BROWN & BROWN INC
Form S-4/A
October 03, 2001
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AS FILED WITH THE SECURITIES AND EXCHANGE COMMISSION ON OCTOBER 2, 2001
REGISTRATION STATEMENT NO. 333-67418

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

AMENDMENT NO. 1 TO

FORM S-4
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

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

FLORIDA	6411	59-0864469
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employ Identification N

220 SOUTH RIDGEWOOD AVENUE
DAYTONA BEACH, FLORIDA 32114
(386) 252-9601
(Address, including zip code, and telephone number, including area code, of registrants' principal executive offices)

LAUREL L. GRAMMIG, ESQ.
VICE PRESIDENT, SECRETARY AND GENERAL COUNSEL
401 EAST JACKSON STREET, SUITE 1700
TAMPA, FLORIDA 33602
(813) 222-4100
(Name, address, including zip code, and telephone number, including area code, of agent for service)

COPY TO:
CHESTER E. BACHELLER, ESQ.
HOLLAND & KNIGHT LLP
400 NORTH ASHLEY DRIVE, SUITE 2300
TAMPA, FLORIDA 33602
PHONE: (813) 227-6431
FAX: (813) 229-0134

APPROXIMATE DATE OF COMMENCEMENT OF PROPOSED SALE TO THE PUBLIC: As soon as practicable after the effective time of the merger described herein.

If the securities being registered on this form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, please check the following box.

If this form is filed to register additional securities for an offering

pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. [ ]

If this form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. [ ]

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Amount to be Registered (1)	Proposed Maximum Offering Price per Share (1)(2)(3)	Propose Maximu Aggrega Offering P (3)
Common Stock, par value $.10 per share.....	148,144	$ 38.20	$ 5,659,6

(1) Represents the estimated maximum number of shares of the common stock of the Registrant that may be issued to the holders of shares of common stock of Golden Gate Holdings, Inc. pursuant to an Agreement and Plan of Reorganization, dated as of July 25, 2001, as amended. To the extent a greater number of shares of common stock are required to be issued pursuant to the terms of the Agreement and Plan of Reorganization due to a decrease in stock price, then such greater number of shares shall be deemed to be registered by this Registration Statement.
(2) Calculated by dividing the proposed maximum aggregate offering price by the estimated number of shares of the Registrant common stock being registered on this registration statement.
(3) Calculated pursuant to Rule 457(f) of the Securities Act of 1933, as amended, on the basis of the aggregate book value, as of December 31, 2000, of the shares of Golden Gate Holdings to be acquired by the Registrant in the merger.
(4) The registration fee was previously paid.

THE REGISTRANT HEREBY AMENDS THIS REGISTRATION STATEMENT ON SUCH DATE OR DATES AS MAY BE NECESSARY TO DELAY ITS EFFECTIVE DATE UNTIL THE REGISTRANT SHALL FILE A FURTHER AMENDMENT WHICH SPECIFICALLY STATES THAT THIS REGISTRATION STATEMENT SHALL THEREAFTER BECOME EFFECTIVE IN ACCORDANCE WITH SECTION 8(A) OF THE SECURITIES ACT OF 1933 OR UNTIL THIS REGISTRATION STATEMENT SHALL BECOME EFFECTIVE ON SUCH DATE AS THE COMMISSION, ACTING PURSUANT TO SAID SECTION 8(A), MAY DETERMINE.

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THE INFORMATION IN THIS PROSPECTUS IS NOT COMPLETE AND MAY BE CHANGED. WE MAY NOT SELL THE SECURITIES OFFERED BY THIS PROSPECTUS UNTIL THE REGISTRATION STATEMENT FILED WITH THE SECURITIES AND EXCHANGE COMMISSION IS EFFECTIVE.

SUBJECT TO COMPLETION, DATED OCTOBER 2, 2001

(GOLDEN GATE HOLDINGS LOGO) (BROWN & BROWN LOG

MERGER PROPOSED -- YOUR VOTE IS VERY IMPORTANT

The boards of directors of Brown & Brown, Inc. and Golden Gate Holdings, Inc. have agreed to the merger of Golden Gate Holdings and an indirect wholly-owned subsidiary of Brown & Brown. Your vote, as a shareholder of Golden Gate Holdings, is now needed to approve the merger.

In the merger, Brown & Brown will issue shares of Brown & Brown common stock in exchange for all outstanding shares of Golden Gate Holdings common stock. Brown & Brown common stock is traded on The New York Stock Exchange under the symbol "BRO." After the merger, Golden Gate Holdings will be an indirect wholly-owned subsidiary of Brown & Brown.

The Golden Gate Holdings board has unanimously approved the merger and recommends that you approve it. The Golden Gate Holdings board has scheduled a special meeting for the Golden Gate Holdings shareholders to approve the merger. The special meeting will be held:

Thursday, October 25, 2001
8:30 a.m., Pacific Time
1201 Pacific Avenue, Ninth Floor
Education Center
Tacoma, Washington 98402

Please take the time to vote by completing and returning the enclosed proxy card in the enclosed postage-paid envelope. Even if you plan to attend the special meeting, please complete and return the enclosed proxy card.

Please also execute, as applicable, the enclosed indemnification agreement, contribution agreement, escrow agreement, non-competition agreement, release and spousal consent. Each of these agreements is attached as an annex to the accompanying proxy statement/prospectus and is more fully described in the accompanying proxy statement/prospectus under the heading "Other Agreements."

This document serves as a prospectus of Brown & Brown relating to the issuance of shares of Brown & Brown common stock in connection with the proposed merger and a proxy statement of Golden Gate Holdings in connection with the special meeting of shareholders of Golden Gate Holdings to approve the merger. We encourage you to read this entire document carefully. Please see "Where You Can Find More Information" on page 76 for additional information about Brown & Brown on file with the Securities and Exchange Commission.

The accompanying notice of meeting and proxy statement/prospectus explain the proposed merger and provide specific information concerning the special meeting. Please read these materials carefully.

YOU SHOULD ALSO CAREFULLY CONSIDER THE RISK FACTORS IN THE MERGER DESCRIBED BEGINNING ON PAGE 11.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved the shares of Brown & Brown common stock to be issued in connection with the merger, or determined if this proxy statement/prospectus is truthful or complete. Any representation to the contrary is a criminal offense. This proxy statement/prospectus does not constitute an offer to sell or a solicitation of an offer to buy any securities in any jurisdiction where an offer or solicitation would be illegal.

This proxy statement/prospectus is dated October , 2001 and is expected to be first sent or given to shareholders on October , 2001.

GOLDEN GATE HOLDINGS, INC.
4040 CIVIC CENTER DRIVE, SUITE 520
SAN RAFAEL, CALIFORNIA 94903

NOTICE OF SPECIAL MEETING OF SHAREHOLDERS
To Be Held On October 25, 2001

To the Shareholders of Golden Gate Holdings, Inc.:

Notice is hereby given that a special meeting of shareholders of Golden Gate Holdings, Inc. will be held on Thursday, October 25, 2001, at 8:30 a.m., Pacific Time, at 1201 Pacific Avenue, Ninth Floor, Education Center, Tacoma, Washington 98402.

You are cordially invited to attend the special meeting. The purpose of the special meeting is to consider and vote on a proposal to approve and adopt the Agreement and Plan of Reorganization, dated as of July 25, 2001, as amended, among Brown & Brown, Inc. and Golden Gate Holdings, Inc. Pursuant to the Agreement and Plan of Reorganization, or merger agreement, Golden Gate Holdings will become an indirect, wholly-owned subsidiary of Brown & Brown through the merger of an indirect, wholly-owned subsidiary of Brown & Brown with and into Golden Gate Holdings. Upon completion of the merger, each share of Golden Gate Holdings common stock outstanding immediately prior to the merger (other than shares held by Raleigh, Schwarz & Powell) will be cancelled and converted into the right to receive shares of Brown & Brown common stock, and the Golden Gate Holdings shareholders (other than Raleigh, Schwarz & Powell) will receive, based on their respective ownership interests in Golden Gate Holdings, shares of Brown & Brown common stock equal to:

- $7,103,510 minus 17.76% of the amount by which the consolidated total net worth (as defined in the merger agreement) of Golden Gate Holdings and its affiliate, Raleigh, Schwarz & Powell, Inc., is less than $13,000,000 at the

effective time of the merger, divided by

- the average closing price of Brown & Brown common stock as reported on The New York Stock Exchange for the 20 consecutive trading day period ending at the close of business on the third business day before the merger becomes effective.

This proposal is more fully described later in the proxy statement/prospectus attached to this notice.

Only shareholders of record at the close of business on September 28, 2001, are entitled to notice of and to vote at the special meeting and any adjournments or postponements of the special meeting. Your vote is important. Even if you plan to attend the special meeting, please vote now. To vote, please complete, date and sign the enclosed proxy card and promptly return it in the envelope provided.

By order of the Board of Directors,

Secretary

SAN RAFAEL, CALIFORNIA
OCTOBER __, 2001

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QUESTIONS AND ANSWERS ABOUT THE MERGER

The following questions and answers are intended to address briefly some commonly asked questions regarding the merger. These questions and answers may not address all questions that may be important to you as a Golden Gate Holdings shareholder. Please refer to the more detailed information contained elsewhere in this proxy statement/prospectus and the annexes attached to this proxy statement/prospectus.

Q: WHAT IS THE MERGER?

A: Pursuant to an Agreement and Plan of Reorganization, dated as of July 25, 2001, as amended, among Brown & Brown, Raleigh, Schwarz & Powell, Inc., a Washington corporation and affiliate of Golden Gate Holdings, and certain other parties, a wholly-owned subsidiary of Brown & Brown will merge with and into Raleigh, Schwarz & Powell and Raleigh, Schwarz & Powell will become a wholly-owned subsidiary of Brown & Brown (the "RS&P Merger"). Following the consummation of the RS&P Merger, Raleigh, Schwarz & Powell will form a California corporation that will be a wholly-owned subsidiary of Raleigh, Schwarz & Powell ("New Merger Sub"). Pursuant to an Agreement and Plan of Reorganization dated as of July 25, 2001, as amended, between Brown & Brown and Golden Gate Holdings, Brown & Brown will cause New Merger Sub to execute a joinder to the merger agreement, and New Merger Sub will be merged with and

into Golden Gate Holdings. Golden Gate Holdings will survive the merger as a wholly-owned subsidiary of Raleigh, Schwarz & Powell and the name of Golden Gate Holdings will be changed as Brown & Brown shall determine in its sole discretion. The filing of articles of merger in the office of the Secretary of State of the State of California is referred to in this proxy statement/prospectus as the effective time of the merger.

For a more complete description of the merger, see the section entitled "The Merger" on page 22.

Q: WHAT WILL THE SHAREHOLDERS OF GOLDEN GATE HOLDINGS RECEIVE IN THE MERGER?

A: Upon completion of the merger, each share of Golden Gate Holdings common stock then outstanding (other than shares held by Raleigh, Schwarz & Powell) will be cancelled and converted into the right to receive shares of Brown & Brown common stock, and the Golden Gate Holdings shareholders (other than Raleigh, Schwarz & Powell) will receive, based on their respective ownership interests in Golden Gate Holdings, shares of Brown & Brown common stock equal to:

- $7,103,510 minus 17.76% of the amount by which the consolidated total net worth (as defined in the merger agreement) of Golden Gate Holdings and its affiliate, Raleigh, Schwarz & Powell, Inc., is less than $13,000,000 at the effective time of the merger, divided by

- the average of the closing prices of Brown & Brown common stock as reported on The New York Stock Exchange for the 20 consecutive trading day period ending at the close of business on the third business day immediately before the merger becomes effective.

The following table provides hypothetical calculations of the number of shares of Brown & Brown common stock to be issued to Golden Gate Holdings shareholders as if the merger had become effective on July 25, 2001, the date on which the merger agreement was signed, and on September 28, 2001, the record date. These calculations are provided as examples only, as the actual number of shares of Brown & Brown common stock to be issued to Golden Gate Holdings shareholders cannot be determined until the completion of the merger.

Solely for the purpose of illustrating the calculation of the number of shares of Brown & Brown common stock to be issued in the merger, the following hypothetical calculations assume that: (1) 39,563 shares of Golden Gate Holdings common stock are issued and outstanding, which number of shares of common stock excludes shares held by Raleigh, Schwarz & Powell; and (2) the consolidated total net worth of Golden Gate Holdings, Inc. and its affiliate, Raleigh, Schwarz & Powell, is $13,000,000, at the effective time of the merger.

Date	Average Closing Price of Brown & Brown Common Stock	Number of Shares of Brown & Brown Common Stock to be Issued Per Share of Golden Gate Holdings	Equivalent P Golden Gate Common
July 25, 2001	$ 43.9735	4.0831	$179.
September 28, 2001	$ 44.5990	4.0259	$179.

Q: WILL A PORTION OF THE SHARES ISSUED IN THE MERGER BE PLACED IN ESCROW?

A: Yes. As a condition of the merger, 10% of the shares of Brown & Brown common stock otherwise deliverable upon the merger to each holder of Golden Gate Holdings common stock will be deposited in escrow. Accordingly, Golden Gate Holdings shareholders will not receive 10% of the initial merger consideration to which they would otherwise be entitled at the effective time of the merger. Escrowed shares that are not needed to satisfy Brown & Brown's indemnification claims made within one year after the effective time of the merger will be distributed to the former Golden Gate Holdings shareholders, and the Raleigh, Schwarz & Powell, Inc. Employee Stock Ownership Plan ("ESOP") or its participants, pro rata. Subject to certain restrictions set forth in the indemnification agreement or the merger agreement, the escrow agent may sell any or all of the escrowed shares in brokers' transactions on any national securities exchange upon which such securities are traded, provided the proceeds of any such sale remain in escrow until one year after the effective time of the merger. For a more complete description of the indemnification and escrow arrangements, see the section entitled "Other Agreements--Indemnification Agreement" on page 33 and "--Escrow Agreements" on page 33.

Q: WHAT AM I BEING ASKED TO APPROVE?

A: You are being asked to approve the merger agreement, the merger and the related transactions, which are collectively sometimes referred to in this proxy statement/prospectus as the proposal.

Q: DOES THE BOARD OF DIRECTORS OF GOLDEN GATE HOLDINGS RECOMMEND VOTING IN FAVOR OF THE PROPOSAL?

A: Yes. After careful consideration, the board of directors of Golden Gate Holdings recommends that its shareholders vote FOR the proposal.

For a more complete description of the recommendation of the Golden Gate Holdings board of directors, see the section entitled "The Merger--Recommendation of Golden Gate Holdings Board of Directors" on page 25.

Q: ARE THERE RISKS I SHOULD CONSIDER IN DECIDING WHETHER TO VOTE FOR THE MERGER?

A: Yes. We have set out under the heading "Risk Factors" beginning on page 11 of this proxy statement/prospectus a number of risk factors that you should carefully consider before voting.

Q: HOW DO I VOTE?

A: You may choose one of the following ways to cast your vote:

- by completing the enclosed proxy card and returning it in the enclosed postage-paid envelope; or

- by appearing and voting in person at the special meeting.

If you return your signed proxy card but fail to mark whether you are voting FOR or against the proposal, your shares will be voted for approval of the proposal.

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Q: WHAT DO I NEED TO DO NOW?

A: You should mail your completed and signed proxy card in the enclosed postage-paid envelope addressed to Vandeberg, Johnson & Gandara, as soon as possible. You should also execute the enclosed ancillary agreements and mail each of the signed documents, along with your Golden Gate Holdings stock certificates, in the enclosed postage-paid envelope.

You are urged to read this proxy statement/prospectus carefully, including all of the annexes, and to consider how the merger will affect you as a shareholder.

Q: MAY I CHANGE MY VOTE?

A: You may withdraw your proxy or change your vote by:

- sending written revocation of your proxy;

- submitting a new properly completed and signed proxy by mail; or

- voting in person at the Golden Gate Holdings special meeting.

Q: SHOULD I SEND IN GOLDEN GATE HOLDINGS STOCK CERTIFICATES NOW?

A: Yes. Please return your Golden Gate Holdings stock certificates in the envelope provided. Upon completion of the merger and receipt of your Golden Gate Holdings stock certificates and any other required documents, your Golden Gate Holdings stock certificates will be canceled and you will receive Brown & Brown stock certificates representing the number of whole shares of Brown & Brown common stock to which you are entitled under the merger agreement.

Q: WHEN WILL I BE ABLE TO SELL MY SHARES?

A: Upon completion of the merger, subject to restrictions set forth in the merger agreement, all shares of Brown & Brown common stock received by Golden Gate Holdings shareholders in connection with the merger will be tradeable on The New York Stock Exchange. If a shareholder is considered an affiliate of Golden Gate Holdings or Brown & Brown under the Securities Act of 1933, as amended (the "Securities Act"), in order to sell shares of Brown & Brown common stock, that shareholder must comply with the resale provisions of Rule 145(d) under the Securities Act or sell the shares as otherwise permitted under the Securities Act.

Q: WHEN DO YOU EXPECT THE MERGER TO BE COMPLETED?

A: Brown & Brown and Golden Gate Holdings are working toward completing the merger as soon as practicable after the Golden Gate Holdings shareholders approve the proposal. However, the merger is subject to a number of conditions, including, but not limited to, Brown & Brown's satisfaction, in its sole discretion, with the results of its due diligence investigation of Golden Gate Holdings. We hope to complete the merger by the end of October 2001.

Q: WILL I RECOGNIZE A GAIN OR LOSS ON THE TRANSACTION?

A: Brown & Brown and Golden Gate Holdings expect that if the merger is completed, you will not recognize gain or loss for federal income tax purposes. You are urged to consult your own tax advisor to determine your particular tax consequences.

For a more complete description of the tax consequences of the merger, see the section entitled "The Merger--Material Federal Income Tax Considerations" on page 26.

Q: AM I ENTITLED TO DISSENTERS' RIGHTS?

A: If the merger occurs, Golden Gate Holdings shareholders who do not vote their Golden Gate Holdings shares in favor of the merger may be entitled to dissenters' rights under California law.

For a more complete description of dissenters' rights, see the section entitled "The Golden Gate Holdings Special Meeting--Dissenters' Rights " on pages 19 to 21.

Q: WHOM SHOULD I CONTACT WITH QUESTIONS?

A: If you have more questions about the merger, you should contact:

Golden Gate Holdings, Inc.
4040 Civic Center Drive, Suite 520
San Rafael, California 94903

Attn: Bruce Ricci
Phone: (415) 479-1800 extension 126

You may also obtain additional information about Brown & Brown from documents filed with the Securities and Exchange Commission by following the instructions in the section entitled "Where You Can Find More Information" on page 76.

SUMMARY

This summary, together with the preceding Questions and Answers section, highlights selected information from this proxy statement/prospectus and may not contain all of the information that is important to you. To understand the merger fully and for a more complete description of the terms of the merger, you should read carefully this entire document and the documents to which we have referred you. See "Where You Can Find More Information" on page 76. We have included page references parenthetically to direct you to a more complete description of the topics in this summary.

THE COMPANIES (PAGE 47 TO 55)

Brown & Brown, Inc.
401 East Jackson Street, Suite 1700
Tampa, Florida 33602
Phone: (813) 222-4100

Brown & Brown is a diversified insurance brokerage and agency that markets and sells primarily property and casualty insurance products and services to its clients. Because Brown & Brown does not engage in underwriting activities, it does not assume underwriting risks. Instead, Brown & Brown acts in an agency capacity to provide its clients with targeted, customized risk management products.

Golden Gate Holdings, Inc.
4040 Civic Center Drive, Suite 520
San Rafael, California 94903
Phone: (415) 479-1800 extension 126

Golden Gate Holdings is a property/casualty insurance consulting and brokerage firm providing services to both commercial and individual customers throughout Northern California. Although its target geographic market is Northern California, Golden Gate Holdings, through its affiliated company Raleigh, Schwarz & Powell, services clients located as far south as San Diego and Los Angeles and as far north as Alaska from three main offices: Seattle, Washington, Tacoma, Washington, and Golden Gate Holdings's headquarters in San Rafael, California.

THE MERGER (PAGE 22)

Following the consummation of the RS&P Merger, Raleigh, Schwarz & Powell will form New Merger Sub, a California corporation, that will be a wholly-owned subsidiary of Raleigh, Schwarz & Powell. Pursuant to an Agreement

and Plan of Reorganization, dated as of July 25, 2001, as amended, between Brown & Brown and Golden Gate Holdings, Brown & Brown will cause New Merger Sub to execute a joinder to the merger agreement, and New Merger Sub will be merged with and into Golden Gate Holdings. Golden Gate Holdings will survive the merger as a wholly-owned subsidiary of Raleigh, Schwarz & Powell and the name of Golden Gate Holdings will be changed as Brown & Brown shall determine in its sole discretion.

If this merger becomes effective, each share of Golden Gate Holdings common stock then outstanding (other than shares held by Raleigh, Schwarz & Powell) will be cancelled and converted into the right to receive shares of Brown & Brown common stock, and the Golden Gate Holdings shareholders (other than Raleigh, Schwarz & Powell) will receive, based on their respective ownership interests in Golden Gate Holdings, shares of Brown & Brown common stock equal to:

- $7,103,510 minus 17.76% of the amount by which the consolidated total net worth (as defined in the merger agreement) of Golden Gate Holdings and its affiliate, Raleigh, Schwarz & Powell, Inc., is less than $13,000,000 at the effective time of the merger, divided by

- the average of the closing prices of Brown & Brown common stock as reported on The New York Stock Exchange for the 20 consecutive trading day period ending at the close of business on the third business day immediately before the merger becomes effective.

The Agreement and Plan of Reorganization, or merger agreement, is attached to this proxy statement/ prospectus as Annex A. Brown & Brown and Golden Gate Holdings encourage you to read the merger agreement carefully.

REASONS FOR THE MERGER (PAGES 23 TO 25)

Following are the principal reasons why the Golden Gate Holdings board of directors approved the merger:

- Golden Gate Holdings faces increased competition from larger brokers with new local offices. To remain competitive and achieve greater revenue mass, Golden Gate Holdings needs to continue to acquire smaller regional brokers. Without a liquid stock to use as consideration in acquisitions, further expansion is expected to become more difficult.

- Exchanging Golden Gate Holdings common stock for publicly traded Brown & Brown common stock is expected to increase shareholders' liquidity.

- The merger provides the Golden Gate Holdings shareholders with the opportunity to participate in a combined entity with greater financial stability and the potential for increased economic growth and diversification.

- The merger may result in cost savings.

In short, the Golden Gate Holdings board of directors believes that the merger offers Golden Gate Holdings shareholders, customers and employees a unique opportunity to realize the benefits created by combining the two companies.

The Brown & Brown board of directors believes that the merger presents Brown & Brown with an opportunity to expand its geographical presence consistent with its overall business strategy. The Brown & Brown board of directors also believes that there are opportunities to increase the efficiency of the combined companies.

The Golden Gate Holdings board of directors believes that the terms of the merger are fair to, and in the best interests of, Golden Gate Holdings and its shareholders. The board of directors has unanimously approved the merger agreement and the merger, and recommends that you vote FOR the proposal to approve the merger agreement and the merger.

The potential benefits of the merger may not be achieved. See the sections entitled "Risk Factors--Risks Related to the Merger" on page 11, "The Merger-- Brown & Brown Reasons for the Merger" on pages 23 to 24 and "The Merger--Golden Gate Holdings Reasons for the Merger" on pages 24 to 25.

CONDITIONS TO THE COMPLETION OF THE MERGER (PAGE 31)

The completion of the merger is subject to the prior satisfaction of a number of conditions, including the following:

- approval of the merger, the merger agreement and the related transactions by the holders of a majority of the outstanding shares of Golden Gate Holdings Class A (voting) common stock and a majority of the outstanding shares of Class B (nonvoting) common stock;

- Brown & Brown and Golden Gate Holdings will have timely obtained all governmental approvals, and no law or order preventing the completion of the merger will have been enacted;

- execution of employment agreements by Brown & Brown and those employees of Golden Gate Holdings specified in a schedule to the merger agreement to be delivered prior to completion of the merger;

- execution of non-competition agreements by each of the Golden Gate Holdings shareholders specified in a schedule to the merger agreement to be delivered prior to completion of the merger;

- the truth and correctness, in all material respects, of the representations and warranties of Brown & Brown, Golden Gate Holdings and New Merger Sub in the merger agreement as of the effective time of the merger;

- the effectiveness of the merger of Raleigh, Schwarz & Powell with a subsidiary of Brown & Brown;

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- Brown & Brown's and New Merger Sub's satisfaction, in their sole discretion, with the results of Brown & Brown's due diligence investigation of Golden Gate Holdings;

- the Securities and Exchange Commission declaring effective the registration statement on Form S-4, of which this proxy statement/prospectus is a part, registering the issuance of Brown & Brown common stock in the merger;

- Brown & Brown and Golden Gate Holdings will have performed in all material respects all obligations required to be performed by them under the merger agreement;

- Golden Gate Holdings's receipt of a legal opinion from the Assistant General Counsel of Brown & Brown;

- Brown & Brown's receipt of a legal opinion from counsel to Golden Gate Holdings;

- delivery by Golden Gate Holdings of those schedules required under the merger agreement, in form and substance satisfactory to Brown & Brown and New Merger Sub;

- execution of an escrow agreement by Brown & Brown and each of the Golden Gate Holdings shareholders (excluding the ESOP and Raleigh, Schwarz & Powell), in the form attached to this proxy statement/prospectus as Annex E;

- execution of an escrow agreement by Brown & Brown and the ESOP, in the form attached to this proxy statement/prospectus as Annex F;

- execution of a release by each of the Golden Gate Holdings shareholders, in the form attached to this proxy statement/prospectus as Annex G;

- execution of an indemnification agreement by Brown & Brown and each of the Golden Gate Holdings shareholders (excluding the ESOP), in the form attached to this proxy statement/prospectus as Annex B; and

- delivery by each of the Golden Gate Holdings shareholders of his or her Raleigh, Schwarz & Powell stock certificates.

RECORD DATE; VOTE REQUIRED FOR APPROVAL (PAGE 18)

You may vote for approval of the merger if you owned shares of Golden Gate Holdings Class A (voting) and/or Class B (nonvoting) common stock at the close of business on September 28, 2001.

As of the record date, Golden Gate Holdings had 19,538 shares of Class A (voting) common stock and 36,693 shares of Class B (nonvoting) common stock outstanding. Each share of Golden Gate Holdings Class A (voting) common stock and Class B (nonvoting) common stock outstanding on the record date entitles its holder to one vote. Completion of the merger requires the approval of the merger agreement by the affirmative vote of a majority of the outstanding shares of Golden Gate Holdings Class A (voting) common stock and a majority of the outstanding shares of Golden Gate Holdings Class B (nonvoting) common stock. However, an agreement among the Golden Gate Holdings shareholders dated effective October 1, 1999, provides that Raleigh, Schwarz & Powell, an affiliate of Golden Gate Holdings and the holder of 16,668 shares of Golden Gate Holdings Class A (voting) common stock, cannot vote in favor of the merger without the affirmative vote of the holders of 50% or more of the outstanding shares of Class A (voting) common stock and 50% or more of the outstanding shares of Class B (nonvoting) common stock. As a result, the validity and effectiveness of the affirmative vote by Raleigh, Schwarz & Powell of its 16,668 shares of Golden Gate Holdings Class A (voting) common stock is conditioned upon the receipt of the affirmative vote of the holders of 50% or more of the outstanding shares of Golden Gate Holdings Class A (voting) common stock (excluding the shares held by Raleigh, Schwarz & Powell) and 50% or more of the outstanding shares of Golden Gate Holdings Class B (nonvoting) common stock. Because the vote is based on the number of shares outstanding rather than on the number of votes cast, failure to vote your shares is effectively a vote against approval of the merger. In addition, abstentions will have the same effect as votes against approval of the merger.

Golden Gate Holdings directors, executive officers and their affiliates held shares representing approximately 94.29% of the outstanding Golden Gate Holdings Class A (voting) common stock 61.59% of the

outstanding Golden Gate Holdings Class B (nonvoting) common stock and 72.950% of the combined outstanding Golden Gate Holdings Class A (voting) and Class B (nonvoting) common stock.

ESCROW AGREEMENTS (PAGE 33)

As a condition of the merger, each Golden Gate Holdings shareholder must execute and deliver an escrow agreement, under which 10% of the total number of shares of Brown & Brown common stock otherwise deliverable upon the effective time of the merger to each holder of Golden Gate Holdings common stock will be deposited in escrow to secure the indemnification obligations of such shareholders. Accordingly, Golden Gate Holdings shareholders will not receive 10% of the initial merger consideration to which they would otherwise be entitled at the effective time of the merger. The escrowed shares will remain available to compensate Brown & Brown for one year from the effective time of the merger. If a claim is asserted prior to the one-year anniversary of the closing and the claim has not been resolved by the one-year anniversary, shares will remain in escrow in an amount sufficient to satisfy the claim until the claim has been resolved, even if the one-year period has elapsed. Escrowed shares that are not needed to satisfy indemnification claims made within one year after the effective time of the merger will be distributed to the former Golden Gate Holdings shareholders, and the ESOP or its participants, pro rata.

INDEMNIFICATION AGREEMENT (PAGE 33)

As a condition of the merger, each Golden Gate Holdings shareholder (excluding the ESOP) must execute and deliver an indemnification agreement that provides that such Golden Gate Holdings shareholder, other than Raleigh, Schwarz & Powell, will jointly and severally indemnify Brown & Brown for certain damages. The shareholders will not be required to indemnify Brown & Brown unless the aggregate claims for such damages exceed $25,000, and only to the extent such claims exceed such initial $25,000. The maximum indemnification obligation of such shareholders as a whole is limited to the aggregate value, as of the effective time of the merger, of the Brown & Brown shares of common stock received in the merger; provided, however, that the maximum liability of each shareholder who owns less than 2,000 shares of Golden Gate Holdings common stock prior to July 25, 2001, shall be limited to the aggregate value, as of the effective time of the merger, of the merger consideration received by such shareholder.

TERMINATION OF THE MERGER AGREEMENT (PAGE 32)

Before completion of the merger, the merger agreement may be terminated by the parties' mutual consent. In addition, subject to qualifications, the merger agreement may be terminated by either of the parties under any of the following circumstances:

- if the merger is not completed by August 31, 2001, provided that if delays in the registration of the Brown & Brown common stock prevent the closing from occurring by that date, then the parties shall agree to extend the termination date to November 30, 2001;

- if any permanent injunction or other order of a court or other competent authority preventing consummation of the merger shall have become final and non-appealable; or

- if there shall have been a material breach of any representation, warranty, covenant or agreement by the non-terminating party which breach shall not have been cured prior to the consummation of the merger.

On August 31, 2001, the parties agreed to extend the termination date of the merger agreement to November 30, 2001.

ACCOUNTING TREATMENT OF THE MERGER (PAGE 26)

Brown & Brown has determined that the minority interests in Golden Gate Holdings will be acquired at fair market value and be accounted for using the purchase method of accounting.

INTERESTS OF EXECUTIVE OFFICERS OF GOLDEN GATE HOLDINGS (PAGE 25)

In considering the recommendation of the Golden Gate Holdings board of

directors, you should be aware that the executive officers of Golden Gate Holdings have interests in the merger that are different from, or in addition to, those of Golden Gate Holdings shareholders generally. As a condition of the merger, each executive officer is required to enter into an employment agreement, generally upon the same terms and conditions as all other employees of Golden Gate Holdings, that provides for his continued employment with the surviving corporation of

the merger. However, one or more senior executive officers may enter into employment agreements with the surviving corporation that provide such executive officers with certain guaranteed compensation levels and other benefits, and may provide that the executive officers cannot be terminated for certain periods without cause. As a result of these interests, these executive officers could be more likely to vote in favor of the proposal than shareholders without these interests.

DISSENTERS' RIGHTS (PAGE 19)

Under California law, you may have the right to dissent from the merger and to have the appraised fair market value of your shares of Golden Gate Holdings common stock paid to you in cash. You have the right to seek appraisal of the value of your Golden Gate Holdings common stock and be paid the appraised value if all of the following conditions exist:

- You deliver to Golden Gate Holdings, before the special meeting, a written demand for payment of your shares of Golden Gate Holdings common stock;
- The holders of at least 5% of the total number of shares of Golden Gate Holdings common stock (including you) make the required written demand;
- You vote against the merger; and
- You otherwise comply with the provisions governing dissenters' rights under California law.

If you dissent from the merger and the conditions outlined above are met, your shares of Golden Gate Holdings common stock will not be exchanged for shares of Brown & Brown common stock in the merger, and your only right will be to receive the appraised value of your shares in cash. You should be aware that the failure to return a signed written consent does not dispense with the requirement to deliver a written demand for payment. The appraised value may be less than the consideration you would receive under the terms of the merger agreement.

MATERIAL FEDERAL INCOME TAX CONSIDERATIONS (PAGE 26)

We have attempted to structure the merger so that, in general, Brown & Brown, Brown & Brown shareholders, Raleigh, Schwarz & Powell, New Merger Sub, Golden Gate Holdings and Golden Gate Holdings shareholders will not recognize gain or loss for federal income tax purposes in connection with the merger.

Tax matters are very complicated, and the tax consequences of the

merger to you will depend on the facts of your own situation. You should consult your tax advisor for a full understanding of the tax consequences of the merger to you.

COMPARISON OF SHAREHOLDER RIGHTS (PAGE 68)

The rights of shareholders of Golden Gate Holdings as shareholders of Brown & Brown after the merger will be governed by Brown & Brown's existing amended and restated articles of incorporation and its existing amended and restated bylaws. Those rights significantly differ from the current rights of Golden Gate Holdings shareholders under the Golden Gate Holdings articles of incorporation and bylaws.

MARKET PRICE INFORMATION (PAGE 46)

Shares of Brown & Brown common stock are listed on The New York Stock Exchange. On June 28, 2001, the last full trading day prior to the public announcement of the proposed merger, Brown & Brown's common stock closed at $42.10 per share. On October 1, 2001, the latest practicable date before the printing of this proxy statement/prospectus, Brown & Brown's common stock closed at $53.25 per share. The common stock of Golden Gate Holdings is not traded on an established public trading market. The companies urge you to obtain current market quotations for the Brown & Brown common stock.

THIS SUMMARY MAY NOT CONTAIN ALL OF THE INFORMATION THAT IS IMPORTANT TO YOU. YOU SHOULD CAREFULLY READ THIS ENTIRE DOCUMENT AND THE OTHER DOCUMENTS INCLUDED ELSEWHERE IN THIS PROXY STATEMENT/PROSPECTUS FOR A MORE COMPLETE UNDERSTANDING OF THE MERGER. IN PARTICULAR, YOU SHOULD READ THE DOCUMENTS ATTACHED TO THIS PROXY STATEMENT/PROSPECTUS, INCLUDING THE MERGER AGREEMENT, WHICH IS ATTACHED AS ANNEX A.

SELECTED HISTORICAL FINANCIAL INFORMATION OF BROWN & BROWN

The following table sets forth Brown & Brown's selected consolidated financial data for each of the five years ended December 31, 2000 and the six-month periods ended June 30, 2001 and 2000, respectively. Such information has been prepared from the audited consolidated financial statements and the unaudited consolidated financial statements of Brown & Brown. You should read this information together with the audited consolidated financial statements and other financial information contained elsewhere in this proxy statement/prospectus.

	Six Months Ended June 30, (1)		Year ended Decembe		
	2001	2000	2000	1999	1998
	(in thousands, except per share data)				
INCOME STATEMENT DATA:					

Commissions and fees (3).....	$ 157,615	$ 112,195	$204,862	$ 183,681	$167,532
Total revenues.....	160,735	114,703	209,706	188,391	171,485
Total expenses.....	120,202	87,843	155,728	144,382	132,882
Income before taxes.....	40,533	26,860	53,978	44,009	38,603
Net income.....	24,733	16,494	33,186	26,789	23,562
PER SHARE DATA:					
Net income per share.....	0.82	0.56	1.16	0.94	0.83
Weighted average number of shares outstanding:					
Basic.....	29,766	29,353	28,660	28,437	28,378
Diluted.....	30,090	29,379	28,663	28,445	28,380
Dividends declared per share.....	0.1500	0.1300	0.2700	0.2300	0.2050

	Six Months Ended June 30,		Year ended Decem		
	2001	2000	2000	1999	1998
BALANCE SHEET DATA:					
Total assets.....	444,678	269,223	276,719	244,423	241,196
Long-term debt.....	82,832	5,995	2,736	5,086	18,922
Shareholders' equity (4).....	139,910	109,736	121,911	103,005	84,117

(1) All share and per-share information has been restated to give effect to the two-for-one common stock split, which became effective August 23, 2000. The stock split was effected as a stock dividend. Prior year results have been restated to reflect, among other acquisitions, the stock acquisitions of The Flagship Group, WMH and Huffman & Associates, and Mangus Insurance & Bonding in 2000; The Huval Companies, Spencer & Associates and SAN of East Central Florida in the first quarter of 2001; and The Young Agency, Inc. in the second quarter of 2001.

(2) All share and per-share information has been restated to give effect to the three-for-two common stock split, which became effective February 27, 1998 and the two-for-one common stock split, which became effective August 23, 2000. Each stock split was effected as a stock dividend. Prior years' results have been restated to reflect, among other acquisitions, the stock acquisitions of Daniel-James in 1998; Ampher-Ross and Signature Insurance Group in 1999; Bowers, Schumann & Welch, the Flagship Group, WMH and Huffman & Associates, and Mangus Insurance & Bonding in 2000. This information is consistent with the Company's Annual Report on Form 10-K for the year ended December 31, 2000.

(3) See Notes 2 and 3 to consolidated financial statements for information regarding business purchase transactions which impacts the comparability of this information.

(4) Shareholders' equity as of December 31, 2000, 1999, 1998, 1997 and 1996 included net increases of $2,495,000, $4,922,000, $5,540,000, $6,744,000 and $6,511,000, respectively, as a result of the company's application of SFAS 115, "Accounting for Certain Investments in Debt and Equity Securities."

RISK FACTORS

You should carefully consider the following matters in deciding whether to vote in favor of the merger. These matters have been grouped under two separate headings: "Risks Related to the Merger," which discusses the risks of combining our companies, risks under the merger agreement and potential conflicts of interest, and "Industry and Business Risks," which discusses the risks of the industry and our business. Unless the context otherwise requires, the terms "we," "us," "our" and "Brown & Brown" refer to Brown & Brown, Inc. See "Cautionary Statement Concerning Forward-Looking Statements."

RISKS RELATED TO THE MERGER

BROWN & BROWN AND GOLDEN GATE HOLDINGS MAY NOT ACHIEVE THE BENEFITS THEY EXPECT FROM THE MERGER.

Brown & Brown and Golden Gate Holdings will need to successfully execute a number of post-merger tasks in order to realize any benefits or synergies from the merger. Key tasks include:

- retaining and assimilating the key personnel of Golden Gate Holdings;
- successfully marketing the existing products and services of each company to the other company's users and customers;
- developing new services that utilize the assets of both companies;
- maintaining existing relationships with partners and establishing new partner relationships; and
- maintaining uniform standards, controls, procedures and policies.

The successful execution of these post-merger tasks will involve considerable risk and may not be successful. These risks include:

- the potential disruption of each company's ongoing business and distraction of its management;
- the difficulty of incorporating acquired technology and rights in the combined company's products and services;
- unanticipated expenses relating to technology integration;
- the impairment of relationships with customers, users and employees as a result of any problems with the integration of services and personnel; and
- potential unknown liabilities associated with the acquired business.

If the combined company does not succeed in addressing these risks or any other problems encountered in connection with the merger, it may not achieve the benefits it expects from the merger.

FAILURE TO COMPLETE THE MERGER COULD NEGATIVELY AFFECT THE STOCK PRICE AND OPERATING RESULTS OF BROWN & BROWN AND GOLDEN GATE HOLDINGS.

If the merger is not completed for any reason, Brown & Brown and Golden Gate Holdings may experience a number of adverse consequences, including the following:

- the price of Brown & Brown common stock may decline to the extent that the current market price of Brown & Brown common stock reflects a market assumption that the merger will be completed;

- an adverse reaction for investors and potential investors of both companies, reducing the value of their stock and their future financing opportunities; and

- the parties' costs related to the merger, including legal and accounting fees, will be paid even if the merger is not completed.

THE MERGER COULD HARM KEY THIRD PARTY RELATIONSHIPS.

The proposed merger may harm the present and potential relationships of Brown & Brown and Golden Gate Holdings with customers and other third parties with whom they have relationships. Uncertainties following the merger may cause these parties to delay decisions regarding these relationships. Any changes in these relationships could harm the surviving company's business. Golden Gate Holdings could experience a decrease in expected revenue as a consequence of uncertainties associated with the merger.

THE ANNOUNCEMENT OF THE MERGER AGREEMENT COULD RESULT IN LOSS OF EMPLOYEES BEFORE COMPLETION OF THE MERGER.

Employees of a company are often uncertain as to their future employment during the period between the time the company enters into a merger agreement and the time the merger is completed. It is possible that employees will seek employment elsewhere. Whether or not the merger occurs, Golden Gate Holdings may not be able to retain some of its key employees. If any key employees of Golden Gate Holdings leave, its business, results of operations and financial condition could suffer.

THE EXECUTIVE OFFICERS OF GOLDEN GATE HOLDINGS HAVE DIFFERENT INTERESTS FROM YOURS THAT MAY INFLUENCE THEM TO SUPPORT OR APPROVE THE MERGER.

The executive officers of Golden Gate Holdings have interests that are different from, or are in addition to, those of Golden Gate Holdings shareholders generally. Specifically, the executive officers of Golden Gate Holdings will become employees of the surviving corporation, and each of the executive officers will enter into employment agreements with the surviving corporation. The employment agreements may provide such executive officers with certain guaranteed compensation levels and other benefits, and may provide that the executive officers can not be terminated without cause. As a result, these executive officers could be more likely to vote to approve the proposal than Golden Gate Holdings shareholders who do not have these interests.

ISSUANCE OF ADDITIONAL SHARES OF BROWN & BROWN MAY REDUCE BROWN & BROWN'S SHARE PRICE.

In connection with the merger, Brown & Brown will issue new shares of its common stock to current Golden Gate Holdings shareholders. The total number

of shares of Brown & Brown common stock to be issued to Golden Gate Holdings shareholders will not be determined until the effective time of the merger, and will depend upon the price of Brown & Brown common stock, which may fluctuate significantly. The issuance of additional shares of Brown & Brown common stock in the merger will dilute Brown & Brown's results of operations on a per-share basis. This dilution could reduce the market price of Brown & Brown common stock unless and until the combined company achieves revenue growth or cost savings and other business economies sufficient to offset the effect of the issuance of additional shares. There can be no assurance that Brown & Brown will achieve revenue growth, cost savings or other business economies from the merger.

A PORTION OF YOUR SHARES WILL BE HELD IN ESCROW FOR A PERIOD OF AT LEAST ONE YEAR.

Upon completion of the merger, 10% of the shares of Brown & Brown common stock issued at the closing of the merger to the Golden Gate Holdings shareholders, other than Raleigh, Schwarz & Powell, will be delivered to an escrow agent to secure the indemnification obligations of Golden Gate Holdings shareholders. The escrowed shares, or any proceeds thereof are to remain in escrow until one year after the closing of the merger. If Brown & Brown successfully asserts a claim while the escrowed shares remain in escrow, you may not receive all or part of the escrowed shares.

INDUSTRY AND BUSINESS RISKS

WE CANNOT ACCURATELY FORECAST OUR COMMISSION REVENUES BECAUSE OUR COMMISSIONS DEPEND ON PREMIUM RATES CHARGED BY INSURANCE COMPANIES, WHICH HISTORICALLY HAVE VARIED AND, AS A RESULT, HAVE BEEN DIFFICULT TO PREDICT.

We are primarily engaged in insurance agency and brokerage activities, and derive revenues from commissions paid by insurance companies and fees for administration and benefit consulting services. We do not determine insurance premiums. Historically, property and casualty premiums have been cyclical in nature and have varied widely based on market conditions. Since the mid-1980s, general premium levels have been depressed as a result of the expanded underwriting capacity of insurance companies and increased competition. In many cases, insurance companies have lowered commission rates and increased volume requirements. Significant reductions in premium rates occurred during the years 1986 through 1998 and continued, although to a lesser degree, through 1999. As a result of increasing "loss ratios" (the comparison of incurred losses plus loss adjustment expense against earned premiums) of insurance carriers through 1999, there was a general increase in premium rates beginning in the first quarter of 2000 and continuing through the second quarter of 2001. Although the premium increases varied by line of business, geographical region, insurance carrier and specific underwriting factors, it was the first time since 1986 that we operated in an environment of increased premiums for four consecutive quarters. Premium rates are determined by insurers based on a fluctuating market. Because we do not determine the timing and extent of premium pricing changes, we cannot accurately forecast our commission revenues, including whether they will significantly decline. As a result, our budgets for future acquisitions, capital expenditures, dividend payments, loan repayments and other expenditures may have to be adjusted to account for unexpected changes in revenues.

WE DERIVE A SUBSTANTIAL PORTION OF OUR COMMISSION REVENUES FROM ONE INSURANCE COMPANY, THE LOSS OF WHICH COULD RESULT IN ADDITIONAL EXPENSE AND LOSS OF MARKET SHARE.

The programs offered by our National Programs Division are primarily underwritten by the CNA Insurance Companies (CNA). For the year ended December 31, 2000, approximately $7.5 million, or 37.3%, of our National Programs Division's commissions and fees were generated from policies underwritten by CNA. During the same period, our National Programs Division represented 9.8% of our total commission and fee revenues. In addition, for the same period, approximately $7.4 million, or 5.1%, of our Retail Division's total commissions and fees were generated from policies underwritten by CNA. Accordingly, revenues attributable to CNA represent approximately 7.2% of our total commissions and fees. These dollar amounts and percentages represent a decline in recent years of revenues generated by policies underwritten by CNA. This decline results from certain of our programs and program accounts moving from CNA to other carriers such as, for example, our Lawyer's Protector Plan(R) moving from CNA to Clarendon National Insurance Company in November of 1999.

We have an agreement with CNA relating to each program underwritten by it and each such agreement provides for either six months' or one year's advance notice of termination. In addition, we have an existing credit agreement with CNA under which $2 million was outstanding as of September 18, 2001. Upon the occurrence of an event of default by us under this credit agreement, including our termination of any insurance program agreement with CNA, CNA may, at its option, declare any unpaid balance due and payable on demand. If our relationship with CNA were terminated, we believe that other insurance companies would be available to underwrite the business, although some additional expense and loss of market share would result.

BECAUSE OUR BUSINESS IS HIGHLY CONCENTRATED IN ARIZONA, FLORIDA AND NEW YORK, ADVERSE ECONOMIC CONDITIONS OR REGULATORY CHANGES IN THESE STATES COULD ADVERSELY AFFECT OUR FINANCIAL CONDITION.

For the year ended December 31, 2000, our Retail Division derived $14.9 million, or 10.4%, and $83.0 million, or 57.7%, of its commissions and fees from its Arizona and Florida operations, respectively, constituting 7.3% and 40.5%, respectively, of our total commissions and fees. We believe that these revenues are attributable predominately to clients in Arizona and Florida. Additionally, as a result of the Riedman Insurance acquisition in January 2001, we now have four additional Florida offices and have folded other Riedman insurance business into our existing Florida offices. For the year ended December 31, 2000, Riedman derived $9.9 million, or 18.2% of its commissions and fees, from its Florida operations. Additionally, as a result of this acquisition, we now have 19 offices in New York, where $15.1 million, or 27.8%, of Riedman's insurance business was concentrated as of December 31, 2000. We believe the regulatory environment for insurance agencies in Arizona, Florida and New York currently is no more restrictive than in other states. The insurance business is a state-regulated industry, and therefore, state legislatures may enact laws that adversely affect the insurance industry. Because our business is concentrated in a few states, we face greater exposure to unfavorable changes in regulatory conditions in those states than insurance agencies whose operations are more diversified through a greater number of states. In addition, the occurrence of adverse economic conditions, natural disasters, or other circumstances specific to Arizona, Florida and/or New York could adversely affect our financial condition and results of operations.

LOSS OF THE SERVICES OF J. HYATT BROWN, OUR CHAIRMAN, PRESIDENT AND CHIEF EXECUTIVE OFFICER, COULD ADVERSELY AFFECT OUR FINANCIAL CONDITION AND

FUTURE OPERATING RESULTS.

Although we operate with a decentralized management system, the loss of the services of J. Hyatt Brown, our Chairman, President and Chief Executive Officer, who beneficially owns approximately 17.7% of our outstanding common stock as of September 18, 2001, could adversely affect our financial condition and future operating results. We maintain a $5 million "key man" life insurance policy with respect to Mr. Brown. We also maintain a $20 million insurance policy on the lives of Mr. Brown and his wife. Under the terms of an agreement with Mr. and Mrs. Brown, at the option of the Brown estate, we will purchase, upon the death of the later to die of Mr. Brown or his wife, shares of our common stock owned by Mr. and Mrs. Brown up to the maximum number that would exhaust the proceeds of the policy.

OUR GROWTH STRATEGY DEPENDS IN PART ON THE ACQUISITION OF INSURANCE AGENCIES, WHICH MAY NOT BE AVAILABLE ON ACCEPTABLE TERMS IN THE FUTURE AND WHICH, IF CONSUMMATED, MAY NOT BE ADVANTAGEOUS TO US.

Our growth strategy includes the acquisition of insurance agencies. Our ability to successfully identify suitable acquisition candidates, complete acquisitions, integrate acquired businesses into our operations, and expand into new markets, will require us to continue to implement and improve our operations, financial, and management information systems. For example, most of our offices manage their clients' information using The Application Manager For Windows (WinTAM) computer program by Applied Systems. Part of the added time and expense related to newly acquired agencies includes the integration of an acquired agency's existing computer system into ours. Further, integrated, acquired entities may not achieve levels of revenue, profitability, or productivity comparable to our existing locations, or otherwise perform as expected. In addition, we compete for acquisition and expansion opportunities with entities that have substantially greater resources. Acquisitions also involve a number of special risks, such as: diversion of management's attention; difficulties in the integration of acquired operations and retention of personnel; entry into unfamiliar markets; unanticipated problems or legal liabilities; and tax and accounting issues, some or all of which could have a material adverse effect on the results of our operations and our financial condition.

OUR CURRENT MARKET SHARE MAY DECREASE AS A RESULT OF INCREASED COMPETITION FROM INSURANCE COMPANIES AND THE FINANCIAL SERVICES INDUSTRY.

The insurance agency business is highly competitive and we actively compete with numerous firms for clients and insurance carriers, many of which have relationships with insurance companies or have a significant presence in niche insurance markets, that may give them an advantage over us. Because relationships between insurance agencies and insurance carriers or clients are often local or regional in nature, this potential competitive disadvantage is particularly pronounced outside of Florida.

A number of insurance companies are engaged in the direct sale of insurance, primarily to individuals, and do not pay commissions to agents and brokers. However, to date, such direct writing has had relatively little effect on our operations, primarily because our Retail Division is commercially oriented.

In addition, to the extent that the Gramm-Leach-Bliley Financial

Services Modernization Act of 1999 and regulations newly enacted thereunder permit banks, securities firms and insurance companies to affiliate, the financial services industry may experience further consolidation, and we therefore may experience increased competition from insurance companies and the financial services industry, as a growing number of larger financial institutions increasingly, and aggressively, offer a wider variety of financial services, including insurance, than we currently offer.

PROPOSED TORT REFORM LEGISLATION, IF ENACTED, COULD DECREASE DEMAND FOR LIABILITY INSURANCE, THEREBY REDUCING OUR COMMISSION REVENUES.

Legislation concerning tort reform is currently being considered in the United States Congress and in several states. Among the provisions being considered for inclusion in such legislation are limitations on damage awards, including punitive damages, and various restrictions applicable to class action lawsuits, including lawsuits asserting professional liability of the kind for which insurance is offered under policies sold by our National Programs Division, particularly our Physicians' Protector Plan(R) and Professional Protector Plan(R) for Dentists. Enactment of these or similar provisions by Congress, or by states in which we sell insurance, could result in a reduction in the demand for liability insurance policies or a decrease in policy limits of such policies sold, thereby reducing our commission revenues.

WE COMPETE IN A HIGHLY REGULATED INDUSTRY, WHICH MAY RESULT IN INCREASED EXPENSES OR RESTRICTIONS ON OUR OPERATIONS.

We conduct business in a number of states and are subject to comprehensive regulation and supervision by government agencies in many of the states in which we do business. The primary purpose of such regulation and supervision is to provide safeguards for policyholders rather than to protect the interests of stockholders. The laws of the various state jurisdictions establish supervisory agencies with broad administrative powers with respect to, among other things, licensing to transact business, licensing of agents, admittance of assets, regulating premium rates, approving policy forms, regulating unfair trade and claims practices, establishing reserve requirements and solvency standards, requiring participation in guarantee funds and shared market mechanisms, and restricting payment of dividends.

Also, in response to perceived excessive cost or inadequacy of available insurance, states have from time to time created state insurance funds and assigned risk pools, which compete directly, on a subsidized basis, with private insurance providers. We act as agents and brokers for state insurance funds such as these in California, Nevada, and certain other states. These state funds could choose to reduce the sales or brokerage commissions we receive. Any such event, in a state in which we have substantial operations, such as Florida, Arizona or New York, could substantially affect the profitability of our operations in such state, or cause us to change our marketing focus. Further, state insurance regulators and the National Association of Insurance Commissioners continually re-examine existing laws and regulations, and such re-examination may result in the enactment of insurance-related laws and regulations, or the issuance of interpretations thereof, that adversely affect our business.

CARRIER OVERRIDE AND CONTINGENT COMMISSIONS ARE LESS PREDICTABLE THAN USUAL, WHICH IMPAIRS OUR ABILITY TO FORECAST THE AMOUNT OF SUCH COMMISSIONS THAT WE WILL RECEIVE.

We derive a portion of our revenues from carrier override and contingent commissions. The aggregate of these commissions generally accounts for 3.1% to 5.3% of our total revenues. Contingent commissions are paid by insurance companies and are based on the profit that the underwriter makes on the overall volume of business that we place with that insurance company. We generally receive these commissions in the first and second quarters of each year. Override commissions are paid by insurance companies based on the volume of business that we place with them and are generally paid over the course of the year. Due to recent changes in our industry, including changes in underwriting criteria due in part to the high loss ratios experienced by insurance companies, we cannot predict the payment of these commissions as well as we have been able to in the past. Further, we have no control over the ability of insurance companies to estimate loss reserves, which affects our ability to make profit-sharing

calculations. Because these commissions affect our revenues, any decrease in their payment to us could adversely effect our operations.

WE HAVE NOT DETERMINED THE AMOUNT OF RESOURCES AND THE TIME THAT WILL BE NECESSARY TO ADEQUATELY RESPOND TO RAPID TECHNOLOGICAL CHANGE IN OUR INDUSTRY, WHICH MAY ADVERSELY AFFECT OUR BUSINESS AND OPERATING RESULTS.

Frequent technological changes, new products and services and evolving industry standards are all influencing the insurance business. The Internet, for example, is increasingly used to transmit benefits and related information to clients and to facilitate business-to-business information exchange and transactions. We believe that the development and implementation of new technologies will require additional investment of our capital resources in the future. We have not determined, however, the amount of resources and the time that this development and implementation may require, which may result in short-term, unexpected interruptions to our business, or may result in a competitive disadvantage in price and/or efficiency, as we endeavor to develop or implement new technologies.

QUARTERLY AND ANNUAL VARIATIONS IN OUR COMMISSIONS THAT RESULT FROM THE TIMING OF POLICY RENEWALS AND THE NET EFFECT OF NEW AND LOST BUSINESS PRODUCTION MAY HAVE UNEXPECTED EFFECTS ON OUR RESULTS OF OPERATIONS.

Our commission income (including contingent commissions but excluding fees), which typically accounts for approximately 86% to 89% of our total annual revenues, can vary quarterly or annually due to the timing of policy renewals and the net effect of new and lost business production. The factors that cause these variations are not within our control. Specifically, consumer demand for insurance products can influence the timing of renewals, new business and lost business, which includes generally policies that are not renewed, and cancellations. In addition, as discussed, we rely on insurance companies for the payment of certain commissions. Because these payments are processed internally by these insurance companies, we may not receive a payment that is otherwise expected from a particular insurance company in one of our quarters or years until after the end of that period, which can adversely affect our ability to budget for significant future expenditures.

Quarterly and annual fluctuations in revenues based on increases and decreases associated with the timing of policy renewals have had an adverse

effect on our financial condition in the past, and we may experience such effects in the future.

OUR STOCK PRICE MAY BE VOLATILE AND YOU MAY BE UNABLE TO RESELL YOUR SHARES AT OR ABOVE THE PRICE OF BROWN & BROWN COMMON STOCK AT THE EFFECTIVE TIME OF THE MERGER.

The market price of our common stock may be subject to significant fluctuations in response to various factors, including:

- quarterly fluctuations in our operating results;
- changes in securities analysts' estimates of our future earnings; and
- our loss of significant customers or significant business developments relating to us or our competitors.

Our common stock's market price also may be affected by our ability to meet analysts' expectations and any failure to meet such expectations, even if minor, could cause the market price of our common stock to decline. In addition, stock markets have generally experienced a high level of price and volume volatility, and the market prices of equity securities of many companies have experienced wide price fluctuations not necessarily related to the operating performance of such companies. These broad market fluctuations may adversely affect our common stock's market price. In the past, securities class action lawsuits frequently have been instituted against companies following periods of volatility in the market price of such companies' securities. If any such litigation is instigated against us, it could result in substantial costs and a diversion of management's attention and resources, which could have a material adverse effect on our business, results of operations and financial condition.

For a summary of recent fluctuations in the market price of our common stock, please see the table under "Market Price and Dividend Information" on page 46. In our current fiscal year (through October 1, 2001) the sales prices of our shares have fluctuated from a high of $54.35 per share to a low of $28.75 per share.

CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING STATEMENTS

We believe this document contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. These statements are subject to risks and uncertainties and are based on the beliefs and assumptions of management of Brown & Brown and Golden Gate Holdings, based on information currently available to each company's management. When we use words such as "believes," "expects," "anticipates," "intends," "plans," "estimates," "should," "likely" or similar expressions, we are making forward-looking statements. Forward-looking statements include the information concerning possible or assumed future results of operations of Brown & Brown set forth under "Summary," "Risk Factors," "The Merger--Background of the Merger," "The Merger--Brown & Brown Reasons for the Merger," "The Merger--Golden Gate Holdings Reasons for the Merger," "The Merger--Recommendation of Golden Gate Holdings Board of Directors," "Description of Brown & Brown" and "Description of Golden Gate Holdings."

Forward-looking statements are not guarantees of performance. They involve risks, uncertainties and assumptions. The future results and shareholder values of Brown & Brown or Golden Gate Holdings may differ materially from those expressed in the forward-looking statements. Many of the factors that will determine these results and values are beyond our ability to control or predict. Shareholders are cautioned not to put undue reliance on any forward-looking statements. For those statements, we claim the protection of the safe harbor for forward- looking statements contained in the Private Securities Litigation Reform Act of 1995.

For a discussion of some of the factors that may cause actual results to differ materially from those suggested by the forward-looking statements, please read carefully the information under "Risk Factors." In addition to the risk factors and other important factors discussed elsewhere in this proxy statement/prospectus, you should understand that the following important factors could affect the future results of Brown & Brown and could cause results to differ materially from those suggested by the forward-looking statements:

- material adverse changes in economic conditions in the markets that Brown & Brown and Golden Gate Holdings serve;

- increased competitive pressures, which may affect use of Brown & Brown's and Golden Gate Holdings's services and impede Brown & Brown's ability to maintain its market share and pricing goals;

- Brown & Brown's ability to integrate the operations of Golden Gate Holdings into its operations;

- changes in laws or regulations, third party relations and approvals and decisions of courts, regulators and governmental bodies which may adversely affect Brown & Brown's and Golden Gate Holdings's businesses or ability to compete; and

- other risks and uncertainties as may be detailed from time to time in Brown & Brown's public announcements and Securities and Exchange Commission filings.

YOU SHOULD READ THIS PROXY STATEMENT/PROSPECTUS AND THE OTHER DOCUMENTS REFERRED TO IN THIS PROXY STATEMENT/PROSPECTUS COMPLETELY AND WITH THE UNDERSTANDING THAT OUR ACTUAL FUTURE RESULTS MAY BE MATERIALLY DIFFERENT FROM WHAT WE EXPECT. ALL FORWARD-LOOKING STATEMENTS ATTRIBUTABLE TO US ARE EXPRESSLY QUALIFIED BY THESE CAUTIONARY STATEMENTS.

THE GOLDEN GATE HOLDINGS SPECIAL MEETING

GENERAL

Golden Gate Holdings will hold a special meeting of shareholders (which may be adjourned, postponed or rescheduled) as follows:

Thursday, October 25, 2001
8:30 a.m., Pacific Time
1201 Pacific Avenue, Ninth Floor

Education Center
Tacoma, Washington 98402

At the special meeting, the Golden Gate Holdings shareholders will consider and vote upon the Agreement and Plan of Reorganization, dated as of July 25, 2001, as amended, among Brown & Brown, Golden Gate Holdings and New Merger Sub, a wholly-owned subsidiary of Raleigh, Schwarz & Powell, Inc. Pursuant to the Agreement and Plan of Reorganization, or merger agreement, Golden Gate Holdings will become a wholly-owned subsidiary of Raleigh, Schwarz & Powell through the merger of New Merger Sub, with and into Golden Gate Holdings.

RECORD DATE; QUORUM

The Golden Gate Holdings board of directors has fixed the close of business on September 1, 2001, as the record date for the special meeting. Therefore, only holders of Golden Gate Holdings Class A (voting) and Class B (nonvoting) common stock as of the close of business on the record date, September 1, 2001, may attend and vote at the special meeting. As of the record date, Golden Gate Holdings had 19,538 shares of Class A (voting) common stock and 36,693 shares of Class B (nonvoting) common stock outstanding. Holders of at least 9,770 shares of Class A (voting) common stock and holders of at least 18,347 shares of Class B (nonvoting) common stock, representing a majority of the Golden Gate Holdings Class A (voting) common stock and Class B (nonvoting) common stock, must be present, either in person or by proxy, at the special meeting in order to take binding action on any matter, subject to the voting restriction described below under "-Required Vote".

REQUIRED VOTE

Completion of the merger requires the approval of the merger agreement by the affirmative vote of a majority of the outstanding shares of Golden Gate Holdings Class A (voting) common stock and a majority of the outstanding shares of Golden Gate Holdings Class B (nonvoting) common stock. However, an agreement among the Golden Gate Holdings shareholders dated effective October 1, 1999, provides that Raleigh, Schwarz & Powell, Inc., an affiliate of Golden Gate Holdings and the holder of 16,668 shares of Golden Gate Holdings Class A (voting) common stock, cannot vote in favor of the merger without the affirmative vote of the holders of 50% or more of the outstanding shares of Class A (voting) common stock and 50% or more of the outstanding shares of Class B (nonvoting) common stock. As a result, the validity and effectiveness of the affirmative vote by Raleigh, Schwarz & Powell of its 16,668 shares of Golden Gate Holdings Class A (voting) common stock is conditioned upon the receipt of the affirmative vote of the holders of 50% or more of the outstanding shares of Golden Gate Holdings Class A (voting) common stock (excluding the shares held by Raleigh, Schwarz & Powell) and 50% or more of the outstanding shares of Golden Gate Holdings Class B (nonvoting) common stock. Because the vote is based on the number of shares outstanding rather than on the number of votes cast, failure to vote your shares is effectively a vote against approval of the merger. In addition, abstentions will have the same effect as votes against approval of the merger.

VOTING AND REVOCATION OF PROXIES

If you vote your shares of Golden Gate Holdings common stock by signing a proxy, your shares will be voted at the special meeting as you indicate on your proxy card. If no instructions are indicated on your signed proxy card, your shares of Golden Gate Holdings common stock will be voted "FOR" the approval of the merger. Please promptly return your completed and signed proxy card to Vandeberg Johnson & Gandara, Suite 1900, 1201 Pacific Avenue, Tacoma,

Washington 98402, Attn: Mark R. Patterson, Esq.

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You may revoke your proxy at any time before the proxy is voted at the special meeting. A proxy may be revoked prior to the vote at the special meeting in any of the following ways:

- by submitting a written revocation to Vandeberg Johnson & Gandara, Suite 1900, 1201 Pacific Avenue, Tacoma, Washington 98402, Attn: Mark R. Patterson, Esq.;

- by submitting a new proxy dated after the date of the proxy that is being revoked; or

- by voting in person at the special meeting.

However, simply attending the special meeting will not revoke a proxy. If you do not hold your shares of Golden Gate Holdings common stock in your own name, you may revoke a previously given proxy by following the revocation instructions provided by the party who is the registered owner of the shares.

The Golden Gate Holdings board of directors is not aware of any other business to be brought before the special meeting. If, however, other matters are properly brought before the special meeting or any adjournment or postponement of the special meeting, the persons appointed as proxies will have discretionary authority to vote the shares represented by duly executed proxies in accordance with their discretion and judgment.

Please include your Golden Gate Holdings stock certificates when returning the enclosed proxy card.

SOLICITATION OF PROXIES

Golden Gate Holdings will bear the costs of soliciting proxies to vote on the merger agreement at the special meeting. Golden Gate Holdings and Brown & Brown will each bear its own expenses in connection with the cost of filing, printing and distributing this proxy statement/prospectus. Officers, directors and employees of Golden Gate Holdings may also solicit proxies from shareholders by telephone, mail, the Internet or in person. However, they will not be paid for soliciting proxies.

SURRENDER OF CERTIFICATES

Please return your Golden Gate Holdings stock certificates in the envelope provided. Upon completion of the merger and receipt of your Golden Gate Holdings stock certificates and any other required documents, your Golden Gate Holdings stock certificates will be canceled and you will receive Brown & Brown stock certificates representing the number of whole shares of Brown & Brown common stock to which you are entitled under the merger agreement.

DISSENTERS' RIGHTS

Golden Gate Holdings shareholders who vote against the merger and who follow certain procedures, as described below, may have the right to dissent from the merger and to demand and obtain payment of the "fair market value" of their shares in cash. The proceedings resulting from such a demand may result in a determination of "fair market value" equal to, less than or greater than the

consideration to be received under the merger agreement.

The following is a summary of Chapter 13 of the California General Corporation Law ("CGCL"), which specifies the conditions under which Golden Gate Holdings shareholders will have the right to dissent from the merger and the procedures that a Golden Gate Holdings shareholder must follow to dissent from the merger and demand cash payment for his or her shares. The following summary is not a complete statement of the law pertaining to dissenters' rights under the CGCL and is qualified in its entirety by reference to Chapter 13 of the CGCL. Any Golden Gate Holdings shareholder contemplating the exercise of dissenters' rights should carefully review the provisions of Chapter 13 of the CGCL, which is attached to this proxy statement/prospectus as Annex J, particularly those setting out the specific procedural steps required to perfect the dissenters' rights. FAILURE TO COMPLY WITH THE PROCEDURAL REQUIREMENTS OF CHAPTER 13 OF THE CGCL WILL RESULT IN A WAIVER OF YOUR DISSENTERS' RIGHTS.

In order to be entitled to exercise dissenters' rights, you must vote "AGAINST" the merger. Thus, if you wish to dissent and you execute and return a proxy in the accompanying form, you must specify that your shares are to be voted "AGAINST" the merger. If you return a proxy without voting instructions or with instructions to vote "FOR" the merger, your shares will automatically be voted in favor of the merger and you will lose any dissenters' rights. If you do not return a proxy and you attend the special meeting, you must vote "AGAINST" the merger at the meeting to preserve your dissenters' rights. Further, if you abstain from voting your shares, you will lose your dissenters' rights.

In order to preserve your dissenters' rights, you must also make a written demand upon Golden Gate Holdings for the purchase of your shares of Golden Gate Holdings common stock and for the payment to you in cash of the fair market value of the shares, which we refer to in this discussion as a "demand." The demand must:

- state the number of shares of Golden Gate Holdings common stock you hold of record;
- contain a statement of what you claim to be the fair market value of the shares as of June 27, 2001, the day before the announcement of the merger, without giving effect to any appreciation or depreciation due to the merger, which we refer to throughout this discussion as "fair market value;" and
- be received by Golden Gate Holdings no later than the date of the special meeting to vote on the merger.

A proxy or vote against the approval of the merger does not in itself constitute a demand.

The statement of the fair market value contained in the demand constitutes an offer by you to sell your shares to Golden Gate Holdings at that price. Once you have made the demand you may not withdraw it, unless Golden Gate Holdings consents to the withdrawal.

Under Chapter 13 of the CGCL, you will not be entitled to exercise dissenters' rights unless holders of 5% or more of the outstanding shares of Golden Gate Holdings common stock (including you) make a demand. If this

condition is met, and the merger is approved at the special meeting, within 10 days Golden Gate Holdings must mail a notice of approval of the merger to each dissenting shareholder. This notice of approval must be accompanied by:

- a copy of sections 1300, 1301, 1302, 1303 and 1304 of Chapter 13 of the CGCL (which set out the procedures that must be followed to perfect your dissenters' rights);

- a statement of the price determined by Golden Gate Holdings to represent the fair market value of the shares; and

- a brief description of the procedure that the shareholder must follow, if the shareholder desires to exercise dissenters' rights .

The statement of price constitutes an offer by Golden Gate Holdings to purchase the dissenting shares.

Within 30 days after the date on which Golden Gate Holdings mailed this notice of approval, you must submit your stock certificates to Golden Gate Holdings to be endorsed as dissenting shares. The certificates will be stamped or endorsed with a statement that they are dissenting shares. Upon subsequent transfers, new certificates must bear a like statement together with your name as the original dissenting holder of the shares. If you transfer your dissenting shares prior to submitting them for this required endorsement, the shares will lose their status as dissenting shares.

If you and Golden Gate Holdings agree that shares are dissenting shares and agree on the price of the shares, upon surrender of your endorsed certificates, Golden Gate Holdings will make payment of that amount (plus interest at the legal rate on judgments from the date of the agreement) within 30 days after you reached agreement on the price. Any agreement between dissenting Golden Gate Holdings shareholders and Golden Gate Holdings fixing the fair market value of any dissenting shares must be filed with the secretary of Golden Gate Holdings.

If Golden Gate Holdings denies that the shares you submit qualify as dissenting shares, or if you and Golden Gate Holdings fail to agree on the fair market value of those shares, either you or Golden Gate Holdings may file a complaint in the superior court of the proper county in California requesting that the court determine the issue. The complaint must be filed within six months after the date on which notice of approval of the merger is mailed to dissenting shareholders. You may join as plaintiff in such a suit filed by another dissenting shareholder and you may be joined as a defendant in any such action brought by Golden Gate Holdings. If the suit is not brought within six months, your shares will lose their status as dissenting shares.

In a dissenters' rights action, the court must first determine if the shares qualify as dissenting shares. If the court determines that they do qualify, it will either determine the fair market value or appoint one or more impartial appraisers to do so. The court will assess and apportion the costs of the action as it considers equitable. However, if the appraised value of the shares exceeds the price offered by the corporation by more than 125%, the corporation must pay the costs of the suit, which may include (at the court's discretion) attorneys' fees, expert witness fees, and prejudgment interest.

A shareholder who receives cash payment for dissenting shares will be treated as if such shares were redeemed for federal income tax purposes. See

"The Merger -- Material Federal Income Tax Considerations."

THE MERGER

This section of this proxy statement/prospectus describes some aspects of the proposed merger. While Brown & Brown and Golden Gate Holdings believe that the description covers the material terms of the merger and the related transactions, this summary may not contain all of the information that is important to you. You should read this entire document and the other documents referred to in this proxy statement/prospectus carefully for a more complete understanding of the merger. In addition, important business and financial information about Brown & Brown is contained elsewhere in this proxy statement/prospectus.

BACKGROUND OF THE MERGER

On February 1, 2001, John P. Folsom, the Chairman of the Board of Golden Gate Holdings, contacted Michael Paschke of Brown & Brown, to inquire if Brown & Brown had an interest in a business association with Golden Gate Holdings and its affiliated company Raleigh, Schwarz & Powell. Golden Gate Holdings and its affiliates also contacted representatives of other companies to discuss joint business opportunities and potential business combinations or strategic partnerships between these companies and Golden Gate Holdings and Raleigh, Schwarz & Powell.

On March 13, 2001, Mr. Folsom and Darrell Prater, a director of Golden Gate Holdings, and Mr. Paschke and Kenneth Kirk of Brown & Brown met at the offices of Brown & Brown in Phoenix, Arizona. At this meeting, Golden Gate Holdings and Brown & Brown discussed Brown & Brown's strategies and the opportunities for Golden Gate Holdings to support Brown & Brown's strategies.

Effective as of March 23, 2001, Brown & Brown and Golden Gate Holdings entered into a confidentiality letter agreement.

On April 19, 2001, Mr. Folsom and Mr. Prater of Golden Gate Holdings met with Messrs. Paschke and. Kirk of Brown & Brown in Seattle and Tacoma, and had discussions relating to a possible combination.

On April 27, 2001 Messrs. Paschke and Kirk met with Bruce Ricci, the President of Golden Gate Holdings, Inc. in San Rafael, California and discussed a potential business combination.

On May 7, 2001, Messrs. Paschke and Kirk of Brown & Brown met with Mr. Folsom and Mr. Prater, of Golden Gate Holdings in Phoenix. At that meeting, Messrs. Folsom and Prater presented the representatives of Brown & Brown with an overview of Golden Gate Holdings's services, business strategy and sales and marketing plans.

On May 8, 2001, Messrs. Folsom and Prater met with Mr. Kirk and J. Hyatt Brown, Chairman, Chief Executive Officer and President of Brown & Brown, in Seattle, regarding the status of due diligence and potential benefits from a combination of the two companies.

Between May 8, 2001 and May 20, 2001, Brown & Brown and its legal and financial advisors conducted a preliminary due diligence review of Golden Gate

Holdings. During this period, Messrs. Folsom and Prater continued to negotiate with executives of other companies regarding the terms, including the consideration to Golden Gate Holdings shareholders, of a potential business combination transaction with these companies.

Between May 20, 2001 and June 27, 2001, the management teams of Brown & Brown and Golden Gate Holdings conducted extensive negotiation sessions regarding the terms and conditions of an agreement relating to the possible combination between the companies. During this period, Messrs. Folsom and Prater requested that each of the leading potential acquirers of Golden Gate Holdings submit its "best offer" in order for the board to evaluate whether to proceed with a transaction with the party, or any business combination transaction.

On June 14, 2001, Brown & Brown's board of directors held a meeting and discussed the terms and conditions of the proposed merger. At that meeting, Brown & Brown's board of directors unanimously voted to approve the terms of the proposed merger and authorized management to negotiate and execute the merger agreement and related agreements.

On June 27, 2001, the board of directors of Golden Gate Holdings, together with the senior management of Golden Gate Holdings and its financial and legal advisors, held an extensive discussion evaluating the relative merits of the potential combinations, including the financial and valuation analyses of the proposed transaction and volatility risks relating to each company's stock and the likely timing of, and risks to, closing each transaction. The board of directors of Golden Gate Holdings agreed that the Brown & Brown proposal constituted a superior transaction, and approved the execution of a letter of intent with Brown & Brown, including exclusivity provisions that restricted Golden Gate Holdings from soliciting acquisition offers from third parties.

On June 27, 2001, Golden Gate Holdings and Brown & Brown signed a letter of intent setting forth the principal terms of the acquisition of Golden Gate Holdings by Brown & Brown. One of the principal terms was the ratio of exchange of stock. The letter of intent also contained exclusivity provisions in order to permit the parties to conduct further due diligence and to negotiate a definitive merger agreement. Under the letter of intent, Golden Gate Holdings agreed not to solicit acquisition offers from third parties before September 25, 2001. After they signed the letter of intent, Golden Gate Holdings and Brown & Brown began negotiating the definitive merger agreement. The execution of the letter of intent was announced in a press release that was issued on June 28, 2001.

On July 2, 2001, Brown & Brown delivered to Golden Gate Holdings and its outside legal counsel drafts of a merger agreement.

On July 16, 2001, the board of directors of Golden Gate Holdings met to discuss the terms and conditions of the proposed merger and the merger agreement. At that meeting, the board of directors of Golden Gate Holdings voted to approve the proposed merger agreement and related agreements and authorized management to finalize and execute the agreements.

On July 25, 2001, the merger agreement was executed. The terms of the merger were announced in a joint press release that was issued before the opening of the stock market on July 26, 2001.

On August 10, 2001, Golden Gate Holdings and Brown & Brown executed an amendment to the merger agreement to refine the terms of the merger agreement

consistent with the companies' original intent as set forth in the letter of intent, dated June 27, 2001.

Pursuant to the terms of the merger agreement, either of the parties could terminate the merger agreement if the merger was not completed by August 31, 2001, provided that if delays in the registration of the Brown & Brown common stock prevented the merger from occurring prior to that date, then the parties were required to agree to extend the termination date to November 30, 2001. On August 31, 2001, Brown & Brown and Golden Gate Holdings agreed to extend the date of termination of the merger agreement to November 30, 2001.

After further analysis regarding the accounting treatment of the merger, Brown & Brown determined that the minority interests in Golden Gate Holdings will be acquired at fair market value and be accounted for using the purchase method of accounting for a business combination. On September 28, 2001, Golden Gate Holdings and Brown & Brown executed the second amendment to the merger agreement.

BROWN & BROWN REASONS FOR THE MERGER

The board of directors of Brown & Brown carefully considered whether to approve the merger and the merger agreement. In making its decision, the board of directors identified several potential benefits of the merger that it believes will contribute to the success of the combined company. These potential benefits include, among other things:

- One of Brown & Brown's business strategies is to expand into new geographic markets by making selective and complementary acquisitions. Brown & Brown's board of directors believes that the merger with Golden Gate Holdings provides an opportunity for Brown & Brown to expand into markets in which Brown & Brown previously has not had a significant presence; and

- Through discussions with the management of Golden Gate Holdings and reviews of the operations of Golden Gate Holdings, Brown & Brown's management determined that opportunities exist to reduce costs of operations if the companies were combined.

Based on these and other strategic factors, the Brown & Brown board of directors determined that approval of the merger agreement and the merger were in the best interests of Brown & Brown and its shareholders. Accordingly, the Brown & Brown board of directors voted unanimously to approve the merger.

GOLDEN GATE HOLDINGS REASONS FOR THE MERGER

The decision of the Golden Gate Holdings board of directors to enter into the merger agreement and to recommend that Golden Gate Holdings shareholders approve the merger agreement, the merger and related transactions was the result of the board of directors careful consideration of a range of strategic alternatives, including potential business combinations with companies other than Brown & Brown, and the pursuit of a long-term independent business strategy for Golden Gate Holdings that might involve additional financing.

During the course of its deliberations, the board of directors of Golden Gate Holdings considered, with the assistance of management and financial

and legal counsel, a number of factors that the board of directors believes make the merger attractive to the Golden Gate Holdings shareholders and could contribute to the success of the surviving corporation, including the following:

- GREATER LIQUIDITY. To date, there has been no public market for the shares of capital stock of Golden Gate Holdings, and all outstanding shares are subject to restrictions on resale imposed by securities laws. By contrast, Brown & Brown's common stock is publicly traded on The New York Stock Exchange and, subject to certain restrictions set forth in the merger agreement, the shares of Brown & Brown common stock to be issued to Golden Gate Holdings shareholders in the merger will be tradable on The New York Stock Exchange. The merger may allow the Golden Gate Holdings shareholders to achieve liquidity of their investment sooner than they might otherwise have been able.

- INCREASED COMPETITION. Golden Gate Holdings faces increasing competition from other insurance brokerage firms. Golden Gate Holdings believes that a combination with a larger company with the resources of Brown & Brown may provide a number of competitive advantages. By combining with Brown & Brown, Golden Gate Holdings may also reduce the risks associated with seeking additional financing and pursuing its revenue goals as an independent company.

- FAVORABLE PRICE. The board of directors of Golden Gate Holdings also believes that the price offered by Brown & Brown compares favorably to the current market valuations of other companies in Golden Gate Holdings's industry.

- ADDITIONAL COST-SAVINGS AND BENEFITS. Golden Gate Holdings believes that the merger will offer the shareholders of the combined company the potential benefits described above under the heading "The Merger--Brown & Brown Reasons for the Merger." In addition, the merger would provide Golden Gate Holdings access to Brown & Brown's greater financial, technological and human resources to continue to develop Golden Gate Holdings's services and greater sales and marketing resources to help promote those services more broadly.

In addition, the Golden Gate Holdings board of directors considered a number of potentially negative factors relating to the merger, including the following:

- by becoming a part of a much larger company, Golden Gate Holdings will have less autonomy and independence in setting its strategic goals;

- the fixed value of the consideration to be issued in the merger to Golden Gate Holdings shareholders;

- the risk that the potential benefits of the merger may not be realized;

- the provisions of the merger agreement requiring 10% of the shares to be placed in escrow for one year to satisfy potential indemnity claims;

- the provisions of the merger agreement preventing the shareholders from trading the Brown & Brown shares for a period of time, during which the shares may decline in value;

- the risk that Golden Gate Holdings may find it more difficult to attract and retain skilled employees;

- the risk that the merger may divert management's attention from Golden Gate Holdings's business operations; and

- the other risks described in this proxy statement/prospectus under "Risk Factors."

This discussion of factors considered by the Golden Gate Holdings board of directors is not intended to be exhaustive, but is intended to include the material factors considered. The Golden Gate Holdings board of directors did not find it practical to and did not quantify or otherwise assign relative weight to the specific factors considered and individual directors may have given different weight to different factors.

RECOMMENDATION OF GOLDEN GATE HOLDINGS BOARD OF DIRECTORS

After carefully evaluating these factors, both positive and negative, the board of directors of Golden Gate Holdings has determined that the merger is in the best interests of Golden Gate Holdings and its shareholders. The Golden Gate Holdings board of directors recommends that you vote FOR the approval of the merger agreement, the merger and related transactions.

INTERESTS OF EXECUTIVE OFFICERS OF GOLDEN GATE HOLDINGS

In considering the recommendation of the Golden Gate Holdings board of directors with respect to the approval of the proposal, Golden Gate Holdings shareholders should be aware of the interests that the executive officers of Golden Gate Holdings have in the merger. The board of directors of Golden Gate Holdings was aware of these interests and considered them when approving the merger. These interests may be different from, and in addition to, your interests as shareholders. As a condition of the merger, each executive officer of Golden Gate Holdings is required to enter into an employment agreement, generally upon the same terms and conditions as all other employees of Golden Gate Holdings, that provides for his continued employment with the surviving corporation of the merger. However, one or more senior executive officers may enter into employment agreements with the surviving corporation that provide such executive officers with certain compensation levels and other benefits, and may provide that the executive officers cannot be terminated for certain periods without cause. As a result of these interests, the executive officer could be more likely to vote in favor of the proposal than shareholders without these interests. See "Other Agreements--Employment Agreements."

COMPLETION AND EFFECTIVENESS OF THE MERGER

The merger will be completed when all of the conditions to completion of the merger are satisfied or waived, including the approval of the merger by the holders of a majority of the outstanding shares of Golden Gate Holdings Class A (voting) common stock and a majority of the outstanding shares of Class B (nonvoting) common stock. The merger will become effective upon the filing of articles of merger in the office of the Secretary of State of the State of California.

TREATMENT OF GOLDEN GATE HOLDINGS COMMON STOCK

With the exception of dissenting shares, if the merger becomes effective, each share of Golden Gate Holdings common stock then outstanding (other than shares held by Raleigh, Schwarz & Powell) will be cancelled and converted into shares of Brown & Brown common stock, and the Golden Gate Holdings shareholders (other than Raleigh, Schwarz & Powell) will receive, based on their respective ownership interests in Golden Gate Holdings, shares of Brown & Brown common stock equal to:

- $7,103,510 minus 17.76% of the amount by which the total consolidated net worth (as defined in the merger agreement) of Golden Gate Holdings, and its affiliate Raleigh, Schwarz & Powell, Inc., is less than $13,000,000 at the effective time of the merger, divided by

- the average of the closing prices of Brown & Brown common stock as reported on The New York Stock Exchange for the 20 consecutive trading day period ending at the close of business on the third business day immediately before the merger becomes effective.

The actual number of shares of Brown & Brown common stock to be issued to Golden Gate Holdings shareholders will not be determined until the merger becomes effective. For hypothetical examples of the calculation of the number of shares of Brown & Brown common stock to be issued to Golden Gate Holdings shareholders, see pages 1 to 2.

EXCHANGE OF GOLDEN GATE HOLDINGS STOCK CERTIFICATES FOR BROWN & BROWN STOCK CERTIFICATES

Please return your Golden Gate Holdings stock certificates in the envelope provided. Upon completion of the merger and receipt of your Golden Gate Holdings stock certificates and any other required documents, your Golden Gate Holdings stock certificates will be canceled and you will receive stock certificates representing the number of whole shares of Brown & Brown common stock to which you are entitled under the merger agreement.

ACCOUNTING TREATMENT

Brown & Brown has determined that the minority interests in Golden Gate Holdings will be acquired at fair market value and be accounted for using the purchase method of accounting. After completion of the merger, the results of operations of Golden Gate Holdings will be included in the consolidated financial statements of Brown & Brown. The purchase price will