer)

Exhibit 11 - Statement Re: Computation of Basic and Diluted Earnings Per Share (Unaudited)

	Three Months Ended June 30, 1998	1997	Six Months Ended June 30, 1998	1997
BASIC EARNINGS PER SHARE				
Net Income	$ 4,802	$ 3,981	$10,959	9,205
Weighted average shares outstanding	13,351	13,005	$13,373	12,995
Basic earnings per share	$ .36	$ .31	$ .82	$ .71
DILUTED EARNINGS PER SHARE				
Weighted average number of shares outstanding	13,351	13,005	13,373	12,995
Net effect of dilutive stock options, based on the treasury stock method	19	20	18	18
Total diluted shares used in computation	13,370	13,025	13,391	13,013
Diluted earnings per share	$ .36	$ .31	$ .82	$ .71

This Schedule contains summary financial information extracted from the financial statements of Poe & Brown, Inc. for the six months ended June 30, 1998, and is qualified in its entirety by reference to such financial statements.

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JUN-30-1998
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