

BROWN & BROWN INC
Form DEF 14A
March 24, 2005

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

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a)
of the Securities Exchange Act of 1934

Filed by the Registrant [X]

Filed by a Party other than the Registrant []

Check the appropriate box:

[] Preliminary Proxy Statement

[] **Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**

[X] Definitive Proxy Statement

[] Definitive Additional Materials

[] Soliciting Material Pursuant to § 240.14a-12

Brown & Brown, Inc.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

[X] No fee required.

[] Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

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[] Fee paid previously with preliminary materials.

[] Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or

Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

March 24, 2005

Dear Shareholder:

You are invited to attend the Annual Meeting of Shareholders (the "Meeting") of Brown & Brown, Inc. (the "Company"), which will be held in Salon C of the Ocean Walk Resort, 300 North Atlantic Avenue, Daytona Beach, Florida, on Thursday, April 21, 2005, at 9:00 a.m.

The notice of meeting and proxy statement on the following pages cover the formal business of the Meeting. Whether or not you expect to attend the Meeting, please sign and return your proxy card promptly in the enclosed envelope to assure that your stock will be represented at the Meeting. If you decide to attend the Meeting and vote in person, you will, of course, have that opportunity.

Your continuing interest in the business of the Company is gratefully acknowledged. We hope many shareholders will attend the Meeting.

Sincerely,

/s/ J. Hyatt Brown

J. Hyatt Brown
Chairman of the Board and
Chief Executive Officer

BROWN & BROWN, INC.

**220 South Ridgewood Avenue
Daytona Beach, Florida 32114**

**401 E. Jackson Street, Suite 1700
Tampa, Florida 33602**

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

April 21, 2005

The Annual Meeting of Shareholders (the "Meeting") of Brown & Brown, Inc. (the "Company") will be held in Salon C of the Ocean Walk Resort, 300 North Atlantic Avenue, Daytona Beach, Florida, on Thursday, April 21, 2005, at 9:00 a.m., for the following purposes:

1. To elect ten (10) nominees to the Company's Board of Directors;
2. To approve the amendment of the Company's Stock Performance Plan;
3. To transact such other business as may properly come before the Meeting or any adjournment thereof.

The Board of Directors has fixed the close of business on February 23, 2005 as the record date for the determination of shareholders entitled to notice of and to vote at the Meeting.

For your convenience, we are also offering an audio webcast of the Meeting. If you choose to listen to the webcast, please visit the "Investor Relations" section of our website (www.bbinsurance.com) shortly before the meeting time and follow the instructions provided. If you miss the Meeting, you may listen to a replay of the webcast on our site beginning the afternoon of April 21, 2005.

Shareholders are requested to vote, date, sign and promptly return the enclosed proxy in the envelope provided for that purpose, whether or not they intend to be present at the Meeting.

By Order of the Board of Directors

/s/ Laurel L. Grammig

Laurel L. Grammig
Secretary

Tampa, Florida
March 24, 2005

BROWN & BROWN, INC.

PROXY STATEMENT

ANNUAL MEETING AND PROXY SOLICITATION INFORMATION

This Proxy Statement is first being sent to shareholders on or about March 24, 2005 in connection with the solicitation of proxies by the Board of Directors of Brown & Brown, Inc., to be voted at the Annual Meeting of Shareholders to be held in Salon C of the Ocean Walk Resort, 300 North Atlantic Avenue, Daytona Beach, Florida at 9:00 a.m. on Thursday, April 21, 2005, and at any adjournment thereof (the "Meeting"). The close of business on February 23, 2005 has been fixed as the record date for the determination of shareholders entitled to notice of and to vote at the Meeting. At the close of business on the record date, we had outstanding 69,162,570 shares of \$.10 par value common stock, entitled to one vote per share.

Shares represented by duly executed proxies in the accompanying form that we receive prior to the Meeting will be voted at the Meeting. If you specify in the proxy a choice with respect to any matter to be acted upon, the shares represented by such proxy will be voted as specified. If your proxy card is signed and returned without specifying a vote or an abstention on any proposal, the shares represented by such proxy will be voted according to the recommendation of the Board of Directors on that proposal. The Board of Directors recommends a vote FOR the election of the directors and FOR approval of the amendment to the Company's Stock Performance Plan. The Board of Directors knows of no other matters that may be brought before the Meeting. However, if any other matters are properly presented for action, it is the intention of the named proxies to vote on them according to their best judgment.

If you hold your shares in a stock brokerage account, or your shares are held by a bank or other nominee, you have the right to provide instructions on voting as requested by your bank or broker. Under the rules of the New York Stock Exchange, your broker is permitted to vote your shares on the proposals concerning the election of directors even if your broker has not been given specific voting instructions as to these matters. However, your broker is not permitted to vote your shares on the proposal relating to the approval of the amendment to the Company's Stock Performance Plan without receiving instructions from you.

After you have returned a proxy, you may revoke it at any time before it is voted by taking one of the following actions: (i) giving written notice of the revocation to our Secretary; (ii) executing and delivering a proxy with a later date; or (iii) voting in person at the Meeting. Votes cast by proxy or in person at the Meeting will be tabulated by our transfer agent, Wachovia Bank, N.A., and by one or more inspectors of election appointed at the Meeting, who will also determine whether a quorum is present for the transaction of business.

The ten nominees for election as directors who receive the highest number of "FOR" votes will be elected as directors. This number is a plurality. Abstentions and broker non-votes will have no effect on the outcome of the voting to elect directors. For approval of the amendment to the Company's Stock Performance Plan, under the rules of the New York Stock Exchange, the proposal must receive the "FOR" vote of a majority of all votes cast on the proposal, and the total number of votes cast on the proposal must represent more than 50% of all shares entitled to vote. Abstentions will be treated as shares entitled to vote and as votes cast. Accordingly, if you submit a properly executed proxy card to indicate "ABSTAIN" with respect to this proposal, your vote will have the effect of a vote "AGAINST" the proposal.

Broker non-votes will be treated as shares entitled to vote but not as votes cast. Accordingly, broker non-votes will have no effect on the outcome of the voting on the amendment to the Company's Stock Performance Plan (except that broker non-votes will not count towards the 50% of all shares

entitled to vote on the proposal that must be cast in order for the proposal to be approved in accordance with the rules of the New York Stock Exchange).

Proxies may be solicited by our officers, directors, and regular supervisory and executive employees, none of whom will receive any additional compensation for their services. Also, The Altman Group, Inc. may solicit proxies on our behalf at an approximate cost of \$4,000, plus reasonable expenses. Such solicitations may be made personally, or by mail, facsimile, telephone, messenger, or via the Internet. We will pay persons holding shares of common stock in their names or in the names of nominees, but not owning such shares beneficially, such as brokerage houses, banks, and other fiduciaries, for the expense of forwarding solicitation materials to their principals. We will pay all of the costs of solicitation of proxies.

Our executive offices are located at 220 South Ridgewood Avenue, Daytona Beach, Florida 32114 (telephone number (386) 252-9601) and 401 East Jackson Street, Suite 1700, Tampa, Florida 33602 (telephone number (813) 222-4100).

SECURITY OWNERSHIP OF MANAGEMENT AND CERTAIN BENEFICIAL OWNERS

The following table sets forth, as of February 14, 2005, information as to our common stock beneficially owned by (1) each of our directors, (2) each executive officer named in the Summary Compensation Table, (3) all of our directors and executive officers as a group, and (4) any person whom we know to be the beneficial owner of more than 5% of the outstanding shares of our common stock:

NAME OF BENEFICIAL OWNER	AMOUNT AND NATURE OF BENEFICIAL OWNERSHIP(1)(2)(3)	PERCENT OF TOTAL
J. Hyatt Brown(4) 220 South Ridgewood Avenue Daytona Beach, Florida 32114	10,809,974	15.63%
Samuel P. Bell, III	9,000	*
Hugh M. Brown	1,000	*
Bradley Currey, Jr.	146,100	*
Jim W. Henderson(5)	790,833	1.14%
Theodore J. Hoepner	8,000	*
David H. Hughes	12,000	*
John R. Riedman	23,323	*
Jan E. Smith(6)	15,400	*
Chilton D. Varner	5,750	*
Kenneth D. Kirk(7)	709,817	1.03%
Thomas E. Riley(8)	247,903	*
C. Roy Bridges	181,564	*
All directors and executive officers as a group (22 persons)	14,466,979	20.92%
Ruane, Cunniff & Goldfarb, Inc.(9) 767 Fifth Ave., Ste. 4701 New York, NY 10153	6,360,210	9.20%
Select Equity Group, Inc.(10) 380 Lafayette St., 6th Floor	4,142,001	5.99%

New York, NY 10007

* Less than 1%.

(1) Beneficial ownership of shares, as determined in accordance with applicable Securities and Exchange Commission ("SEC") rules, includes shares as to which a person has or shares voting power and/or investment power. We have been informed that all shares shown are held of record with sole voting and investment power, except as otherwise indicated. All share amounts, percentages and share values have been adjusted to reflect any applicable stock splits we have effected.

2

- (2) The number and percentage of shares owned by the following persons include the indicated number of shares owned through our 401(k) plan as of December 31, 2004: Mr. Henderson - 243,509; Mr. Kirk - 113; Mr. Riley - 0; Mr. Bridges - 0; and all directors and officers as a group - 324,873. The number and percentage of shares owned by the following persons also include the indicated number of shares which such persons have been granted under our Stock Performance Plan as of December 31, 2004: Mr. Henderson - 128,155; Mr. Kirk - 125,650; Mr. Riley - 126,730; Mr. Bridges - 108,830; and all directors and officers as a group - 970,500. Certain of these Stock Performance Plan shares have voting and dividend rights due to satisfaction of the first condition for vesting, but the holders thereof have no power to sell or dispose of the shares, and the shares are subject to forfeiture. See "Executive Compensation - Long-Term Incentive Plans - Awards in Last Fiscal Year."
- (3) Also includes any options exercisable within 60 days of December 31, 2004 granted to directors and officers under our Incentive Stock Option Plan. On April 21, 2000, the indicated number of options were granted to the following persons under the Incentive Stock Option Plan: Mr. Henderson - 239,116; Mr. Kirk - 67,464; Mr. Riley - 126,744; Mr. Bridges - 195,664; all directors and officers as a group - 970,088. Of these granted amounts, the indicated number of options were exercisable by the following persons under the Incentive Stock Option Plan in 2004: Mr. Henderson - 218,436; Mr. Kirk - 10,340; Mr. Riley - 31,020; Mr. Bridges - 10,340; all directors and officers as a group - 306,816, and the underlying shares are therefore deemed to be beneficially owned. Varying amounts of additional options may become exercisable by the Named Executive Officers on April 21, 2005 under the terms of individual stock option agreements between us and the Named Executive Officers. On March 23, 2003, the indicated number of options were granted to the following persons under the Incentive Stock Option Plan: Mr. Henderson - 100,000; Mr. Kirk - 56,700; Mr. Riley - 90,381; Mr. Bridges - 63,008; all directors and officers as a group - 483,202. Of these granted amounts, none has become exercisable.
- (4) All shares are beneficially owned jointly with Mr. Brown's spouse, either directly or indirectly, and these shares have shared voting and investment power. Of these shares, 10,795,664 are held by Ormond Riverside Limited Partnership, of which Swakopmund, Inc., a corporation controlled by Mr. Brown and his spouse as equal shareholders, is the sole general partner.
- (5) Mr. Henderson's ownership includes 179,224 shares held in joint tenancy with Mr. Henderson's wife, which shares have shared voting and investment power.
- (6) Mr. Smith's ownership includes 6,400 shares owned by his spouse, as to which he disclaims beneficial ownership.
- (7) Mr. Kirk's ownership includes 573,714 shares held in a revocable family trust for which Mr. Kirk and his spouse serve as Trustees.
- (8) Mr. Riley's ownership includes 425 shares owned by his spouse, as to which he disclaims beneficial ownership.
- (9) These shares are held in investment accounts maintained with Ruane, Cunniff & Goldfarb Inc. ("Ruane") as of December 31, 2004, and Ruane disclaims any beneficial interest in such shares. Ruane has advised that it has sole voting power as to 3,502,664 of these shares, no voting power as to the balance of these shares, and sole investment power as to all of these shares.
- (10) According to a Schedule 13G jointly filed with the SEC on September 12, 2003, as amended on February 14, 2004, Select Equity Group, Inc., Select Offshore Advisors, LLC and George S. Loening have sole investment and voting power with respect to these shares, and no shared voting or investment power.

MANAGEMENT**Directors and Executive Officers**

Set forth below is certain information concerning our directors and executive officers. All directors and officers hold office for one-year terms or until their successors are elected and qualified.

NAME	POSITIONS	AGE	YEAR FIRST BECAME A DIRECTOR
J. Hyatt Brown	Chairman of the Board and Chief Executive Officer	67	1993
Jim W. Henderson	President, Chief Operating Officer and Director	58	1993
Samuel P. Bell, III	Director	65	1993
Hugh M. Brown	Director	69	2004
Bradley Currey, Jr.	Director	74	1995
Theodore J. Hoepner	Director	63	1994
David H. Hughes	Director	61	1997
John R. Riedman	Director	76	2001
Jan E. Smith	Director	65	1997
Chilton D. Varner	Director	62	2004
Thomas E. Riley	Regional President	49	
C. Roy Bridges	Regional Executive Vice President	55	—
J. Powell Brown	Regional Executive Vice President	37	—
Linda S. Downs	Regional Executive Vice President	54	—
Robert F. Iocco	Regional Executive Vice President	40	—
Kenneth D. Kirk	Regional Executive Vice President	44	—
Charles H. Lydecker	Regional Executive Vice President	41	—
J. Scott Penny	Regional Executive Vice President	38	—
Cory T. Walker	Sr. Vice President, Chief Financial Officer and Treasurer	47	—
Richard A. Freebourn	Vice President and Director of Internal Audit, Operations and Quality Control	57	—
Laurel L. Grammig	Vice President, Secretary and General Counsel	46	—
Thomas M. Donegan, Jr.		34	—

Vice President, Assistant
Secretary
and Assistant General Counsel

J. Hyatt Brown. Mr. Brown has been our Chief Executive Officer since 1993 and the Chairman of the Board of Directors since 1994. Mr. Brown was our President from 1993 to December 2002, and served as President and Chief Executive Officer of our predecessor corporation from 1961 to 1993. He was a member of the Florida House of Representatives from 1972 to 1980, and Speaker of the House from 1978 to 1980. Mr. Brown serves on the Board of Directors of SunTrust Banks, Inc., International Speedway Corporation, FPL Group, Inc., BellSouth Corporation, and Rock-Tenn Company, each a publicly-held company. He also serves as Chairman of the Council of Insurance Agents & Brokers and a member of the Board of Insurance Services Office, as well as on the Board of Trustees of Stetson University, of which he is a past Chairman, and the Florida Council of 100. Mr. Brown is a past Vice Chairman of the Florida Residential Property and Casualty Joint Underwriting Association and a past Trustee of the Florida Chamber Foundation. Mr. Brown's sons, J. Powell Brown and P. Barrett Brown, are employed by us as a Regional Executive Vice President, and as Profit Center Manager of the Orange, California office of our subsidiary, Brown & Brown of California, Inc., respectively.

Jim W. Henderson. Mr. Henderson has been our President and Chief Operating Officer since 2002 and serves as director and as president or in another executive officer capacity for several of our

subsidiaries. He was elected Executive Vice President in 1995, and served as our Senior Vice President from 1993 to 1995. He served as Senior Vice President of our predecessor corporation from 1989 to 1993, and as Chief Financial Officer from 1985 to 1989. Mr. Henderson is a member of the Board of Directors of Embry-Riddle Aeronautical University, the School of Business Administration of Stetson University, and the Florida Hurricane Catastrophe Fund. He previously served as Co-Chairman of the Insurance Accounting and Systems Association's Property & Casualty Committee, President of the Central Florida Chapter of Financial Executives International, and as a member of the Board of Directors of United Way of Volusia/Flagler Counties and the Ronald McDonald House.

Samuel P. Bell, III. Mr. Bell has been a shareholder of the law firm of Pennington, Moore, Wilkinson, Bell & Dunbar, P.A. since January 1, 1998. Prior to that, he was a shareholder and managing partner of Cobb Cole & Bell (now Cobb & Cole, P.A.), and he served as Of Counsel to Cobb Cole & Bell until August of 2002. Mr. Bell was a member of the Florida House of Representatives from 1974 to 1988. He is Chairman of the Advisory Board for the College of Public Health at the University of South Florida, President of the Florida Public Health Foundation and a member of the Florida Elections Commission. He is also past Chairman of the Florida Legislature's Commission on Local Government II.

Hugh M. Brown. Mr. Brown founded BAMSI, Inc., a full-service engineering and technical services company, in 1978, and served as its Chief Executive Officer until his retirement in 1996. Mr. Brown currently serves as a member of the Board of Directors of SunTrust Bank of Orlando, Blue Cross and Blue Shield of Florida, the Florida Council of 100 and the Florida Council on Economic Education. He is a past Chairman of the Federal Reserve Bank of Atlanta, and previously served on the Florida Commission on Education, and as Chairman of the Spaceport Florida Authority (now Florida Space Authority) Board of Supervisors. Mr. Brown was previously named Small Business Person of the Year, 1985, by the U.S. Small Business Administration, and Regional Minority Small Business Person of the Year for the Atlanta region, and in 1991, he received the U.S. Small Business Administration's Graduate of the Year Award. He is an inductee of the Junior Achievement Business Hall of Fame for East Central Florida.

Bradley Currey, Jr. Mr. Currey served as Chief Executive Officer of Rock-Tenn Company, a publicly-held manufacturer of packaging and recycled paperboard products, from 1989 to 1999 and as Chairman of the Board of Rock-Tenn Company from 1993 to January 31, 2000, when he retired. He also previously served as President (1978-1995) and Chief Operating Officer (1978-1989) of Rock-Tenn Company. Mr. Currey previously served as a member of the Board of Directors and Executive Committee of Rock-Tenn Company, and is currently Director *Emeritus* of Genuine Parts Company, a publicly-traded company, and a member of the Board of Directors of Enzymatic Deinking Technologies, L.L.C. Mr. Currey is Trustee *Emeritus* and a past Chairman of the Board of Trustees of Emory University. He is a Trustee and member of the Executive Committee of the Woodruff Arts Center and the Atlanta Symphony Orchestra, a division of the Woodruff Arts Center in Atlanta, Georgia. He is also a past Chairman of the Federal Reserve Bank of Atlanta.

Theodore J. Hoepner. Mr. Hoepner has been Vice Chairman of SunTrust Bank Holding Company since January 1, 2005. Prior to that, he served as Vice Chairman of SunTrust Banks, Inc., a publicly held company, since 2000. From 1995 to 2000, Mr. Hoepner was Executive Vice President of SunTrust Banks, Inc. and Chairman of the Board, President and Chief Executive Officer of SunTrust Banks of Florida, Inc. From 1990 through 1995, he served as Chairman of the Board, President and Chief Executive Officer of SunBank, N.A. From 1983 through 1990, he was the Chairman of the Board and Chief Executive Officer of SunBank/Miami, N.A. Mr. Hoepner is a past Chairman of the Board of Trustees of Rollins College, the Economic Development Commission of Mid-Florida, the Heart of Florida United Way, the Greater Miami Chamber of Commerce, the Beacon Council of Miami, Florida, and the Financial Executives Institute of Jacksonville, Florida.

David H. Hughes. Mr. Hughes has been Chairman of the Board of Hughes Supply, Inc., a publicly-held business-to-business distributor of construction and industrial supplies, since 1986, and

served as Chief Executive Officer from 1974 until May 2003. Mr. Hughes is a member of the Board of Directors of Darden Restaurants, Inc. and SunTrust Banks, Inc., both of which are publicly-held companies, and also serves as a director of Hughes, Inc. He is a past director of Florida Tax Watch and the Trinity Preparatory School. He is also a member of The Florida Bar, the Florida Council of 100, and the Economic Development Commission of Mid-Florida.

John R. Riedman. Mr. Riedman has served as Chairman of Riedman Corporation, based in Rochester, New York, since 1992. Mr. Riedman is a Trustee and the Chairman of the Finance Committee of ViaHealth, a Rochester-based healthcare services network. He serves as President of 657 Corporation (a subsidiary of Rochester Museum & Science Center) and is a past Chairman of the Board of the Rochester Museum & Science Center. He also serves as President of the Monroe County Sheriff's Foundation. He serves on the Board of Directors of High Falls Brewing Company, LLC; Sage, Ruty & Co., Inc., a Rochester-based financial services firm; the New York State Thruway Authority; and the New York State Canal Corporation. Mr. Riedman served as a director and Chairman of the Audit Committee of Fleet Financial Group, a publicly-held company, from 1988 to 1999; and as a board member of Genesee Hospital, serving as Chairman of its Finance and Building Committees. He served as a member of the Public Affairs Committee of the United States Chamber of Commerce and as a Delegate to the White House Conference on Small Business, and is a former member of the Federal Personnel Interchange Commission, the National Flood Insurance Advisory Committee, and the Monroe County Airport Advisory Committee, of which he is a past Chairman.

Jan E. Smith. Mr. Smith has served as President of Jan Smith and Company, a commercial real estate and business investment firm, since 1978. Mr. Smith is also the managing general partner of River Bend Road, Ltd., and a Director and President of Travel Associates, Inc. and of Jan Smith and Company. Mr. Smith serves on the Board of Directors of SunTrust Bank/Gulf Coast and the Board of Governors of the Florida Chamber of Commerce, and is also the Chairman of the Campus Board of University of South Florida's Regional Sarasota/Manatee Campus, and a member of the University of South Florida Foundation Board of Trustees. Mr. Smith is a past member of the Board of Directors of GTE of Florida, Inc., a publicly-held company, the Advisory Council of the Federal Reserve Bank of Atlanta, the Board of Directors of the United States Chamber of Commerce, the Board of the National Chamber Litigation Center, the National Advisory Council of the U.S. Small Business Administration, the Board of Directors of the Florida Chamber of Commerce Management, Inc., the Florida Education Governance Reorganization Transition Task Force, the Nominating Council of the Public Service Commission of Florida, the Florida Council on Economic Education, and the Manatee County (FL) Independent Insurance Agent Association, and he previously served as a Delegate to the White House Conference on Small Business and to the Small Business National Issues Conference. He is a past Chairman of the Board of Trustees of Manatee Community College in Florida, and of the Manatee County (FL) Chamber of Commerce, and is an inductee of the Tampa Bay Business Hall of Fame.

Chilton D. Varner. Ms. Varner is a partner in the law firm of King & Spalding, LLP, in Atlanta, Georgia. A graduate of Smith College, where she was named to membership in Phi Beta Kappa, and Emory University School of Law, Ms. Varner was honored with Emory University School of Law's Distinguished Alumni Award in 1998. In 2001, the National Law Journal profiled Ms. Varner as one of the nation's top ten women litigators. With more than 25 years of courtroom experience, she is considered to be among the very best in defending corporations in product liability, commercial and other civil disputes. The author of many books and papers on areas of interest in her practice, she has also served as a member of the faculty of the Trial Academy of the International Association of Defense Counsel and regularly presents at bar association meetings around the country. She has been a trustee of Emory University since 1995 and has served on the Board of Wesley Woods Geriatric Center since 1996.

Thomas E. Riley. Mr. Riley has been a Regional President since January 2005. He served as one of our Regional Executive Vice Presidents from 2002 to 2005 and serves as director and as president or in another executive officer capacity for several of our subsidiaries. Since 1999, Mr. Riley has overseen certain of our profit centers in southeastern Florida, as well as offices of certain of our subsidiaries in

Connecticut, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania and Virginia. Prior to undertaking his current duties, Mr. Riley served as profit center manager of our Fort Lauderdale, Florida retail office from 1992 to 2001, and as Chief Financial Officer of our predecessor corporation from 1990-91. He is a member of the Hartford Insurance Advisory Council, the St. Paul Insurance Advisory Council, the American Institute of Certified Public Accountants, and the Florida Institute of Certified Public Accountants.

C. Roy Bridges. Mr. Bridges has been one of our Regional Executive Vice Presidents since 2002 and serves as director and as president or in another executive officer capacity for several of our subsidiaries. Since 1998, Mr. Bridges has overseen certain of our retail profit center operations in northern and western Florida, as well as retail and brokerage profit centers of certain of our subsidiaries in Arkansas, Louisiana, Oklahoma and Texas. Prior to undertaking his current duties, Mr. Bridges served as profit center manager of our Tampa, Florida retail office from 1998 to 2001, and as profit center manager of our Fort Myers, Florida retail office from 1993 to 1998. He was previously the profit center manager of our Brooksville, Florida retail office. He served as 2002 Chairman of the CNA Florida Pacer program, and is a past board member of the Hernando County Committee of 100, the Salvation Army, and the Lee County Committee of 100, and a past member of Leadership Southwest Florida.

J. Powell Brown. Mr. Brown has been one of our Regional Executive Vice Presidents since 2002 and serves as director and as president or in another executive officer capacity for certain of our subsidiaries. Mr. Brown oversees certain of our central Florida profit center operations as well as brokerage operations of certain of our subsidiaries located in Florida, Georgia, North Carolina, Oklahoma and Tennessee. From 1998 to 2003, Mr. Brown served as profit center manager of our Orlando, Florida retail office. Prior to that, Mr. Brown served as an account executive and then as Marketing Manager in our Daytona Beach, Florida retail office from 1995 to 1998. Mr. Brown serves as Vice Chairman of Finance for the Board of Governors of the Orlando Regional Chamber of Commerce, and also serves on the Board of Directors of Junior Achievement of Central Florida, the Bolles School Board of Visitors, and the Administrative Board of the SunTrust Center of SunTrust Bank/Central Florida. Mr. Brown is the son of our Chairman and Chief Executive Officer, J. Hyatt Brown.

Linda S. Downs. Ms. Downs has been one of our Regional Executive Vice Presidents since 2002 and serves as director and as president or in another executive officer capacity for several of our subsidiaries. She is responsible for overseeing retail profit center operations of certain of our subsidiaries in Georgia, South Carolina and Virginia. Ms. Downs also oversees our National Professional Programs and National Commercial Programs based in Tampa, Florida, and Parcel Insurance Plan®, based in St. Louis Missouri. Prior to undertaking her current duties, she founded and served as profit center manager of our Orlando, Florida retail office from 1980 to 1998. Ms. Downs is actively involved with Habitat for Humanity, and is a past member of the Florida Symphony Board and the Downtown (Orlando) Women's Executive Council.

Robert F. Iocco. Mr. Iocco was named a Regional Executive Vice President in January 2005, and has served as Executive Vice President of Brown & Brown of Lehigh Valley, Inc., and profit center manager of its retail office based in Bethlehem, Pennsylvania, since August 2000. Effective in January 2005, Mr. Iocco assumed oversight responsibilities for offices of certain of our subsidiaries in New York, New Jersey and Pennsylvania. Prior to undertaking his current duties, Mr. Iocco headed the Physicians Protector Plan® based in Tampa, Florida from June 1997 to July 2000. Before that time, he worked as a Producer and as Accounting Manager, respectively, in our West Palm Beach, Florida retail office. Mr. Iocco served as Chairman of Selective Insurance Company's Pennsylvania Producer Council in 2002 and 2003. He served as a member of the Insurance Agents and Brokers (Eastern Pennsylvania) MAP Committee in 2003 and 2004.

Kenneth D. Kirk. Mr. Kirk has been one of our Regional Executive Vice Presidents since 2002 and serves as director and as president or in another executive officer capacity for several of our subsidiaries. Since 1995, Mr. Kirk has overseen retail and brokerage profit center operations of certain of

our subsidiaries in Arizona, California, Colorado, New Mexico, Nevada, and Washington, as well as in El Paso, Texas. Prior to undertaking his current duties, Mr. Kirk served as profit center manager of the Phoenix, Arizona retail office of Brown & Brown Insurance of Arizona, Inc., one of our subsidiaries, from 1995 to 2000.

Charles H. Lydecker. Mr. Lydecker has been one of our Regional Executive Vice Presidents since 2002 and serves as director and as president or in another executive officer capacity for several of our subsidiaries. Mr. Lydecker oversees certain of our retail profit center operations in northern Florida, and retail profit center operations of certain of our subsidiaries in Texas. From January 2000 until 2002, and commencing again in 2004, Mr. Lydecker has served as profit center manager in Daytona Beach, Florida, our largest retail operation. Prior to that, Mr. Lydecker served as an account executive from 1990 to 1995 and then as Sales Manager in our Daytona Beach retail office from 1995 to 2000. Mr. Lydecker is a Director of Prime Bank Corp; Florida Hospitals - Memorial Health Systems; Stonewood Holdings, LLC; Florida Commission on Ethics; Florida Self-Insurers Guaranty Association; and served as the 2002 Board Chairman of the United Way of Volusia/Flagler (FL) Counties. He is a Director and past Chairman of Futures Public Education Foundation, the Daytona Beach/Halifax Chamber of Commerce, and the Boy Scouts of America, Halifax District. Mr. Lydecker is also past Chairman of the Florida Housing Finance Corporation and a past President of the Volusia/Flagler Chapter of the Florida Association of Independent Agents.

J. Scott Penny. Mr. Penny has been one of our Regional Executive Vice Presidents since 2002 and serves as director and as president or in another executive officer capacity for several of our subsidiaries. Mr. Penny oversees retail profit center operations of certain of our subsidiaries in Illinois, Indiana, Kentucky, Ohio, Michigan, Minnesota and Wisconsin. From 1999 until January 2003, Mr. Penny served as profit center manager of the Indianapolis, Indiana retail office of Brown & Brown of Indiana, Inc., one of our subsidiaries. Prior to that, Mr. Penny served as profit center manager of our Jacksonville, Florida retail office from 1997 to 1999.

Cory T. Walker. Mr. Walker was named Senior Vice President, Treasurer and Chief Financial Officer in April 2004. Prior to that time, he had served as our Vice President, Treasurer and Chief Financial Officer since 2000. Mr. Walker also serves as an executive officer for several of our subsidiaries. Mr. Walker previously served as our Vice President and Chief Financial Officer from 1992 to 1994. Between 1995 and 2000, Mr. Walker served as profit center manager of the Oakland, California office of Brown & Brown of California, Inc., one of our subsidiaries. Before joining us, Mr. Walker was a Certified Public Accountant and Senior Audit Manager for Ernst & Young LLP.

Richard A. Freebourn. Mr. Freebourn has been our Director of Internal Audit, Operations and Quality Control since 2002, and was elected Vice President in January 2004. From 2000 until 2002, he served as our Director of Internal Audit, and from 1998 until 2000, he served as Vice President and Operations Manager of Brown & Brown of Indiana, Inc., one of our subsidiaries. Mr. Freebourn has been employed by us since 1984.

Laurel L. Grammig. Ms. Grammig has been our Vice President, Secretary and General Counsel since 1994 and serves as an executive officer for several of our subsidiaries. Before joining us, Ms. Grammig was a partner of the law firm of Holland & Knight LLP in Tampa, Florida.

Thomas M. Donegan, Jr. Mr. Donegan has been our Vice President, Assistant Secretary and Assistant General Counsel since 2000 and serves as an executive officer for several of our subsidiaries. Before joining us, Mr. Donegan was an associate with the law firm of Smith, Gambrell & Russell, LLP in Atlanta, Georgia.

Board and Board Committee Matters

During 2004, our Board of Directors held four regular meetings and three special telephonic meetings. Each incumbent director serving during 2004 attended at least 75% of the total number of Board meetings, and at least 75% of the total number of meetings of committees of which such Director is a member, held during the period that such Director was a member of the Board. The Board expects, but does not require, all directors and director nominees to attend the Annual Shareholders' Meeting. All members of the Board attended the 2004 Annual Shareholders' Meeting. The Board conducts executive sessions of non-management directors in connection with each regularly scheduled meeting of the Board. The executive sessions are presided over by the Chairman of the Nominating/Corporate Governance Committee, Bradley Currey, Jr. Eight of the 10 members of the Board attended accredited director education programs in 2004 or 2005.

The New York Stock Exchange ("NYSE") has adopted listing standards relating to director independence. In addition to requiring that directors satisfy certain "bright line" standards in order to be deemed "independent," as that term is defined in the listing standards for the NYSE, the NYSE listing standards permit the Board to adopt categorical standards to assist it in affirmatively determining that the Company's directors have no material relationship with the Company that would impair such directors' independence. To date, the Board has not adopted such categorical standards. Rather, the Board has considered and applied the following in reaching each of its independence determinations: (1) the NYSE "bright line" standards; (2) standards set forth in the Company's Corporate Governance Principles; and (3) the relationships of each of the directors, and such directors' immediate family members, as disclosed in this Proxy Statement, to us. The Board has applied the foregoing standards and considerations to each member of the Board and to such Board members' immediate family members, and has affirmatively determined that the following seven of the ten directors have no material relationship with us other than service as a director, and are therefore independent: Samuel P. Bell, III, Hugh M. Brown, Bradley Currey, Jr., Theodore J. Hoepner, David H. Hughes, Jan E. Smith and Chilton D. Varner.

In the case of Mr. Hoepner, Mr. Hughes and Mr. Smith, the Board considered the Company's relationship with SunTrust Banks, Inc. and its subsidiaries ("SunTrust"), and concluded that this relationship is not material based upon the fact that payments made to, and received from, SunTrust total less than 1% of either entity's total consolidated revenues. In the case of Mr. Bell, the Board's determination that the Company's relationship with Pennington, Moore, Wilkinson, Bell & Dunbar, P.A. is not material was based upon the fact that the Company is not and has never been a client of that firm, and the fact that the total amount of fees being reimbursed to a client of that firm for services rendered to that entity in 2005 is \$50,000, which is significantly less than 1% of either entity's total revenues. For a more detailed discussion related to these relationships, see "Certain Relationships and Related Transactions" and "Executive Compensation - Compensation Committee Interlocks and Insider Participation."

Our Board of Directors has an Audit Committee, Compensation Committee, and Nominating/Corporate Governance Committee. The charters of each of these Board committees are available in the "Investor Relations" section of our website (www.bbinsurance.com), and are available in print to any shareholder who requests a copy from the Corporate Secretary. The current members of the Audit Committee are Jan E. Smith (Chairman), Hugh M. Brown, Bradley Currey, Jr. and David H. Hughes, each of whom is independent as defined within the listing standards for the NYSE. The duties of the Audit Committee, which held four regular meetings during 2004, are to recommend to the Board of Directors the selection of independent certified public accountants, to meet with our independent certified public accountants to review and discuss the scope and results of the annual audit, and to consider various accounting and auditing matters related to the Company, including our system of internal controls and financial management practices. The Audit Committee includes at least one audit committee financial expert, Bradley Currey, Jr., among its members.

The Compensation Committee currently consists of Samuel P. Bell, III (Chairman), Hugh M. Brown, Bradley Currey, Jr., David H. Hughes, Jan E. Smith and Chilton D. Varner, each of whom is independent, as independence is defined in the listing standards for the NYSE. The Compensation Committee recommends to the Board base salary levels and bonuses for the Chief Executive Officer and the Named Executive Officers, and approves the guidelines used to determine salary levels and bonuses for our other executive officers. See "Executive Compensation - Board Compensation Committee Report on Executive Compensation." The Compensation Committee also reviews and makes recommendations with respect to our existing and proposed compensation plans, and is responsible for administering our 1990 Employee Stock Purchase Plan, the Stock Performance Plan, and the 2000 Incentive Stock Option Plan for Employees. The Compensation Committee held four regular meetings in 2004.

The Nominating/Corporate Governance Committee currently consists of Bradley Currey, Jr. (Chairman), Samuel P. Bell, III, Jan E. Smith and Chilton D. Varner, each of whom is independent, as independence is defined in the listing standards for the NYSE. This Committee's duties include duties associated with corporate governance, as well as the nomination of persons to stand for election to the Board at our Annual Shareholders' Meeting and recommendation of nominees to the Board of Directors to fill vacancies on, or as additions to, the Board. The Nominating/Corporate Governance Committee held four regular meetings in 2004.

The Nominating/Corporate Governance Committee will consider nominations of persons for election as directors that are submitted in writing by shareholders in accordance with our procedures for shareholder proposals. See "Proposals of Shareholders." Such proposals must contain all information with respect to such proposed candidate as required by the SEC's proxy rules, should address the manner in which the proposed candidate meets the criteria described below, and must be accompanied by the consent of such proposed candidate to serve as a director, if elected. The Nominating/Corporate Governance Committee has not established "minimum qualifications" for director nominees, because it is the view of the Committee that the establishment of rigid "minimum qualifications" might preclude the consideration of otherwise desirable candidates for election to the Board. The Nominating/Corporate Governance Committee will consider proposed candidates identified by non-management directors, the Chief Executive Officer and other executive officers, and shareholders, and will evaluate such candidates based on a number of factors, including: (a) the need or desirability of maintaining or expanding the size of the Board; (b) independence; (c) credentials, including, without limitation, business experience, experience within the insurance industry, educational background, financial sophistication, professional training, designations and certifications; (d) interest in, and willingness to serve on, the Board; (e) ability to contribute by way of participation as a member of Board committees; (f) financial expertise and sophistication; (g) basic understanding of the Company's principal operational and financial objectives, plans and strategies, results of operations and financial condition, and relative standing in relation to the Company's competitors; and (h) willingness to commit requisite time and attention to Board service, including preparation for and attendance at regular quarterly meetings, special meetings, Committee meetings and periodic Board "retreats."

The Nominating/Corporate Governance Committee and the Board consider a variety of sources when identifying individuals as potential Board members, including other enterprises with which Board members are or have previously been involved and through which they have become acquainted with qualified candidates. The Company does not pay any third party a fee to assist in the identification or evaluation of candidates, and the Company has not rejected director candidates put forward by a shareholder or group of shareholders who beneficially owned more than five percent of the Company's stock for at least one year prior to the time of the recommendation.

The Nominating/Corporate Governance Committee has nominated those persons named in "Proposal - Election of Directors" below to stand for election to the Board of Directors at the 2005 Annual Shareholders' Meeting. One of these nominees, Chilton D. Varner, was appointed to the Board effective July 1, 2004. Ms. Varner was recommended for consideration for nomination by the Chief Executive Officer and two non-management Board members.

Corporate Governance Principles; Code of Business Conduct and Ethics; Code of Ethics for Chief Executive Officer and Senior Financial Officers

The Board of Directors has adopted Corporate Governance Principles, a Code of Business Conduct and Ethics, and a Code of Ethics for Chief Executive Officer and Senior Financial Officers. The full text of the Corporate Governance Principles, Code of Business Conduct and Ethics, and Code of Ethics for Chief Executive Officer and Senior Financial Officers can be found in the "Investor Relations" section of our website (www.bbinsurance.com) and are available in print to any shareholder who requests a copy from the Corporate Secretary.

Shareholder Communication with Directors

Shareholders may communicate with our Board of Directors, or with specified members or committees of our Board, or with non-management Directors as a group or with the Presiding Director of the non-management Directors, Bradley Currey, Jr., by sending correspondence to our Corporate Secretary at 401 East Jackson Street, Suite 1700, Tampa, Florida 33602, and specifying in such correspondence that the message is for our Board or for one or more of its members or committees. Communications will be relayed to Directors no later than the next regularly scheduled quarterly meeting of the Board and Board committees.

Compensation of Directors

During 2004, Directors who are not employees of ours were paid \$7,500 for each Board meeting attended in person, \$2,000 for attendance at the annual Board "retreat," \$1,500 for each Board meeting attended by telephone, and \$1,500 for each committee meeting attended if such meeting occurs other than in conjunction with regularly scheduled quarterly Board meetings. Directors who are members of a special committee of the Board received a fee of \$2,500 for special committee meetings attended in person, and \$1,500 for special committee meetings attended by phone. In addition, commencing in 2004, the Chairman of the Audit Committee is paid \$4,000 in January of each year for services associated with that office. Each of the Directors who is not an employee of ours also receives 500 shares of our common stock each year as additional compensation for such Director's services.

All Directors receive reimbursement of reasonable out-of-pocket expenses incurred in connection with meetings of the Board. No Director who is an employee of ours receives separate compensation for services rendered as a Director.

Certain Relationships and Related Transactions

Effective as of January 1, 2001, we acquired all of the insurance agency business-related assets of Riedman Corporation ("Riedman"), based in Rochester, New York. Since January 2001, John R. Riedman, Chairman of Riedman Corporation, has served as one of our directors.

Pursuant to the acquisition agreement with Riedman, we notified Riedman in January 2002 of certain claims we believed we have for indemnification under the acquisition agreement, and of our intent to partially offset those claims against the last payment due by us to Riedman in February 2002. In May 2004, all issues concerning the scope and payment of our asserted claims were resolved, and the approximately \$1 million of escrowed funds to which we believed we were entitled was released to us.

Riedman is the landlord under a lease agreement with us, as tenant, with respect to office space in Rochester, New York that was entered into in connection with the transactions referenced in the preceding paragraphs. The lease provides for our payment of annual rent of \$300,000 for a term of five years from January 2001.

J. Powell Brown, who is the son of J. Hyatt Brown, is employed by us as a Regional Executive Vice President and received compensation of \$663,991 for services rendered to us in 2004. P. Barrett Brown, who is also the son of J. Hyatt Brown, is employed by Brown & Brown of California, Inc., one of our subsidiaries, as the profit center manager for the Orange, California retail office and received compensation of \$187,321 for services rendered to that subsidiary in 2004.

Brian Henderson, who is the son of Jim W. Henderson, is employed by Peachtree Special Risk Brokers, LLC, one of our subsidiaries, as Property Broker in Boca Raton, Florida and received compensation of \$144,257 for services rendered to that subsidiary in 2004.

Joanne B. Penny, who is the mother of J. Scott Penny, is employed by us as a producer in our Daytona Beach, Florida retail office and received compensation of \$185,678 for services rendered in 2004.

Theodore J. Hoepner is the Vice Chairman of SunTrust Bank Holding Company. J. Powell Brown is a member of the Administrative Board of SunTrust Center of SunTrust Bank/Central Florida. J. Hyatt Brown is a director of SunTrust Banks, Inc. We have a \$75 million revolving credit facility and a \$38.6 million outstanding term loan balance at December 31, 2004 with SunTrust Banks, Inc., an affiliate of SunTrust Bank Holding Company. We expect to continue to use SunTrust Banks, Inc. during 2005 for most of our cash management requirements. Additionally, SunTrust Robinson Humphrey Capital Markets, a division of SunTrust Capital Markets, Inc., the investment banking subsidiary of SunTrust Banks, Inc., provided services to us in 2004 with respect to the private placement of \$200 million of unsecured senior notes, and may provide investment banking services to us from time to time. Trusco Capital Management, Inc., a subsidiary of SunTrust Banks, Inc., managed the outstanding balance on the unsecured senior notes referenced above in 2004. Two of our subsidiaries provide insurance-related services to subsidiaries of SunTrust Banks, Inc., and a number of our offices provide services with respect to premium financing to another such subsidiary. For other transactions involving management and us, see "Executive Compensation - Compensation Committee Interlocks and Insider Participation."

SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Exchange Act requires our directors, officers, and persons who own more than 10% of our outstanding shares of common stock, to file reports of ownership and changes in ownership with the SEC. Directors, officers, and 10% shareholders are required by SEC rules to furnish us with copies of all Section 16(a) reports they file.

To our knowledge, based solely on our review of the copies of such reports furnished to us and written representations from certain reporting persons that no other reports were required to be filed by those persons, we believe that during 2004, our directors, officers and 10% beneficial owners timely complied with all applicable filing requirements.

EXECUTIVE COMPENSATION

The following table sets forth the compensation received by our Chief Executive Officer, and the four other highest paid executive officers in 2004 (the "Named Executive Officers") for services rendered to us in such capacity for each of the three years, as applicable, in the period ended December 31, 2004:

<u>Name and Principal Position</u>	<u>Fiscal Year</u>	<u>Annual Compensation</u>		<u>Long Term Compensation Awards</u>		<u>All Other Compensation</u> (1)(2)
		<u>Salary</u> (\$)	<u>Bonus</u> (\$)	<u>Other Annual Compensation</u> (\$)(1)	<u>Securities Underlying Options</u> (#)(3)	
J. Hyatt Brown	2004	\$573,762	\$1,038,394			\$ 6,661
Chairman of the Board & Chief Executive Officer	2003	554,485	1,003,279			8,000
	2002	535,963	850,000			8,000
Jim W. Henderson	2004	\$384,164	\$ 921,624	\$ 33,823		\$ 8,200
President & Chief Operating Officer	2003	371,995	890,474	23,060	100,000	8,000
	2002	358,942	754,416	22,870		8,000
Thomas E. Riley	2004	\$273,042	\$ 850,000	\$ 33,780		\$ 8,200
Regional President	2003	264,173	787,000	1,765,417	90,381	8,000
	2002	255,239	715,000	22,870		8,000
Kenneth D. Kirk	2004	\$301,577	\$ 835,000	\$ 187,490		\$ 8,200
Regional Executive Vice President	2003	297,801	840,000	22,844	56,700	8,000
	2002	281,770	608,745	22,654		8,000
C. Roy Bridges	2004	\$295,757	\$ 660,000	\$ 28,589		\$ 8,200
Regional Executive Vice President	2003	286,430	612,765	3,616,388	63,008	8,000
	2002	276,803	483,577	19,290		8,000

(1) These dollar amounts reflect cash dividends paid to officer-grantees on granted performance stock shares that have met the first condition for vesting pursuant to our Stock Performance Plan and, in the case of Mr. Kirk in 2004, and Messrs. Riley and Bridges in 2003, also include the exercise of non-qualified incentive stock options vested pursuant to our Incentive Stock Option Plan. For a description of the number of options granted, the number of options exercised, and the value of such options at December 31, 2004, see "Executive Compensation - Aggregated Option Exercises in Last Fiscal Year and Fiscal Year-End Option Values," below.

(2) Amounts shown represent our 401(k) plan profit sharing and matching contributions.

(3) Amounts shown represent the number of shares underlying options granted in 2003.

Option Grants in 2004

No stock options were granted to the Named Executive Officers in 2004.

Aggregated Option Exercises in Last Fiscal Year and Fiscal Year-End Option Values

The closing market price of our stock underlying the stock options granted under our 2000 Incentive Stock Option Plan for Employees was \$43.55 per share as of December 31, 2004. The resulting difference between the year-end market price and the adjusted exercise price per share of \$9.67 for options granted in 2000 is \$33.88 per share, and the adjusted exercise price per share of \$31.56 for options granted in 2003 is \$11.99 (per share exercise prices are adjusted to reflect the two-for-one common stock splits that become effective November 21, 2001 and August 23, 2000, respectively). Therefore, the values at fiscal year-end of unexercised "in-the-money" options granted to the Named Executed Officers are as set forth in the table below:

NAME	NUMBER OF SECURITIES UNDERLYING UNEXERCISED OPTIONS AT DECEMBER 31, 2004(#)		VALUE OF UNEXERCISED IN-THE- MONEY OPTIONS AT DECEMBER 31, 2004(\$)	
	EXERCISABLE	UNEXERCISABLE	EXERCISABLE	UNEXERCISABLE
J. Hyatt Brown	—	—	\$ —	\$ —
Jim W. Henderson	218,436	120,680	7,400,612	1,899,638
Kenneth D. Kirk	10,340			