

BROWN & BROWN INC
Form 10-Q
May 10, 2006

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

FORM 10-Q

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

For the quarterly period ended March 31, 2006

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 001-13619

BROWN & BROWN, INC.

(Exact name of Registrant as specified in its charter)

Florida

(State or other jurisdiction of incorporation
or organization)

59-0864469

(I.R.S. Employer Identification
Number)

®

**220 South Ridgewood Avenue, Daytona
Beach, FL**

(Address of principal executive offices)

32114

(Zip Code)

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

Registrant's Website: www.bbinsurance.com

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 No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer Non-accelerated filer

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Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).
Yes No

The number of shares of the Registrant's common stock, \$.10 par value, outstanding as of May 5, 2006 was 139,536,943.

BROWN & BROWN, INC.

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PART I - FINANCIAL INFORMATION**ITEM 1 - FINANCIAL STATEMENTS (UNAUDITED)**

BROWN & BROWN, INC.
CONDENSED CONSOLIDATED STATEMENTS OF
INCOME
(UNAUDITED)

	For the three months ended March 31,	
<i>(in thousands, except per share data)</i>	2006	2005
REVENUES		
Commissions and fees	\$ 227,915	\$ 200,315
Investment income	2,209	965
Other income, net	458	1,094
Total revenues	230,582	202,374
EXPENSES		
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	149,146	131,861
Income before income taxes	81,436	70,513
Income taxes	31,410	27,495
Net income	\$ 50,026	\$ 43,018
Net income per share:		
Basic	\$ 0.36	\$ 0.31
Diluted	\$ 0.36	\$ 0.31
Weighted average number of common shares outstanding:		
Basic	139,383	138,324
Diluted	140,823	139,422
Dividends declared per share	\$ 0.05	\$ 0.04

See accompanying notes to condensed consolidated financial statements.

BROWN & BROWN, INC.
CONDENSED CONSOLIDATED
BALANCE SHEETS
(UNAUDITED)

<i>(in thousands, except per share data)</i>	March 31, 2006	December 31, 2005
ASSETS		
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
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities:		
Premiums payable to insurance companies	\$ 419,097	\$ 397,466
Premium deposits and credits due customers	27,048	34,027
Accounts payable		