



1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	© VALUE LINE PUB, INC.	07-09
1.27	1.44	1.59	1.54	1.63	1.88	1.94	2.04	2.29	2.46	2.85	3.21	3.59	5.78	6.68	8.04	9.10	10.00	Revenues per sh	14.00
.21	.19	.26	.28	.24	.30	.38	.41	.46	.52	.60	.71	.79	1.21	1.53	1.98	2.30	2.55	"Cash Flow" per sh	3.45
.15	.11	.14	.16	.09	.16	.26	.28	.32	.37	.43	.50	.58	.85	1.22	1.60	1.85	2.10	Earnings per sh ^A	2.90
.05	.05	.05	.05	.07	.07	.07	.08	.08	.09	.10	.12	.14	.16	.20	.24	.28	.32	Div'ds Decl'd per sh ^B	.40
.04	.01	.05	.04	.04	.04	.05	.10	.09	.05	.63	.09	.07	.17	.11	.23	.25	.25	Cap'l Spending per sh	.30
.14	.22	.32	.45	.43	.54	.86	1.04	1.30	1.47	1.56	1.88	2.09	2.77	5.74	7.26	8.75	10.35	Book Value per sh ^D	16.70
27.68	28.64	29.40	30.14	30.63	50.15	51.31	52.09	51.94	52.43	53.99	54.88	58.36	63.19	68.18	68.56	69.00	70.00	Common Shs Outst'g ^C	70.00
7.9	11.6	10.5	10.9	25.3	19.5	12.7	13.7	13.0	15.3	20.8	17.8	21.4	26.2	25.7	20.0	<i>Bold figures are Value Line estimates</i>		Avg Ann'l P/E Ratio	20.0
.66	.88	.78	.70	1.53	1.15	.83	.92	.81	.88	1.08	1.01	1.39	1.34	1.40	1.16			Relative P/E Ratio	1.35
4.6%	4.3%	3.6%	3.2%	2.9%	2.2%	2.1%	2.1%	2.0%	1.6%	1.1%	1.3%	1.1%	.7%	.6%	.8%			Avg Ann'l Div'd Yield	.7%

CAPITAL STRUCTURE as of 6/30/04					1998	1999	2000	2001	2002	2003	2004	2005	Revenues (\$mill)				
Total Debt \$102.8 mill. Due in 5 Yrs \$59.4 mill.					99.5	106.4	118.7	129.2	153.8	176.4	209.7	365.0	630	700			
LT Debt \$34.3 mill. LT Interest \$2.1 mill. (7% of Cap'l)					32.3%	32.7%	29.9%	35.3%	30.8%	32.1%	32.3%	32.5%	35.2%	37.3%			
Leases, Uncapitalized: Annual rentals \$16.5 mill.					6.3	6.5	7.5	8.1	9.4	11.8	13.2	22.4	21.3	25.7			
No Defined Benefit Pension Plan					13.3	14.8	16.5	19.4	23.1	27.2	33.2	53.9	83.1	110.3			
Pfd Stock None					34.7%	36.6%	39.0%	38.7%	38.5%	38.5%	38.5%	38.5%	36.6%	37.5%			
Common Stock 68,904,401 shs.					13.3%	13.9%	13.9%	15.0%	15.0%	15.4%	15.8%	14.8%	18.2%	20.0%			
MARKET CAP: \$3.0 billion (Mid Cap)					8.0	10.8	5.7	14.9	3.1	06.6	4.3	d50.1	34.6	42.0			
CURRENT POSITION					7.4	7.0	5.3	4.1	17.2	3.9	2.7	78.2	57.6	41.1			
(SMILL.)					44.0	54.4	67.3	77.1	84.2	103.0	121.9	175.3	391.6	498.0			
Cash Assets					31.2%	28.2%	23.4%	24.5%	23.0%	25.7%	26.9%	22.4%	19.0%	20.8%			
Receivables					30.2%	27.2%	24.5%	25.1%	27.4%	26.4%	27.2%	30.8%	21.2%	22.2%			
Other					22.1%	19.6%	18.2%	19.1%	20.9%	20.3%	21.0%	25.2%	17.8%	18.8%			
Current Assets					27%	28%	26%	24%	24%	23%	23%	18%	16%	15%			
Accts Payable					BUSINESS: Brown & Brown operates a diversified insurance brokerage firm that markets property/casualty products and services to commercial, professional, and individual customers. The company's property insurance protects against physical damage to property and the resultant interruption of business caused by firestorm, windstorm, or other perils. Casualty insurance relates to legal liabilities, workers' compensation, commercial and private automobile insurance, and fidelity and surety insurance. Has about 3,400 empl. Off./ dir. own 21.1% of stock; J. Hyatt Brown, 15.8%; T. Rowe Price, 5.4% (3/04 Proxy). Chairman and CEO: J. Hyatt Brown. Inc. Fl. Addr.: 220 South Ridgewood Ave., Daytona Beach, FL 32114. Tel.: 386-252-9601. Internet: www.brown-n-brown.com.												
Debt Due					Brown & Brown continues to post healthy results. For the second quarter of 2004, the company's share earnings rose by 12% year over year. Takeovers of small insurance firms are boosting top-line growth. For instance, Brown & Brown completed 10 acquisitions over the quarter, with total estimated annual revenue of approximately \$38, bringing the total number of deals for the year to 21. In addition, decent organic growth of 5.1% was fueled by higher sales of the company's insurance services. All told, revenues increased by 15% from a year ago, which helped operating margins to widen slightly.												
Other					We expect a softer insurance premium rate environment over the coming year. Insurance rates across most segments should remain relatively flat or even decline in the next few quarters, partly due to greater competition. This will likely lead to lower gains in Brown & Brown's revenues, especially within commissions. Nonetheless, ongoing acquisitions may serve to lift the top line and offset the softened premiums rates. Given the company's history, we've factored in a small amount of takeovers into our estimates. Also, sales growth is outpacing the rise in expenses, which may lift operating margins further.												
Current Liab.					We project modest top- and bottom-line advances over the coming 3 to 5 years. Earnings and revenue will likely rise between 10% and 15% annually over this period, as more synergies are realized through Brown & Brown's takeover strategy. Commissions and fees should also rise at a steady pace through geographic expansion. Underwriting gains may slow down though as premium rate increases diminish.												

Cal-endar	QUARTERLY REVENUES (\$ mill.)				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2001	89.4	89.9	89.8	95.9	365.0
2002	111.0	114.9	110.7	119.1	455.7
2003	144.7	137.9	133.5	134.9	551.0
2004	165.6	157.9	152	154.5	630
2005	170	175	170	185	700

Cal-endar	EARNINGS PER SHARE ^A				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2001	.20	.20	.21	.24	.85
2002	.31	.31	.29	.31	1.22
2003	.44	.41	.38	.37	1.60
2004	.53	.46	.43	.43	1.85
2005	.56	.50	.50	.54	2.10

Cal-endar	QUARTERLY DIVIDENDS PAID ^C				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2000	.033	.033	.033	.038	.14
2001	.038	.038	.038	.048	.16
2002	.048	.048	.048	.058	.20
2003	.058	.058	.058	.07	.24
2004	.07	.07	.07		

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These good-quality shares are ranked favorably for performance over the coming six to 12 months. The company seems to have hit on a workable strategy to build the business. Earnings growth should remain strong through 2005 as a result. Furthermore, Brown & Brown's solid cash flow and the recent funding of \$200 million in debt should help to sustain the company's expansion plans. Longer term, growth rates will probably ease as the company gets bigger.

Randy Shrikishun August 27, 2004

(A) Diluted earnings. Next earnings report due mid-October. (B) Dividend historically paid in mid-February, May, August, and November. (C) In millions, adjusted for splits. (D) Includes intangibles. In '03: \$470.7 million, \$6.87 a share.

Company's Financial Strength	A
Stock's Price Stability	75
Price Growth Persistence	95
Earnings Predictability	90