

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

FORM 10-Q

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended March 31, 2025
or

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from _____ to _____
Commission file number 001-13619

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

Florida
(State or other jurisdiction of
incorporation or organization)
300 North Beach Street,
Daytona Beach, FL
(Address of principal executive offices)



59-0864469
(I.R.S. Employer
Identification Number)

32114
(Zip Code)

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

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, \$0.10 Par Value	BRO	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§-232.405 of this chapter) during the preceding twelve months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

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

The number of shares of the Registrant's common stock, \$0.10 par value, outstanding as of April 28, 2025 was 286,607,567.

BROWN & BROWN, INC.

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Disclosure Regarding Forward-Looking Statements

Brown & Brown, Inc., together with its subsidiaries (collectively, “we,” “Brown & Brown” or the “Company”), makes “forward-looking statements” within the “safe harbor” provision of the Private Securities Litigation Reform Act of 1995, as amended, throughout this report and in the documents we incorporate by reference into this report. You can identify these statements by forward-looking words such as “may,” “will,” “should,” “expect,” “anticipate,” “believe,” “intend,” “estimate,” “plan” and “continue” or similar words. We have based these statements on our current expectations about potential future events. Although we believe the expectations expressed in the forward-looking statements included in this Quarterly Report on Form 10-Q and the reports, statements, information and announcements incorporated by reference into this report are based upon reasonable assumptions within the bounds of our knowledge of our business, a number of factors could cause actual results to differ materially from those expressed in any forward-looking statements, whether oral or written, made by us or on our behalf. Many of these factors have previously been identified in filings or statements made by us or on our behalf. Important factors which could cause our actual results to differ, possibly materially from the forward-looking statements in this report include but are not limited to the following items, in addition to those matters described in Part I, Item 2 “Management’s Discussion and Analysis of Financial Condition and Results of Operations”:

- The inability to hire, retain and develop qualified employees, as well as the loss of any of our executive officers or other key employees;
- A cybersecurity attack or any other interruption in information technology and/or data security that may impact our operations or the operations of third parties that support us;
- Acquisition-related risks that could negatively affect the success of our growth strategy, including the possibility that we may not be able to successfully identify suitable acquisition candidates, complete acquisitions, successfully integrate acquired businesses into our operations and expand into new markets;
- Risks related to our international operations, which may result in additional risks or require more management time and expense than our domestic operations to achieve or maintain profitability;
- The requirement for additional resources and time to adequately respond to dynamics resulting from rapid technological change;
- The loss of or significant change to any of our insurance company or intermediary relationships, which could result in loss of capacity to write business, additional expense, loss of market share or material decrease in our commissions;
- The effect of natural disasters on our profit-sharing contingent commissions, insurer capacity or claims expenses within our captive insurance facilities;
- Adverse economic conditions, political conditions, outbreaks of war, disasters, or regulatory changes in states or countries where we have a concentration of our business;
- The inability to maintain our culture or a significant change in management, management philosophy or our business strategy;
- Fluctuations in our commission revenue as a result of factors outside of our control;
- The effects of significant or sustained inflation or higher interest rates;
- Claims expense resulting from the limited underwriting risk associated with our participation in capitalized captive insurance facilities;
- Risks associated with our automobile and recreational vehicle finance and incentives dealer services (“F&I”) businesses;
- Changes in, or the termination of, certain programs administered by the U.S. federal government from which we derive revenues;
- The limitations of our system of disclosure and internal controls and procedures in preventing errors or fraud, or in informing management of all material information in a timely manner;
- Our reliance on vendors and other third parties to perform key functions of our business operations and provide services to our customers;
- The significant control certain shareholders have;
- Changes in data privacy and protection laws and regulations or any failure to comply with such laws and regulations;
- Improper disclosure of confidential information;
- Our ability to comply with non-U.S. laws, regulations and policies;
- The potential adverse effect of certain actual or potential claims, regulatory actions or proceedings on our businesses, results of operations, financial condition or liquidity;

- Uncertainty in our business practices and compensation arrangements with insurance carriers due to potential changes in regulations;
- Regulatory changes that could reduce our profitability or growth by increasing compliance costs, technology compliance, restricting the products or services we may sell, the markets we may enter, the methods by which we may sell our products and services, or the prices we may charge for our services and the form of compensation we may accept from our customers, carriers and third parties;
- Increasing scrutiny and changing laws and expectations from regulators, investors and customers with respect to our environmental, social and governance practices and disclosure;
- A decrease in demand for liability insurance as a result of tort reform legislation;
- Our failure to comply with any covenants contained in our debt agreements;
- The possibility that covenants in our debt agreements could prevent us from engaging in certain potentially beneficial activities;
- Fluctuations in foreign currency exchange rates;
- A downgrade to our corporate credit rating, the credit ratings of our outstanding debt or other market speculation;
- Changes in the U.S.-based credit markets that might adversely affect our business, results of operations and financial condition;
- Changes in current U.S. or global economic conditions, including an extended slowdown in the markets in which we operate;
- Disintermediation within the insurance industry, including increased competition from insurance companies, technology companies and the financial services industry, as well as the shift away from traditional insurance markets;
- Conditions that result in reduced insurer capacity;
- 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;
- Intangible asset risk, including the possibility that our goodwill may become impaired in the future;
- Changes in our accounting estimates and assumptions;
- Future pandemics, epidemics or outbreaks of infectious diseases, and the resulting governmental and societal responses;
- Other risks and uncertainties as may be detailed from time to time in our public announcements and Securities and Exchange Commission (“SEC”) filings; and
- Other factors that the Company may not have currently identified or quantified.

Assumptions as to any of the foregoing, and all statements, are not based upon historical fact, but rather reflect our current expectations concerning future results and events. Forward-looking statements that we make or that are made by others on our behalf are based upon a knowledge of our business and the environment in which we operate, but because of the factors listed above, among others, actual results may differ from those in the forward-looking statements. Consequently, these cautionary statements qualify all of the forward-looking statements we make herein. We cannot assure you that the results or developments anticipated by us will be realized or, even if substantially realized, that those results or developments will result in the expected consequences for us or affect us, our business or our operations in the way we expect. We caution readers not to place undue reliance on these forward-looking statements. All forward-looking statements made herein are made only as of the date of this filing, and the Company does not undertake any obligation to publicly update or correct any forward-looking statements to reflect events or circumstances that subsequently occur or of which the Company hereafter becomes aware.

PART I — FINANCIAL INFORMATION

ITEM 1 — Financial Statements (Unaudited)

BROWN & BROWN, INC.

**CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(UNAUDITED)**

<i>(in millions, except per share data)</i>	Three months ended March 31,	
	2025	2024
REVENUES		
Commissions and fees	\$ 1,385	\$ 1,237
Investment and other income	19	21
Total revenues	1,404	1,258
EXPENSES		
Employee compensation and benefits	683	631
Other operating expenses	186	161
Loss on disposal	2	2
Amortization	53	43
Depreciation	11	11
Interest	46	48
Change in estimated acquisition earn-out payables	(4)	(2)
Total expenses	977	894
Income before income taxes	427	364
Income taxes	93	71
Net income before non-controlling interests	334	293
Less: Net income attributable to non-controlling interests	3	—
Net income attributable to the Company	\$ 331	\$ 293
Net income per share:		
Basic	\$ 1.16	\$ 1.03
Diluted	\$ 1.15	\$ 1.02

See accompanying Notes to Condensed Consolidated Financial Statements.

BROWN & BROWN, INC.

**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(UNAUDITED)**

<i>(in millions)</i>	Three months ended March 31,	
	2025	2024
Net income attributable to the Company	\$ 331	\$ 293
Foreign currency translation gain/(loss)	124	(32)
Comprehensive income attributable to the Company	<u>\$ 455</u>	<u>\$ 261</u>

See accompanying Notes to Condensed Consolidated Financial Statements.

BROWN & BROWN, INC.

**CONDENSED CONSOLIDATED BALANCE SHEETS
(UNAUDITED)**

(in millions, except per share data)

	March 31, 2025	December 31, 2024
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 669	\$ 675
Fiduciary cash	1,771	1,827
Commission, fees and other receivables	1,083	895
Fiduciary receivables	1,136	1,116
Reinsurance recoverable	447	1,527
Prepaid reinsurance premiums	480	520
Other current assets	331	364
Total current assets	5,917	6,924
Fixed assets, net	327	319
Operating lease assets	197	200
Goodwill	8,111	7,970
Amortizable intangible assets, net	1,821	1,814
Other assets	387	385
Total assets	\$ 16,760	\$ 17,612
LIABILITIES AND EQUITY		
Current Liabilities:		
Fiduciary liabilities	\$ 2,907	\$ 2,943
Losses and loss adjustment reserve	462	1,543
Unearned premiums	542	577
Accounts payable	481	373
Accrued expenses and other liabilities	463	653
Current portion of long-term debt	75	225
Total current liabilities	4,930	6,314
Long-term debt less unamortized discount and debt issuance costs	3,731	3,599
Operating lease liabilities	186	189
Deferred income taxes, net	701	711
Other liabilities	371	362
Equity:		
Common stock, par value \$0.10 per share; authorized 560 shares; issued 306 shares and outstanding 287 shares at 2025, issued 306 shares and outstanding 286 shares at 2024, respectively	31	31
Additional paid-in capital	1,107	1,118
Treasury stock, at cost 20 shares at 2025 and 2024	(748)	(748)
Accumulated other comprehensive income (loss)	15	(109)
Non-controlling interests	20	17
Retained earnings	6,416	6,128
Total equity	6,841	6,437
Total liabilities and equity	\$ 16,760	\$ 17,612

See accompanying Notes to Condensed Consolidated Financial Statements.

BROWN & BROWN, INC.

**CONDENSED CONSOLIDATED STATEMENTS OF EQUITY
(UNAUDITED)**

	<u>Common Stock</u>							
	Shares Outstandin g	Par Value	Additional Paid-In Capital	Treasury Stock	Accumulat ed Other Comprehe nsive Income (Loss)	Retained Earnings	Non- Controlling Interest	Total
<i>(in millions, except per share data)</i>								
Balance at December 31, 2024	286	\$ 31	\$ 1,118	\$ (748)	\$ (109)	\$ 6,128	\$ 17	\$ 6,437
Net income					331		3	334
Foreign currency translation					124			124
Shares issued - employee stock compensation plans:								
Employee stock purchase plan			4					4
Stock incentive plans	1		25					25
Repurchase shares to fund tax withholdings for non-cash stock-based compensation			(40)					(40)
Cash dividends paid (\$0.15 per share)						(43)		(43)
Balance at March 31, 2025	287	\$ 31	\$ 1,107	\$ (748)	\$ 15	\$ 6,416	\$ 20	\$ 6,841
Balance at December 31, 2023	285	\$ 30	\$ 1,027	\$ (748)	\$ (19)	\$ 5,289	\$ —	\$ 5,579
Net income					293			293
Foreign currency translation					(32)			(32)
Shares issued - employee stock compensation plans:								
Employee stock purchase plan			4					4
Stock incentive plans	1		25					25
Net non-controlling interest acquired (disposed)			1				9	10
Repurchase shares to fund tax withholdings for non-cash stock-based compensation	(1)		(54)					(54)
Cash dividends paid (\$0.13 per share)						(38)		(38)
Balance at March 31, 2024	285	\$ 30	\$ 1,003	\$ (748)	\$ (51)	\$ 5,544	\$ 9	\$ 5,787

See accompanying Notes to Condensed Consolidated Financial Statements.

BROWN & BROWN, INC.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)

<i>(in millions)</i>	Three months ended March 31,	
	2025	2024
Cash flows from operating activities:		
Net income before non-controlling interests	\$ 334	\$ 293
Adjustments to reconcile net income before non-controlling interests to net cash provided by operating activities:		
Amortization	53	43
Depreciation	11	11
Non-cash stock-based compensation	29	29
Change in estimated acquisition earn-out payables	(4)	(2)
Deferred income taxes	(10)	(1)
Net loss on sales/disposals of investments, businesses, fixed assets and customer accounts	2	2
Payments on acquisition earn-outs in excess of original estimated payables	—	(13)
Other	2	—
Changes in operating assets and liabilities, net of effect from acquisitions and divestitures:		
Commissions, fees and other receivables (increase) decrease	(180)	(142)
Reinsurance recoverable (increase) decrease	1,080	60
Prepaid reinsurance premiums (increase) decrease	40	33
Other assets (increase) decrease	35	—
Losses and loss adjustment reserve increase (decrease)	(1,081)	(59)
Unearned premiums increase (decrease)	(35)	25
Accounts payable increase (decrease)	126	(86)
Accrued expenses and other liabilities increase (decrease)	(195)	(186)
Other liabilities increase (decrease)	6	6
Net cash provided by operating activities	213	13
Cash flows from investing activities:		
Additions to fixed assets	(17)	(13)
Payments for businesses acquired, net of cash acquired	(67)	(76)
Proceeds from sales of businesses, fixed assets and customer accounts	9	—
Other investing activities	(4)	1
Net cash used in investing activities	(79)	(88)
Cash flows from financing activities:		
Fiduciary receivables and liabilities, net	(90)	(26)
Payments on acquisition earn-outs	(26)	(39)
Payments on long-term debt	(169)	(13)
Borrowings on revolving credit facility	150	150
Payments on revolving credit facility	—	(50)
Repurchase shares to fund tax withholdings for non-cash stock-based compensation	(40)	(54)
Cash dividends paid	(43)	(38)
Other financing activities	—	3
Net cash used in financing activities	(218)	(67)
Effect of foreign exchange rate changes on cash and cash equivalents inclusive of fiduciary cash	22	(11)
Net decrease in cash and cash equivalents inclusive of fiduciary cash	(62)	(153)
Cash and cash equivalents inclusive of fiduciary cash at beginning of period	2,502	2,303
Cash and cash equivalents inclusive of fiduciary cash at end of period	\$ 2,440	\$ 2,150

See accompanying Notes to Condensed Consolidated Financial Statements. Refer to Note 10 for the reconciliations of cash and cash equivalents inclusive of fiduciary cash.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

NOTE 1 Nature of Operations

Brown & Brown, Inc., a Florida corporation, and its subsidiaries (collectively, "Brown & Brown" or the "Company") is a diversified insurance agency, wholesale brokerage, insurance programs and service organization that markets and sells insurance products and services, primarily in the property, casualty and employee benefits areas. Brown & Brown's business is divided into three reportable segments. The Retail segment provides a broad range of insurance products and services to commercial, public and quasi-public entities, professional and individual insured customers, and non-insurance risk-mitigating products through our automobile and recreational vehicle dealer services ("F&I") businesses. The Programs segment, which acts as a managing general underwriter ("MGU"), provides professional liability and related package products for certain professionals, a range of insurance products for individuals, flood coverage, and targeted products and services designated for specific industries, trade groups, governmental entities and market niches, all of which are delivered through a nationwide network of independent agents, including Brown & Brown retail agents. The Wholesale Brokerage segment markets and sells excess and surplus commercial and personal lines insurance, primarily through independent agents and brokers, as well as Brown & Brown retail agents.

The Company primarily operates as an agent or broker not assuming underwriting risks. However, we operate a write-your-own flood insurance carrier, Wright National Flood Insurance Company ("WNFIC"). WNFIC's underwriting business consists of policies written pursuant to the National Flood Insurance Program ("NFIP"), the program administered by the Federal Emergency Management Agency ("FEMA") to which premiums and underwriting exposure are ceded, and excess flood policies which are fully reinsured in the private market. The Company also operates two capitalized captive insurance facilities (the "Captives") for the purpose of facilitating additional underwriting capacity, generating incremental revenues and participating in underwriting results.

NOTE 2 Basis of Financial Reporting

The accompanying unaudited Condensed Consolidated Financial Statements have been prepared in accordance with generally accepted accounting principles in the United States ("U.S. GAAP") for interim financial information and with the instructions for Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by U.S. GAAP for complete financial statements. In the opinion of management, all adjustments (consisting of recurring accruals) necessary for a fair presentation have been included. These unaudited Condensed Consolidated Financial Statements should be read in conjunction with the audited Consolidated Financial Statements and the Notes thereto set forth in the Company's Annual Report on Form 10-K for the year ended December 31, 2024.

The preparation of these financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, as well as disclosures of contingent assets and liabilities, at the date of the Condensed Consolidated Financial Statements, and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates.

Recently Issued Accounting Pronouncements

In November 2024, the FASB issued ASU 2024-03, "Income Statement-Reporting Comprehensive Income-Expense Disaggregation Disclosures (Subtopic 220-40)" which requires disclosure of specific information about certain costs and expenses in the notes to the financial statements. This ASU is effective for annual periods beginning after December 15, 2026 and interim periods beginning after December 15, 2027. Early adoption is permitted. The Company is currently evaluating these new disclosure requirements.

On December 14, 2023, the FASB issued ASU 2023-09, "Improvements to Income Tax Disclosures." This ASU improves the transparency of income tax disclosures by requiring consistent categories and greater disaggregation of information in the rate reconciliation and income taxes paid disaggregated by jurisdiction. This ASU is effective for annual periods beginning after December 15, 2024. Early adoption is permitted. The Company is currently evaluating these new disclosure requirements.

Recently Adopted Accounting Standards

In November 2023, the FASB issued ASU 2023-07, "Improvements to Reportable Segment Disclosures." This ASU requires additional reportable segment disclosures, primarily through enhanced disclosures about significant segment expenses. In addition, the ASU enhances interim disclosure requirements effectively making the current annual requirements a requirement for interim reporting. The Company adopted ASU 2023-07 for fiscal year ending December 31, 2024, and it has been applied retrospectively to the interim disclosures beginning January 1, 2025.

NOTE 3 Revenues

The following tables present the revenues disaggregated by revenue source:

(in millions)	Three months ended March 31, 2025				
	Retail	Programs	Wholesale Brokerage	Other ⁽⁸⁾	Total
Base commissions ⁽¹⁾	\$ 617	\$ 218	\$ 123	\$ —	\$ 958
Fees ⁽²⁾	177	65	24	(1)	265
Other supplemental commissions ⁽³⁾	97	1	2	—	100
Profit-sharing contingent commissions ⁽⁴⁾	14	20	9	—	43
Earned premium ⁽⁵⁾	—	19	—	—	19
Investment income ⁽⁶⁾	2	4	1	11	18
Other income, net ⁽⁷⁾	—	1	—	—	1
Total revenues	<u>\$ 907</u>	<u>\$ 328</u>	<u>\$ 159</u>	<u>\$ 10</u>	<u>\$ 1,404</u>

(in millions)	Three months ended March 31, 2024				
	Retail	Programs	Wholesale Brokerage	Other ⁽⁸⁾	Total
Base commissions ⁽¹⁾	\$ 547	\$ 206	\$ 111	\$ —	\$ 864
Fees ⁽²⁾	156	49	21	1	227
Other supplemental commissions ⁽³⁾	86	1	3	—	90
Profit-sharing contingent commissions ⁽⁴⁾	14	26	6	—	46
Earned premium ⁽⁵⁾	—	10	—	—	10
Investment income ⁽⁶⁾	1	5	1	11	18
Other income, net ⁽⁷⁾	2	1	—	—	3
Total revenues	<u>\$ 806</u>	<u>\$ 298</u>	<u>\$ 142</u>	<u>\$ 12</u>	<u>\$ 1,258</u>

- (1) Base commissions generally represent a percentage of the premium paid by an insured and are affected by fluctuations in both premium rate levels charged by insurance companies and the insureds' underlying "insurable exposure units," which are units that insurance companies use to measure or express insurance exposed to risk (such as property values, or sales and payroll levels) to determine what premium to charge the insured. Insurance companies establish these premium rates based upon many factors, including loss experience, risk profile and reinsurance rates paid by such insurance companies, none of which we control.
- (2) Fee revenues relate to fees for services other than securing coverage for our customers, including fees negotiated in lieu of commissions, and F&I products and services.
- (3) Other supplemental commissions include additional commissions over base commissions received from insurance carriers based on predetermined growth or production measures. This includes incentive commissions and guaranteed supplemental commissions.
- (4) Profit-sharing contingent commissions are based primarily on underwriting results, but may also reflect considerations for volume, growth and/or retention.
- (5) Earned premium relates to the premiums earned in the Captives.
- (6) Investment income consists primarily of interest on cash and investments.
- (7) Other income consists primarily of other miscellaneous income.
- (8) Fees within Other reflect the elimination of intercompany revenues.

The following table presents the revenues disaggregated by geographic area where our services are being performed:

(in millions)	Three months ended March 31,	
	2025	2024
U.S.	\$ 1,174	\$ 1,099
U.K.	140	131
Other	90	28
Total revenues	<u>\$ 1,404</u>	<u>\$ 1,258</u>

Contract Assets and Liabilities

The balances of contract assets and contract liabilities arising from contracts with customers as of March 31, 2025 and December 31, 2024 were as follows:

<i>(in millions)</i>	March 31, 2025	December 31, 2024
Contract assets	\$ 709	\$ 575
Contract liabilities	\$ 113	\$ 119

Unbilled receivables (contract assets) arise when the Company recognizes revenue for amounts which have not yet been billed in the Company's systems and are reflected in commissions, fees and other receivables in the Company's Condensed Consolidated Balance Sheets. The increase in contract assets over the balance as of December 31, 2024 is due to normal seasonality, growth in the business and from businesses acquired in the current year.

Deferred revenue (contract liabilities) relates to payments received in advance of performance under the contract before the transfer of a good or service to the customer. Deferred revenue is reflected within accrued expenses and other liabilities for those to be recognized in less than twelve months and in other liabilities for those to be recognized more than twelve months from the date presented in the Company's Condensed Consolidated Balance Sheets.

As of March 31, 2025, deferred revenue consisted of \$74 million as the current portion to be recognized within one year and \$39 million in long-term to be recognized beyond one year. As of December 31, 2024, deferred revenue consisted of \$80 million as the current portion to be recognized within one year and \$39 million in long-term deferred revenue to be recognized beyond one year.

During the three months ended March 31, 2025 and 2024, the net amount of revenue recognized related to performance obligations satisfied in a previous period was \$14 million and \$16 million, consisting of additional variable consideration received on our incentive and profit-sharing contingent commissions.

Other Assets and Deferred Cost

Incremental cost to obtain - The Company defers certain costs to obtain customer contracts primarily as they relate to commission-based compensation plans in the Retail segment, in which the Company pays an incremental amount of compensation on new business. These incremental costs are deferred and amortized over a 15-year period. The cost to obtain balance within the other assets caption in the Company's Condensed Consolidated Balance Sheets was \$124 million and \$119 million as of March 31, 2025 and December 31, 2024, respectively. For the three months ended March 31, 2025, the Company deferred \$7 million of incremental cost to obtain customer contracts. The Company recorded an expense of \$2 million associated with the incremental cost to obtain customer contracts for the three months ended March 31, 2025.

Cost to fulfill - The Company defers certain costs to fulfill contracts and recognizes these costs as the associated performance obligations are fulfilled. The cost to fulfill balance within the other current assets caption in the Company's Condensed Consolidated Balance Sheets was \$116 million and \$145 million as of March 31, 2025 and December 31, 2024, respectively. For the three months ended March 31, 2025, the Company had net expense of \$32 million related to the release of previously deferred contract fulfillment costs associated with performance obligations that were satisfied in the period, net of current year deferrals for costs incurred that related to performance obligations yet to be fulfilled.

NOTE 4 Net Income Per Share

Basic net income per share is computed based on the weighted average number of common shares (including participating securities) issued and outstanding during the period. Diluted net income per share is computed based on the weighted average number of common shares issued and outstanding plus equivalent shares, assuming the issuance of all potentially issuable common shares. The dilutive effect of potentially issuable common shares is computed by application of the treasury stock method. The following is a reconciliation between basic and diluted weighted average shares outstanding:

<i>(in millions, except per share data)</i>	Three months ended March 31,	
	2025	2024
Net income attributable to the Company	\$ 331	\$ 293
Net income attributable to unvested awarded performance stock	(4)	(4)
Net income attributable to common shares	<u>\$ 327</u>	<u>\$ 289</u>
Weighted average number of common shares outstanding – basic	286	285
Less unvested awarded performance stock included in weighted average number of common shares outstanding – basic	<u>(3)</u>	<u>(4)</u>
Weighted average number of common shares outstanding for basic net income per common share	283	281
Dilutive effect of potentially issuable common shares	<u>2</u>	<u>2</u>
Weighted average number of shares outstanding – diluted	<u>285</u>	<u>283</u>
Net income per share:		
Basic	\$ 1.16	\$ 1.03
Diluted	<u>\$ 1.15</u>	<u>\$ 1.02</u>

NOTE 5 Business Combinations

During the three months ended March 31, 2025, Brown & Brown acquired all of the stock of three insurance intermediaries and purchased assets and assumed certain liabilities of ten insurance intermediaries for a total of 13 acquisitions. Additionally, adjustments were recorded to the purchase price allocation of certain prior acquisitions completed within the last twelve months as permitted by Accounting Standards Codification (“ASC”) Topic 805 — *Business Combinations* (“ASC 805”).

The recorded purchase price for all acquisitions includes an estimation of the fair value of liabilities associated with any potential earn-out provisions. Subsequent changes in the fair value of earn-out obligations are recorded in the Condensed Consolidated Statements of Income when incurred. The fair value of earn-out obligations is based on the present value of the expected future payments to be made to the sellers of the acquired businesses in accordance with the provisions outlined in the respective purchase agreements.

Based on the acquisition date and the complexity of the underlying valuation work, certain amounts included in the Company’s Condensed Consolidated Financial Statements may be provisional and thus subject to further adjustments within the permitted measurement period, as defined in ASC 805.

Certain disclosures have not been presented as the effect of the acquisitions were not material to the Company's financial results.

The following table summarizes the estimated fair values of the aggregate assets and liabilities acquired through the three months ended March 31, 2025 as of the date of each acquisition and adjustments made during the measurement period of the prior year acquisitions.

<i>(in millions)</i> Business Segment Effective date of acquisition	NBS Insurance Agency Wholesale March 1, 2025	Other ⁽¹⁾ Various Various	Total
Cash paid	\$ 54	\$ 33	\$ 87
Other payable	—	4	4
Recorded earn-out payable	—	5	5
Total consideration	54	42	96
Maximum potential earn-out payable	—	20	20
Allocation of purchase price:			
Cash and equivalents	—	4	4
Fiduciary cash	13	3	16
Fiduciary receivables	—	19	19
Other current assets	2	—	2
Goodwill	33	22	55
Purchased customer accounts and other intangibles	17	13	30
Other assets	—	4	4
Total assets acquired	65	65	130
Fiduciary liabilities	(10)	(19)	(29)
Other current liabilities	(1)	(3)	(4)
Other long-term liabilities	—	(1)	(1)
Total liabilities assumed	(11)	(23)	(34)
Net assets acquired	\$ 54	\$ 42	\$ 96

(1) The other column represents a summarization of current year acquisitions with total consideration of less than \$50 million per acquisition and adjustments from prior year acquisitions that were made within the permitted measurement period.

The weighted average useful life of purchased customer accounts is 15 years.

Acquisition Earn-Out Payables

As of March 31, 2025 and 2024, the fair values of the estimated acquisition earn-out payables were re-evaluated and measured at fair value on a recurring basis using unobservable inputs (Level 3) as defined in ASC 820 - *Fair Value Measurement*. The resulting additions, payments, and net changes, as well as the interest expense accretion on the estimated acquisition earn-out payables were as follows:

<i>(in millions)</i>	Three months ended March 31,	
	2025	2024
Balance as of the beginning of the period	\$ 167	\$ 249
Additions to estimated acquisition earn-out payables	5	9
Payments for estimated acquisition earn-out payables	(26)	(52)
Subtotal	146	206
Net change in earnings from estimated acquisition earn-out payables:		
Change in fair value on estimated acquisition earn-out payables	(6)	(4)
Interest expense accretion	2	2
Net change in earnings from estimated acquisition earn-out payables	(4)	(2)
Foreign currency translation adjustments during the year	1	(1)
Balance as of March 31,	\$ 143	\$ 203

Of the \$143 million of estimated acquisition earn-out payables as of March 31, 2025, \$51 million was recorded as accounts payable and \$92 million was recorded as other non-current liabilities. As of March 31, 2025, the maximum future acquisition contingency payments was \$419 million. Four of the estimated acquisition earn-out payables include provisions with no maximum potential earn-out amount. The amount recorded for these acquisitions as of March 31, 2025 was \$1 million. The Company believes a significant increase in this amount to be unlikely.

NOTE 6 Goodwill

The changes in the carrying value of goodwill by reportable segment for the three months ended March 31, 2025 are as follows:

<i>(in millions)</i>	Retail	Programs	Wholesale Brokerage	Total
Balance as of December 31, 2024	\$ 5,436	\$ 1,884	\$ 650	\$ 7,970
Goodwill of acquired businesses	3	20	33	56
Goodwill adjustments during measurement period ⁽¹⁾	(1)	—	—	(1)
Goodwill disposed of relating to sales of businesses	(5)	—	—	(5)
Foreign currency translation adjustments during the year	74	13	4	91
Balance as of March 31, 2025	<u>\$ 5,507</u>	<u>\$ 1,917</u>	<u>\$ 687</u>	<u>\$ 8,111</u>

(1) Provisional estimates of fair value of acquired assets and liabilities are established at the time of each acquisition and are subsequently reviewed and finalized within the first year of operations subsequent to the acquisition date to determine the necessity for adjustments to goodwill.

NOTE 7 Amortizable Intangible Assets

Amortizable intangible assets consisted of the following:

<i>(in millions)</i>	March 31, 2025				December 31, 2024			
	Gross carrying value	Accumulated amortization	Net carrying value	Weighted average life (years) ⁽¹⁾	Gross carrying value	Accumulated amortization	Net carrying value	Weighted average life (years) ⁽¹⁾
Purchased customer accounts and other	\$ 3,548	\$ (1,759)	\$ 1,789	15	\$ 3,557	\$ (1,718)	\$ 1,839	15
Foreign currency translation adjustments during the year	37	(5)	32		(28)	3	(25)	
Total	<u>\$ 3,585</u>	<u>\$ (1,764)</u>	<u>\$ 1,821</u>		<u>\$ 3,529</u>	<u>\$ (1,715)</u>	<u>\$ 1,814</u>	

(1) Weighted average life calculated as of the date of acquisition.

Amortization expense for intangible assets for the years ending December 31, 2025, 2026, 2027, 2028 and 2029 is estimated to be \$192 million, \$185 million, \$173 million, \$166 million, and \$149 million, respectively.

NOTE 8 Long-Term Debt

Long-term debt consisted of the following:

<i>(in millions)</i>	March 31, 2025	December 31, 2024
Current portion of long-term debt:		
Current portion of 5-year term loan facility expires 2026	\$ 25	\$ 25
Current portion of 3-year term loan facility expires 2025	—	150
Current portion of 5-year term loan facility expires 2027	50	50
Total current portion of long-term debt	75	225
Long-term debt:		
Note agreements:		
4.500% senior notes, semi-annual interest payments, net of the unamortized discount, balloon due 2029	350	350
2.375% senior notes, semi-annual interest payments, net of the unamortized discount, balloon due 2031	700	700
4.200% senior notes, semi-annual interest payments, net of the unamortized discount, balloon due 2032	598	598
5.650% senior notes, semi-annual interest payments, net of the unamortized discount, balloon due 2034	599	599
4.950% senior notes, semi-annual interest payments, net of the unamortized discount, balloon due 2052	592	592
Total notes	2,839	2,839
Credit agreements:		
5-year term loan facility, periodic interest and principal payments, SOFR plus up to 1.750%, expires October 27, 2026	162	169
5-year revolving loan facility, periodic interest payments, SOFR plus up to 1.525%, plus commitment fees up to 0.225%, expires October 27, 2026	400	250
5-year term loan facility, periodic interest and principal payments, SOFR plus up to 1.750%, expires March 31, 2027	350	362
Total credit agreements	912	781
Debt issuance costs (contra)	(20)	(21)
Total long-term debt, less unamortized discount and debt issuance costs	3,731	3,599
Current portion of long-term debt	75	225
Total debt	\$ 3,806	\$ 3,824

Note agreements: The Company maintains notes from issuances aggregating to a total outstanding debt balance of \$2,850 million exclusive of the associated discount balance as of March 31, 2025 and December 31, 2024.

Credit agreements: On March 31, 2025, the Company repaid the outstanding balance on the 3-year term loan facility of \$150 million.

The Company has credit agreements that include term loans and a Revolving Credit Facility of \$800 million, all having similar terms and covenants. The outstanding balance on the term loans was \$587 million and \$756 million as of March 31, 2025 and December 31, 2024, respectively. There were outstanding balances on the Revolving Credit Facility of \$400 million and \$250 million as of March 31, 2025 and December 31, 2024, respectively.

The Company is required to maintain certain financial ratios and comply with certain covenants. The Company was in compliance with all such covenants as of March 31, 2025 and December 31, 2024.

At March 31, 2025, the 1-month Term SOFR Rate for the term loan due October 2026 and the term loan due March 2027 was 4.425%. At March 31, 2025, the 1-month Term SOFR Rate for the Revolving Credit Facility was 4.427%. These SOFR rates are inclusive of a 0.100% credit-spread adjustment per the terms of the relevant agreements.

Fair value information about financial instruments not measured at fair value

The following table presents liabilities that are not measured at fair value on a recurring basis:

(in millions)	March 31, 2025		December 31, 2024	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Liabilities:				
Current portion of long-term debt	\$ —	\$ —	\$ —	\$ —
Long-term debt	\$ 2,839	\$ 2,641	\$ 2,839	\$ 2,602

The carrying value of the Company's borrowings under various credit agreements approximates its fair value due to the variable interest rate based upon adjusted SOFR. The fair values above, which exclude accrued interest, are not necessarily indicative of the amounts that the Company would realize upon disposition, nor do they indicate the Company's intent or ability to dispose of the financial instruments. The fair values of our respective senior notes are considered Level 2 financial instruments, as their values are measured by using observable inputs, other than quoted prices in active markets.

NOTE 9 Leases

Substantially all of the Company's operating lease right-of-use assets and operating lease liabilities represent real estate leases for office space used to conduct the Company's business that expire on various dates through 2041. Leases generally contain renewal options and escalation clauses based upon increases in the lessors' operating expenses and other charges. The Company anticipates that most of these leases will be renewed or replaced upon expiration, although not necessarily for the same amount of space.

The balances and classification of operating lease right-of-use assets and operating lease liabilities within the Condensed Consolidated Balance Sheets is as follows:

(in millions)		March 31, 2025	December 31, 2024
Assets:			
Operating lease right-of-use assets	Operating lease assets	\$ 197	\$ 200
Total assets		197	200
Liabilities:			
Current operating lease liabilities	Accrued expenses and other liabilities	46	47
Non-current operating lease liabilities	Operating lease liabilities	186	189
Total liabilities		\$ 232	\$ 236

The components of lease cost for operating leases were as follows:

(in millions)	Three months ended March 31,	
	2025	2024
Operating leases:		
Lease cost	\$ 14	\$ 14
Variable lease cost	1	1
Total lease cost net	\$ 15	\$ 15

The weighted average remaining lease term and the weighted average discount rate for operating leases as of March 31, 2025 were:

Weighted average remaining lease term in years	6.06
Weighted average discount rate	3.96%

Maturities of the operating lease liabilities by fiscal year at March 31, 2025 for the Company's operating leases are as follows:

<i>(in millions)</i>	Operating leases	
2025 (Remainder)	\$	38
2026		50
2027		43
2028		34
2029		27
Thereafter		66
Total undiscounted lease payments		258
Less: imputed interest		26
Present value of lease payments	\$	232

Supplemental cash flow information for operating leases is as follows:

<i>(in millions)</i>	Three months ended March 31,	
	2025	2024
Cash paid for amounts included in measurement of liabilities		
Operating cash flows from operating leases	\$ 16	\$ 15
Right-of-use assets obtained in exchange for new operating liabilities	\$ 6	\$ 11

NOTE 10 Supplemental Disclosures of Cash Flow Information and Non-Cash Financing and Investing Activities

During the three months ended March 31, 2025, the Company had an impact of \$22 million from foreign exchange rate changes on cash and cash equivalents inclusive of fiduciary cash reported on its Condensed Consolidated Statements of Cash Flows due to the change in currency exchange rates primarily for British pounds.

Cash paid during the period for interest and income taxes are summarized as follows:

<i>(in millions)</i>	Three months ended March 31,	
	2025	2024
Cash paid during the period for:		
Interest	\$ 58	\$ 74
Income taxes, net of refunds	\$ 14	\$ 134

During 2024, the Company accrued for and deferred approximately \$90 million related to certain federal income tax payments due to Hurricanes Debby and Milton tax relief. The deadline to pay these deferred tax payments is May 1, 2025.

During the three months ended March 31, 2024, the Company paid \$91 million related to certain federal income tax payments that were deferred from 2023 due to Hurricane Idalia tax relief and paid approximately \$30 million of tax payments associated with the gain on disposal of certain third-party claims administration and adjusting services businesses sold in the fourth quarter of 2023.

Significant non-cash investing and financing activities are summarized as follows:

<i>(in millions)</i>	Three months ended March 31,	
	2025	2024
Other payables issued for agency acquisitions and purchased customer accounts	\$ 4	\$ 2
Estimated acquisition earn-out payables issued for agency acquisitions	\$ 5	\$ 9

The Company's restricted cash balance is composed of funds held in separate premium trust accounts as required by state law or, in some cases, by agreement with carrier partners. The following is a reconciliation of cash and cash equivalents inclusive of restricted cash as of March 31, 2025 and 2024.

<i>(in millions)</i>	March 31, 2025	December 31, 2024
Table to reconcile restricted and non-restricted fiduciary cash		
Restricted fiduciary cash	\$ 1,470	\$ 1,570
Non-restricted fiduciary cash	301	257
Total restricted and non-restricted fiduciary cash at the end of the period	\$ 1,771	\$ 1,827

(in millions)	Balance as of March 31,	
	2025	2024
Table to reconcile cash and cash equivalents inclusive of fiduciary cash		
Cash and cash equivalents	\$ 669	\$ 581
Fiduciary cash	1,771	1,569
Total cash and cash equivalents inclusive of restricted cash at the end of the period	\$ 2,440	\$ 2,150

NOTE 11 Legal and Regulatory Proceedings

The Company is involved in numerous pending or threatened proceedings by or against Brown & Brown, Inc. or one or more of its subsidiaries that arise in the ordinary course of business. The damages that may be claimed against the Company in these various proceedings are in some cases substantial, including in certain instances claims for punitive or extraordinary damages. Some of these claims and lawsuits have been resolved; others are in the process of being resolved and others are still in the investigation or discovery phase. The Company will continue to respond appropriately to these claims and lawsuits and vigorously protect its interests.

The Company continues to assess certain litigation and claims to determine the amounts, if any, that management believes will be paid as a result of such claims and litigation and, therefore, additional losses may be accrued and paid in the future, which could adversely impact the Company's operating results, cash flows and overall liquidity. The Company maintains third-party insurance policies to provide coverage for certain legal claims, in an effort to mitigate its overall exposure to unanticipated claims or adverse decisions. However, as (i) one or more of the Company's insurance carriers could take the position that portions of these claims are not covered by the Company's insurance, (ii) to the extent that payments are made to resolve claims and lawsuits, applicable insurance policy limits are eroded and (iii) the claims and lawsuits relating to these matters are continuing to develop, it is possible that future results of operations or cash flows for any particular quarterly or annual period could be materially affected by unfavorable resolutions of these matters. Based upon the AM Best Company ratings of these third-party insurers and other factors, management does not believe there is a substantial risk of an insurer's material non-performance related to any current insured claims.

On the basis of current information, the availability of insurance and legal advice, in management's opinion, the Company is not currently involved in any legal proceedings which, individually or in the aggregate, would have a material adverse effect on its financial condition, operations and/or cash flows.

NOTE 12 Segment Information

Brown & Brown's business is divided into three reportable segments: (i) the Retail segment, which provides a broad range of insurance products and services to commercial, public and quasi-public entities, and to professional and individual customers, and non-insurance risk-mitigating products through our F&I businesses; (ii) the Programs segment, which primarily acts as MGUs, provides professional liability and related package products for certain professionals, a range of insurance products for individuals, flood coverage, and targeted products and services designated for specific industries, trade groups, governmental entities and market niches, all of which are delivered through nationwide networks of independent agents, and Brown & Brown retail agents; and (iii) the Wholesale Brokerage segment, which markets and sells excess and surplus commercial and personal lines insurance, primarily through independent agents and brokers, as well as Brown & Brown retail agents.

Brown & Brown conducts most of its operations within the United States. International operations include retail operations based in Bermuda, Canada, Cayman Islands, Netherlands, Republic of Ireland and the United Kingdom, programs operations in Canada, France, Germany, Hong Kong, Italy, Malaysia, the Netherlands, Singapore, United Arab Emirates and the United Kingdom and wholesale brokerage operations based in Belgium, Hong Kong, Italy and the United Kingdom. These operations earned \$230 million and \$159 million of total revenues for the three months ended March 31, 2025 and 2024, respectively.

The Company's chief operating decision maker ("CODM"), the president and chief executive officer, regularly receives information regarding total revenue, income before income taxes and earnings before interest, income taxes, depreciation, amortization and change in estimated acquisition earn-out payables ("EBITDAC"). The metrics are used to review operating trends, to perform analytical comparisons between periods and to monitor budget to actual variances. The Company's CODM does not use segment assets to make resource allocation decisions, and therefore segment assets have not been presented.

Summarized financial information concerning the Company's reportable segments is shown in the following tables.

	Three months ended March 31, 2025			
(in millions)	Retail	Programs	Wholesale Brokerage	Total
Total segment revenues	\$ 907	\$ 328	\$ 159	\$ 1,394
Reconciliation of revenues				
Other ⁽¹⁾				10
Total consolidated revenues				\$ 1,404
Less: ⁽²⁾				
Employee compensation and benefits	447	113	86	
Other operating expenses	122	69	22	
(Gain)/loss on disposal	2	—	—	
Depreciation and amortization	43	15	5	
Interest expense	15	7	2	
Change in estimated acquisition earn-out payables	(6)	2	—	
Segment Income before income taxes	\$ 284	\$ 122	\$ 44	\$ 450
Reconciliation of income before income taxes				
Other ⁽¹⁾				(23)
Consolidated Income before income taxes				\$ 427

	Three months ended March 31, 2024			
(in millions)	Retail	Programs	Wholesale Brokerage	Total
Total segment revenues	\$ 806	\$ 298	\$ 142	\$ 1,246
Reconciliation of revenues				
Other ⁽¹⁾				12
Total consolidated revenues				\$ 1,258
Less: ⁽²⁾				
Employee compensation and benefits	400	109	77	
Other operating expenses	115	63	19	
(Gain)/loss on disposal	1	1	—	
Depreciation and amortization	34	15	4	
Interest expense	19	8	3	
Change in estimated acquisition earn-out payables	(1)	1	(2)	
Segment Income before income taxes	\$ 238	\$ 101	\$ 41	\$ 380
Reconciliation of income before income taxes				
Other ⁽¹⁾				(16)
Consolidated Income before income taxes				\$ 364

⁽¹⁾ "Other" includes any income and expenses not allocated to reportable segments and corporate-related items.

⁽²⁾ Significant expense categories and amounts align with the segment-level information that is regularly provided to the CODM.

NOTE 13 Insurance Company Subsidiary Operations

The National Flood Insurance Program is administered by FEMA in which the Company sells and services NFIP flood insurance policies on behalf of FEMA and receives fees for its services. Congressional authorization for the NFIP is periodically evaluated and may be subject to potential government shutdowns. The Company sells excess flood policies which are 100% ceded to a highly rated reinsurance carrier. The Company also operates two Captives for the purpose of facilitating additional underwriting capacity and to participate in a portion of the underwriting results. One Captive participates on a quota share basis for policies placed by certain of our MGU businesses that are currently focused on property insurance for earthquake and wind exposed properties with a portion of premiums ceded to reinsurance companies, limiting, but not fully eliminating the Company's exposure to underwriting losses. The other Captive participates through excess of loss reinsurance layers associated with one of our MGU businesses focused on placements of personal property, excluding flood, primarily in the southeastern United States with one layer of per risk excess reinsurance and three layers of catastrophe per occurrence reinsurance. All four layers have limited reinstatements and therefore have capped, maximum aggregate limits. The effects of reinsurance on premiums written and earned are as follows:

(in millions)	Three months ended March 31, 2025	
	Written	Earned
Direct premiums - WNFIC	\$ 210	\$ 250
Ceded premiums - WNFIC	(210)	(250)
Net premiums - WNFIC	—	—
Assumed premiums - Quota share captive and excess of loss layer captive	41	36
Ceded premiums - Quota share captive	(17)	(17)
Net premiums - Quota share captive and excess of loss layer captive	24	19
Net premiums - Total	\$ 24	\$ 19

All premiums written by the Company under NFIP are 100% ceded to FEMA, for which WNFIC received a 29.1% gross expense allowance from January 1, 2025 through March 31, 2025. For the same period, the Company ceded \$209 million of written premiums to FEMA for NFIP policies and \$1 million to highly rated carriers for excess flood policies.

As of March 31, 2025 the Condensed Consolidated Balance Sheets contained reinsurance recoverable of \$445 million and prepaid reinsurance premiums of \$480 million, which are related to the WNFIC business. For flood policies, there was no change in the balance in the reserve for losses and loss adjustment expense net of reinsurance recoverable during the period January 1, 2025 through March 31, 2025, as the Company's direct premiums written were 100% ceded to two reinsurers. The balance of the reserve for losses and loss adjustment expense for the WNFIC, excluding related reinsurance recoverable, as of March 31, 2025 was \$445 million. These balances primarily relate to claims activity from Hurricane Helene which occurred in late September 2024, and Hurricane Milton which occurred in early October 2024.

WNFIC maintains capital in excess of the minimum statutory amount of \$8 million as required by regulatory authorities. The statutory capital and surplus of WNFIC was \$46 million at March 31, 2025 and \$44 million as of December 31, 2024. For the period from January 1, 2025 through March 31, 2025, WNFIC generated statutory net income of \$1 million. For the period from January 1, 2024 through December 31, 2024, WNFIC generated statutory net income of \$9 million. The maximum amount of ordinary dividends that WNFIC can pay in a rolling twelve month period is limited to the greater of 10% of statutory adjusted capital and surplus or 100% of adjusted net income. On June 10, 2024, WNFIC paid an ordinary dividend of \$7 million. The dividend was declared and approved by the WNFIC Board of Directors on May 28, 2024. The maximum dividend payout that may be made in 2025 without prior approval is \$9 million.

In December 2021, the initial funding to capitalize the quota share Captive was \$6 million. This capital in addition to earnings of \$25 million through March 31, 2025 is considered at risk for loss. Assumed net written and net earned premiums for the quota share Captive for the three months ended March 31, 2025, were \$23 million and \$18 million, respectively. For the three months ended March 31, 2025 the ultimate loss expense inclusive of incurred but not reported ("IBNR") claims was \$22 million. As of March 31, 2025, the Condensed Consolidated Balance Sheet contained deferred acquisitions costs of \$60 million, reinsurance payable for \$2 million, and the reserve for losses and loss adjustment expense, excluding related reinsurance recoverable, was \$14 million. The first collateral release was received in March 2024 and is based on an IBNR factor times earned premium compared to the current collateral balance.

The excess of loss layer Captive was renewed in June 2024 with underlying reinsurance treaties effective from June 1, 2024 through May 31, 2025. This Captive's maximum aggregate annual underwriting exposure is \$2 million per occurrence. As of March 31, 2025, the Consolidated Balance Sheets contained the reserve for losses and loss adjustment expense of \$4 million.

NOTE 14 Shareholders' Equity

Under the authorization from the Company's Board of Directors, shares may be purchased from time to time, at the Company's discretion and subject to the availability of stock, market conditions, the trading price of the stock, alternative uses for capital, the Company's financial performance and other potential factors. These purchases may be carried out through open market purchases, block trades, accelerated share repurchase plans of up to \$100 million each (unless otherwise approved by the Board of Directors), negotiated private transactions or pursuant to any trading plan that may be adopted in accordance with Rule 10b5-1 of the Securities Exchange Act of 1934.

The Company has outstanding approval to purchase up to approximately \$249 million, in the aggregate, of the Company's outstanding common stock.

During the first quarter, the Company paid a dividend of \$0.15 per share, which was approved by the Board of Directors on January 22, 2025 and paid on February 12, 2025 for a total of \$43 million.

On April 28, 2025, the board of directors approved a quarterly cash dividend of \$0.15 per share to be paid on May 21, 2025.

ITEM 2 — Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion updates the Management's Discussion and Analysis of Financial Condition and Results of Operations contained in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2024, and the two discussions should be read together.

GENERAL

Company Overview — First Quarter of 2025

The following discussion should be read in conjunction with our Condensed Consolidated Financial Statements and the related Notes to those Financial Statements included elsewhere in this Quarterly Report on Form 10-Q, which are prepared in accordance with accounting principles generally accepted in the United States ("GAAP"). In addition, please see "Information Regarding Non-GAAP Financial Measures" below concerning important information on non-GAAP financial measures contained in our discussion and analysis.

We are a diversified insurance agency, wholesale brokerage, insurance programs and services organization headquartered in Daytona Beach, Florida. As an insurance intermediary, our principal sources of revenue are commissions paid by insurance companies and, to a lesser extent, fees paid directly by customers. Commission revenues generally represent a percentage of the premium paid by an insured and are affected by fluctuations in both premium rate levels charged by insurance companies and the insureds' underlying "insurable exposure units," which are units that insurance companies use to measure or express insurance exposed to risk (such as property values, sales or payroll levels) to determine what premium to charge the insured. Insurance companies establish these premium rates based upon many factors, including loss experience, risk profile and reinsurance rates paid by such insurance companies, none of which we control. We also participate in capitalized captive insurance facilities (the "Captives") for the purpose of having additional capacity to place coverage, drive additional revenues and to participate in underwriting results. The Captives focus on property insurance for earthquake and wind exposed properties underwritten by certain of our MGUs and limit the Company's exposure to claims expenses through reinsurance or by only participating in certain tranches of the underwriting.

The volume of business from new and existing customers, fluctuations in insurable exposure units, changes in premium rate levels, changes in general economic and competitive conditions, a reduction of purchased limits or the occurrence of catastrophic weather events all affect our revenues. For example, higher levels of inflation, an increase in the value of insurable exposure units, or a general decline in economic activity, could increase or decrease the value of insurable exposure units. Conversely, increasing costs of litigation settlements and awards could cause some customers to seek higher levels of insurance coverage. Historically, we have grown our revenues as a result of our focus on new business, customer retention and acquisitions. We foster a strong, decentralized sales and service culture, which enables responsiveness to changing business conditions and drives accountability for results.

The term "core commissions and fees" excludes profit-sharing contingent commissions, and therefore, it represents the revenues earned directly from specific insurance policies sold, and specific fee-based services rendered. The net change in core commissions and fees reflects the aggregate changes attributable to: (i) net new and lost accounts; (ii) net changes in our customers' exposure units, deductibles or insured limits; (iii) net changes in insurance premium rates or the commission rate paid to us by our carrier partners; (iv) the net change in fees paid to us by our customers; and (v) any businesses acquired or disposed of.

We also earn profit-sharing contingent commissions, which are commissions based primarily on underwriting results, but in select situations may reflect additional considerations for volume, growth and/or retention. These commissions, which are included in our commissions and fees in the Consolidated Statements of Income, are estimated and accrued throughout the year based on actual premiums written and knowledge, to the extent it is available, of losses incurred. Payments are primarily received in the first and second quarters of each subsequent year, based upon the aforementioned considerations for the prior year(s), but may differ from the amount estimated and accrued due to the lack of complete visibility regarding loss information until they are received. Over the last three years, profit-sharing contingent commissions have averaged approximately 3.6% of commissions and fees revenue.

Fee revenues primarily relate to services other than securing coverage for our customers, and for fees negotiated in lieu of commissions. Fee revenues are generated by: (i) our Programs and Wholesale Brokerage segments, which earn fees primarily for the issuance of insurance policies on behalf of insurance carriers and (ii) our Retail segment in our large-account customer base, where we primarily earn fees for securing insurance for our customers, in our F&I businesses where we earn fees for assisting our customers with creating and selling warranty and service risk management programs and fees for Medicare Set-aside services, Social Security disability services and Medicare benefits advocacy services. Fee revenues as a percentage of our total commissions and fees, represented 21.1% in 2024 and 23.9% in 2023.

For the three months ended March 31, 2025, our total commissions and fees growth rate was 12.0%, and our consolidated Organic Revenue growth rate was 6.5%.

Historically, investment and other income has consisted primarily of interest earnings on operating cash and where permitted, on premiums collected and held in a fiduciary capacity before being remitted to insurance companies. Our policy as it relates to the Company's capital is to invest available funds in high-quality, short-term money-market funds and fixed income investment securities. Investment income also includes gains and losses realized from the sale of investments. Other income primarily reflects other miscellaneous revenues.

Income before income taxes for the three months ended March 31, 2025 increased from the first quarter of 2024 by \$63 million or 17.3%, driven by Organic Revenue growth, leveraging our expense base, net new business, lower interest expense and acquisitions completed in the past twelve months.

Information Regarding Non-GAAP Financial Measures

In the discussion and analysis of our results of operations, in addition to reporting financial results in accordance with generally accepted accounting principles ("GAAP"), we provide references to the following non-GAAP financial measures as defined in Regulation G of the SEC rules: Organic Revenue, EBITDAC, EBITDAC Margin, EBITDAC - Adjusted and EBITDAC Margin - Adjusted. We present these measures because we believe such information is of interest to the investment community. We believe they provide additional meaningful methods to evaluate the Company's operating performance from period to period on a basis that may not be otherwise apparent on a GAAP basis due to the impact of certain items that have a high degree of variability, that we believe are not indicative of ongoing performance and that are not easily comparable from period to period. This non-GAAP financial information should be considered in addition to, not in lieu of, the Company's consolidated income statements and balance sheets as of the relevant date. Consistent with Regulation G, a description of such information is provided below and tabular reconciliations of this supplemental non-GAAP financial information to our most comparable GAAP information are contained in this Quarterly Report on Form 10-Q under "Results of Operations - Segment Information."

We view Organic Revenue and Organic Revenue growth as important indicators when assessing and evaluating our performance on a consolidated basis and for each of our three segments, because they allow us to determine a comparable, but non-GAAP, measurement of revenue growth that is associated with the revenue sources that were a part of our business in both the current and prior year and that are expected to continue in the future. We also view EBITDAC, EBITDAC - Adjusted, EBITDAC Margin and EBITDAC Margin - Adjusted as important indicators when assessing and evaluating our performance, as they present more comparable measurements of our operating margins in a meaningful and consistent manner. As disclosed in our most recent proxy statement, we use Organic Revenue growth, and EBITDAC Margin - Adjusted as key performance metrics for our short-term and long-term incentive compensation plans for executive officers and other key employees.

Non-GAAP Revenue Measures

- **Organic Revenue** is our core commissions and fees less: (i) the core commissions and fees earned for the first twelve months by newly acquired operations; (ii) divested business (core commissions and fees generated from offices, books of business or niches sold or terminated during the comparable period) and (iii) Foreign Currency Translation (as defined below). The term "core commissions and fees" excludes profit-sharing contingent commissions and therefore represents the revenues earned directly from specific insurance policies sold and specific fee-based services rendered. Organic Revenue can be expressed as a dollar amount or a percentage rate when describing Organic Revenue growth.

Non-GAAP Earnings Measures

- **EBITDAC** is defined as income before interest, income taxes, depreciation, amortization and the change in estimated acquisition earn-out payables.
- **EBITDAC Margin** is defined as EBITDAC divided by total revenues.
- **EBITDAC - Adjusted** is defined as EBITDAC, excluding (gain)/loss on disposal.
- **EBITDAC Margin - Adjusted** is defined as EBITDAC - Adjusted divided by total revenues.

Definitions Related to Certain Components of Non-GAAP Measures

- **"Foreign Currency Translation"** means the period-over period impact of foreign currency translation, which is calculated by applying current-year foreign exchange rates to the various functional currencies in our business to our reporting currency of U.S. dollars for the same period in the prior year.
- **"(Gain)/loss on disposal"** is a caption on our consolidated statements of income which reflects net proceeds received as compared to net book value related to sales of books of business and other divestiture transactions, such as the disposal of a business through sale or closure.

Our industry peers may provide similar supplemental non-GAAP information with respect to one or more of these measures, although they may not use the same or comparable terminology and may not make identical adjustments and, therefore comparability may be limited. This supplemental non-GAAP financial information should be considered in addition to, and not in lieu of, the Company's Condensed Consolidated Financial Statements.

Acquisitions

Part of our business strategy is to attract high-quality insurance intermediaries and service organizations to join our operations. From 1993 through the first quarter of 2025, we acquired 687 insurance intermediary operations.

Critical Accounting Policies

We have had no changes to our Critical Accounting Policies as described in our most recent Form 10-K for the year ended December 31, 2024. We believe that of our significant accounting and reporting policies, the more critical policies include our accounting for revenue recognition, business combinations and purchase price allocations, intangible asset impairments, non-cash stock-based compensation and reserves for litigation. In particular, the accounting for these areas is subject to uncertainty, because it requires significant use of judgment to be made by management. Different assumptions in the application of these policies could result in material changes in our consolidated financial position or consolidated results of operations. Refer to Note 1 in the “Notes to Consolidated Financial Statements” in our Annual Report on Form 10-K for the year ended December 31, 2024 for details regarding our critical and significant accounting policies.

RESULTS OF OPERATIONS FOR THE THREE MONTHS ENDED MARCH 31, 2025 AND 2024

The following discussion and analysis regarding results of operations and liquidity and capital resources should be considered in conjunction with the accompanying Condensed Consolidated Financial Statements and related Notes.

Financial information relating to our condensed consolidated financial results is as follows:

(in millions, except percentages)	Three months ended March 31,		
	2025	2024	% Change
REVENUES			
Core commissions and fees	\$ 1,342	\$ 1,191	12.7%
Profit-sharing contingent commissions	43	46	(6.5%)
Investment and other income	19	21	-9.5%
Total revenues	1,404	1,258	11.6%
EXPENSES			
Employee compensation and benefits	683	631	8.2%
Other operating expenses	186	161	15.5%
Gain on disposal	2	2	—%
Amortization	53	43	23.3%
Depreciation	11	11	—%
Interest	46	48	(4.2)%
Change in estimated acquisition earn-out payables	(4)	(2)	100.0%
Total expenses	977	894	9.3%
Income before income taxes	427	364	17.3%
Income taxes	93	71	31.0%
Net income before non-controlling interests	334	293	14.0%
Less: Net income attributable to non-controlling interests	3	—	
Net income attributable to the Company	\$ 331	\$ 293	13.0%
Income Before Income Taxes			
Margin ⁽¹⁾	30.4%	28.9%	
EBITDAC - Adjusted ⁽²⁾	\$ 535	\$ 466	14.8%
EBITDAC Margin - Adjusted ⁽²⁾	38.1%	37.0%	
Organic Revenue growth rate ⁽²⁾	6.5%	8.6%	
Employee compensation and benefits relative to total revenues	48.6%	50.2%	
Other operating expenses relative to total revenues	13.2%	12.8%	

(1) "Income Before Income Taxes Margin" is defined as income before income taxes divided by total revenues.

(2) A non-GAAP financial measure.

Commissions and Fees

Commissions and fees, including profit-sharing contingent commissions and earned premiums, for the three months ended March 31, 2025 increased \$148 million to \$1,385 million, or 12.0%, over the same period in 2024. Core commissions and fees revenue for the first quarter of 2025 increased \$151 million or 12.7%, composed of: (i) approximately \$77 million of net new and renewal business, which reflects an Organic Revenue growth rate of 6.5%; (ii) \$79 million from acquisitions that had no comparable revenues in the same period of 2024 and offsetting decreases from; (iii) the impact of Foreign Currency Translation of \$2 million and (iv) \$3 million related to commissions and fees revenue from businesses or books of business divested in the preceding twelve months. Profit-sharing contingent commissions for the first quarter of 2025 decreased by \$3 million, or 6.5%, compared to the same period in 2024.

Investment and Other Income

Investment and other income for the three months ended March 31, 2025 decreased \$2 million from the same period in 2024. The decrease was primarily driven by lower average interest rates as compared to the prior year.

Employee Compensation and Benefits

Employee compensation and benefits expense as a percentage of total revenues was 48.6% for the three months ended March 31, 2025 as compared to 50.2% for the three months ended March 31, 2024, an increase of 8.2%, or \$52 million. This increase included \$30 million of compensation costs related to stand-alone acquisitions that had no comparable costs in the same period of 2024. Therefore, employee compensation and benefits expense attributable to those offices that existed in the same time periods of 2025 and 2024 increased by \$22 million, or 3.4%. This underlying employee compensation and benefits expense increase was primarily related to: (i) an increase in staff costs attributable to new hires; (ii) an increase in producer compensation associated with revenue growth; (iii) an increase in non-cash stock-based compensation driven by the strong financial performance of the Company and partially offset by (iv) the year-over-year decrease of approximately \$13 million in the value of deferred compensation liabilities driven by changes in the market prices of our deferred compensation plan, with such amount substantially offset within other operating expenses as we hold assets to fund these liabilities.

Other Operating Expenses

Other operating expenses represented 13.2% of total revenues for the first quarter of 2025, as compared to 12.8% for the first quarter of 2024. Other operating expenses for the first quarter of 2025 increased \$25 million, or 15.5%, from the same period of 2024. This change includes: (i) \$9 million of other operating expenses related to stand-alone acquisitions that had no comparable costs in the same period of 2024; (ii) increased information technology related costs; and (iii) the year-over-year increase of approximately \$13 million in the value of assets held to fund the associated liabilities within our deferred compensation plan, which was substantially offset within employee compensation and benefits, as noted above.

(Gain)/Loss on Disposal

(Gain)/Loss on disposal for the first quarter of 2025 was unchanged from the first quarter of 2024 at \$2 million. Although we do not routinely sell businesses or customer accounts, we periodically sell an office or a book of business (one or more customer accounts) that we believe does not produce reasonable margins or demonstrate a potential for adequate growth, or because doing so is in the Company's best interest.

Amortization

Amortization expense for the first quarter of 2025 increased \$10 million, or 23.3%, compared to the first quarter of 2024. This change reflects the amortization of new intangibles from businesses acquired within the past twelve months, net of certain intangible assets becoming fully amortized or written off in the (Gain)/Loss on disposal.

Depreciation

Depreciation expense for the first quarter of 2025 remained flat at \$11 million as compared to the first quarter of 2024. Changes in depreciation expense reflect net additions of fixed assets resulting from businesses acquired in the past twelve months and the addition of fixed assets resulting from business initiatives, partially offset by the impact of fixed assets that became fully depreciated or written off in the gain or loss on disposal.

Interest Expense

Interest expense for the first quarter of 2025 decreased \$2 million, or 4.2%, compared to the first quarter of 2024. The decrease was primarily driven by lower total debt outstanding as compared to the prior year.

Change in Estimated Acquisition Earn-Out Payables

Accounting Standards Codification ("ASC") Topic 805 - *Business Combinations* is the authoritative guidance requiring an acquirer to recognize 100% of the fair value of acquired assets, including goodwill, and assumed liabilities (with only limited exceptions) upon initially obtaining control of an acquired entity. Additionally, the fair value of contingent consideration arrangements (such as earn-out purchase price arrangements) at the acquisition date must be included in the purchase price consideration. The recorded purchase price for acquisitions

includes an estimation of the fair value of liabilities associated with any potential earn-out provisions. Subsequent changes in these earn-out obligations are required to be recorded in the Condensed Consolidated Statements of Income when incurred or reasonably estimated. Estimations of potential earn-out obligations are typically based upon future earnings of the acquired operations or entities, usually for periods ranging from one to three years.

The net charge or credit to the Consolidated Statements of Income for the period is the combination of the net change in the estimated acquisition earn-out payables liability, and the accretion of the present value discount on those liabilities.

As of March 31, 2025 and 2024, the fair values of the estimated acquisition earn-out payables were re-evaluated based upon projected operating results and measured at fair value on a recurring basis using unobservable inputs (Level 3) as defined in ASC 820-*Fair Value Measurement*. The resulting net changes, as well as the interest expense accretion on the estimated acquisition earn-out payables were as follows:

(in millions)	Three months ended March 31,	
	2025	2024
Change in fair value of estimated acquisition earn-out payables	\$ (6)	\$ (4)
Interest expense accretion	2	2
Net change in earnings from estimated acquisition earn-out payables	\$ (4)	\$ (2)

For the three months ending March 31, 2025 and 2024, the fair value of estimated earn-out payables was re-evaluated and resulted in decreases of \$6 million and \$4 million, respectively, which were credits to the Condensed Consolidated Statements of Income.

As of March 31, 2025, estimated acquisition earn-out payables totaled \$143 million, of which \$51 million was recorded as accounts payable and \$92 million was recorded as other non-current liabilities.

Income Taxes

The effective tax rate on income from operations for the three months ended March 31, 2025 and 2024 was 21.8% and 19.5%, respectively. The increase was driven primarily by the lower tax benefit associated with vesting of restricted stock awards in the first quarter of 2025 as compared to the first quarter of 2024.

RESULTS OF OPERATIONS — SEGMENT INFORMATION

As discussed in Note 12 to the Condensed Consolidated Financial Statements, we operate three reportable segments: Retail, Programs and Wholesale Brokerage. On a segmented basis, changes in amortization, depreciation and interest expenses generally result from activity associated with acquisitions. Likewise, other income consists primarily of miscellaneous income and therefore can fluctuate between comparable periods. As such, management primarily focuses on the Organic Revenue growth rate and EBITDAC Margin when evaluating the operational efficiency of a segment.

The reconciliation of commissions and fees included in the Condensed Consolidated Statements of Income to Organic Revenue, a non-GAAP financial measure, for the three months ended March 31, 2025 and 2024, and the growth rates for Organic Revenue for the three months ended March 31, 2025, including by segment, are as follows:

2025 (in millions)	Retail ⁽¹⁾		Programs		Wholesale Brokerage		Total	
	2025	2024	2025	2024	2025	2024	2025	2024
Commissions and fees	\$ 904	\$ 804	\$ 323	\$ 292	\$ 158	\$ 141	\$ 1,385	\$ 1,237
Total change	\$ 100		\$ 31		\$ 17		\$ 148	
Total growth %	12.4%		10.6%		12.1%		12.0%	
Profit-sharing contingent commissions	(14)	(14)	(20)	(26)	(9)	(6)	(43)	(46)
Core commissions and fees	\$ 890	\$ 790	\$ 303	\$ 266	\$ 149	\$ 135	\$ 1,342	\$ 1,191
Acquisitions	(72)		(2)	—	(5)	—	(79)	—
Dispositions	—	(3)	—	—	—	—	—	(3)
Foreign Currency Translation		(1)		(1)		—		(2)
Organic Revenue ⁽²⁾	\$ 818	\$ 786	\$ 301	\$ 265	\$ 144	\$ 135	\$ 1,263	\$ 1,186
Organic Revenue growth ⁽²⁾	\$ 32		\$ 36		\$ 9		\$ 77	
Organic Revenue growth rate ⁽²⁾	4.1%		13.6%		6.7%		6.5%	

(1) The Retail segment includes commissions and fees reported as “Other” in the Segment Information table in Note 12 of this Quarterly Report on Form 10-Q of the Notes to the Condensed Consolidated Financial Statements, which includes corporate and consolidation items.

(2) A non-GAAP financial measure.

The reconciliation of commissions and fees included in the Condensed Consolidated Statements of Income to Organic Revenue, a non-GAAP financial measure, for the three months ended March 31, 2024 and 2023, including by segment, and the growth rates for Organic Revenue for the three months ended March 31, 2024, including by segment, are as follows:

2024 (in millions)	Retail ⁽¹⁾		Programs		Wholesale Brokerage		Total	
	2024	2023	2024	2023	2024	2023	2024	2023
Commissions and fees	\$ 804	\$ 731	\$ 292	\$ 254	\$ 141	\$ 123	\$ 1,237	\$ 1,108
Total change	\$ 73		\$ 38		\$ 18		\$ 129	
Total growth %	10.0%		15.0%		14.6%		11.6%	
Profit-sharing contingent commissions	(14)	(15)	(26)	(8)	(6)	(4)	(46)	(27)
Core commissions and fees	\$ 790	\$ 716	\$ 266	\$ 246	\$ 135	\$ 119	\$ 1,191	\$ 1,081
Acquisition revenues	(19)	—	(20)	—	(2)	—	(41)	—
Dispositions		(1)	—	(26)	—	—	—	(27)
Foreign Currency Translation		4		—		1		5
Organic Revenue ⁽²⁾	\$ 771	\$ 719	\$ 246	\$ 220	\$ 133	\$ 120	\$ 1,150	\$ 1,059
Organic Revenue growth ⁽²⁾	\$ 52		\$ 26		\$ 13		\$ 91	
Organic Revenue growth rate ⁽²⁾	7.2%		11.8%		10.8%		8.6%	

(1) The Retail segment includes commissions and fees reported as “Other” in the Segment Information table in Note 12 of this Quarterly Report on Form 10-Q of the Notes to the Condensed Consolidated Financial Statements, which includes corporate and consolidation items.

(2) A non-GAAP financial measure.

The reconciliation of income before income taxes, included in the Condensed Consolidated Statements of Income, to EBITDAC, a non-GAAP measure, and EBITDAC - Adjusted, a non-GAAP measure, and Income Before Income Taxes Margin to EBITDAC Margin, a non-GAAP measure, and EBITDAC Margin - Adjusted, a non-GAAP measure, for the three months ended March 31, 2025, including by segment, is as follows:

<i>(in millions)</i>	Retail	Programs	Wholesale Brokerage	Other	Total
Total Revenues	\$ 907	\$ 328	\$ 159	\$ 10	\$ 1,404
Income before income taxes	284	122	44	(23)	427
Income Before Income Taxes Margin ⁽¹⁾	31.3%	37.2%	27.7%	NMF	30.4%
Amortization	37	12	4	—	53
Depreciation	6	3	1	1	11
Interest	15	7	2	22	46
Change in estimated acquisition earn-out payables	(6)	2	—	—	(4)
EBITDAC ⁽²⁾	336	146	51	—	533
EBITDAC Margin ⁽²⁾	37.0%	44.5%	32.1%	NMF	38.0%
(Gain)/loss on disposal	2	—	—	—	2
EBITDAC - Adjusted ⁽²⁾	\$ 338	\$ 146	\$ 51	\$ —	\$ 535
EBITDAC Margin - Adjusted ⁽²⁾	37.3%	44.5%	32.1%	NMF	38.1%

(1) “Income Before Income Taxes Margin” is defined as income before income taxes divided by total revenues.

(2) A non-GAAP financial measure.

NMF = Not a meaningful figure

The reconciliation of income before income taxes, included in the Condensed Consolidated Statements of Income, to EBITDAC, a non-GAAP measure, and EBITDAC - Adjusted, a non-GAAP measure, and Income Before Income Taxes Margin to EBITDAC Margin, a non-GAAP measure, and EBITDAC Margin - Adjusted, a non-GAAP measure, for the three months ended March 31, 2024, including by segment, is as follows:

<i>(in millions)</i>	Retail	Programs	Wholesale Brokerage	Other	Total
Total Revenues	\$ 806	\$ 298	\$ 142	\$ 12	\$ 1,258
Income before income taxes	238	101	41	(16)	364
Income Before Income Taxes Margin ⁽¹⁾	29.5%	33.9%	28.9%	NMF	28.9%
Amortization	29	11	3	—	43
Depreciation	5	4	1	1	11
Interest	19	8	3	18	48
Change in estimated acquisition earn-out payables	(1)	1	(2)	—	(2)
EBITDAC ⁽²⁾	290	125	46	3	464
EBITDAC Margin ⁽²⁾	36.0%	41.9%	32.4%	NMF	36.9%
(Gain)/loss on disposal	1	1	—	—	2
EBITDAC - Adjusted ⁽²⁾	\$ 291	\$ 126	\$ 46	\$ 3	\$ 466
EBITDAC Margin - Adjusted ⁽²⁾	36.1%	42.3%	32.4%	NMF	37.0%

(1) “Income Before Income Taxes Margin” is defined as income before income taxes divided by total revenues.

(2) A non-GAAP financial measure.

NMF = Not a meaningful figure

Retail Segment

The Retail segment provides a broad range of insurance products and services to commercial, public and quasi-public, professional and individual insured customers, and non-insurance risk-mitigating products through our F&I businesses. Approximately 77% of the Retail segment’s commissions and fees revenue is commission based.

Financial information relating to our Retail segment is as follows:

(in millions, except percentages)	Three months ended March 31,		
	2025	2024	% Change
REVENUES			
Core commissions and fees	\$ 891	\$ 789	12.9%
Profit-sharing contingent commissions	14	14	—%
Investment and other income	2	3	(33.3%)
Total revenues	907	806	12.5%
EXPENSES			
Employee compensation and benefits	447	400	11.8%
Other operating expenses	122	115	6.1%
(Gain)/loss on disposal	2	1	100.0%
Amortization	37	29	27.6%
Depreciation	6	5	20.0%
Interest	15	19	(21.1%)
Change in estimated acquisition earn-out payables	(6)	(1)	NMF
Total expenses	623	568	9.7%
Income before income taxes	\$ 284	\$ 238	19.3%
Income Before Income Taxes Margin ⁽¹⁾	31.3%	29.5%	
EBITDAC - Adjusted ⁽²⁾	\$ 338	\$ 291	16.2%
EBITDAC Margin - Adjusted ⁽²⁾	37.3%	36.1%	
Organic Revenue growth rate ⁽²⁾	4.1%	7.2%	
Employee compensation and benefits relative to total revenues	49.3%	49.6%	
Other operating expenses relative to total revenues	13.5%	14.3%	

(1) "Income Before Income Taxes Margin" is defined as income before income taxes divided by total revenues.

(2) A non-GAAP financial measure.

NMF = Not a meaningful figure

The Retail segment's total revenues for the three months ended March 31, 2025 increased 12.5%, or \$101 million, as compared to the same period in 2024, to \$907 million. The \$102 million increase in core commissions and fees revenue was driven primarily by: (i) approximately \$72 million related to the core commissions and fees revenue from acquisitions that had no comparable revenues in the same period of 2024; (ii) an increase of \$32 million related to net new and renewal business; and (iii) an offsetting decrease of \$3 million related to commissions and fees recorded in 2024 from businesses since divested. Profit-sharing contingent commissions for the first quarter of 2025 remained flat at \$14 million as compared to the same period in 2024. The Retail segment's total commissions and fees increased by 12.7%, and the Organic Revenue growth rate was 4.1% for the first quarter of 2025. The Organic Revenue growth rate was driven by net new business written during the preceding twelve months and growth on renewals of existing customers. Renewal business was impacted by timing of certain nonrecurring revenue and rate and exposure unit growth.

Income before income taxes for the three months ended March 31, 2025 increased 19.3%, or \$46 million, as compared to the same period in 2024, to \$284 million. The primary factors driving this increase were: (i) a decrease in intercompany interest expense; (ii) a decrease in estimated acquisition earn-out payables, and (iii) the profit associated with the net increase in revenue as described above.

EBITDAC - Adjusted for the three months ended March 31, 2025 increased 16.2%, or \$47 million, as compared to the same period in 2024, to \$338 million. EBITDAC Margin - Adjusted for the three months ended March 31, 2025 increased to 37.3% from 36.1% in the same period in 2024. The change in EBITDAC Margin - Adjusted was primarily driven by: (i) the net increase in revenue as described above; (ii) the timing of revenues associated with recent acquisitions; (iii) leveraging our expense base, which was partially offset by; (iv) higher non-cash stock-based compensation.

Programs Segment

The Programs segment manages over 60 programs supported by over 100 well-capitalized carrier partners. In most cases, the insurance carriers that support these programs have delegated underwriting and, in many instances, claims-handling authority to our programs operations.

These programs are generally distributed through a nationwide network of independent agents and Brown & Brown retail agents, and offer targeted products and services designed for specific industries, trade groups, professions, public entities and market niches. This segment also operates our write-your-own flood insurance carrier, WNFIC and operates two Captives. WNFIC's underwriting business consists of policies written on behalf of and fully ceded to the NFIP, as well as excess flood policies, which are fully reinsured in the private market. The Captives provide additional underwriting capacity that enable growth in core commissions and fees, and allow us to participate in underwriting results with limited exposure to claims expenses. The Company has traditionally participated in underwriting profits through profit-sharing contingent commissions. These Captives give us another way to continue to participate in underwriting results while limiting exposure to claims expenses. The Captives focus on property insurance for earthquake and wind exposed properties underwritten by certain of our MGUs. The Captives limit the Company's exposure to claims expenses either through reinsurance or by participating in limited tranches of the underwriting risk.

The Programs segment operations can be grouped into five broad categories: Professional Programs, Personal Lines Programs, Commercial Programs, Public Entity-Related Programs and Specialty Programs. Approximately 79% of the Programs segment's commissions and fees revenue is commission based.

Financial information relating to our Programs segment is as follows:

(in millions, except percentages)	Three months ended March 31,		
	2025	2024	% Change
REVENUES			
Core commissions and fees	\$ 303	\$ 266	13.9%
Profit-sharing contingent commissions	20	26	(23.1)%
Investment and other income	5	6	(16.7)%
Total revenues	328	298	10.1%
EXPENSES			
Employee compensation and benefits	113	109	3.7%
Other operating expenses	69	63	9.5%
(Gain)/loss on disposal	—	1	(100.0)%
Amortization	12	11	9.1%
Depreciation	3	4	(25.0)%
Interest	7	8	(12.5)%
Change in estimated acquisition earn-out payables	2	1	100.0%
Total expenses	206	197	4.6%
Income before income taxes	\$ 122	\$ 101	20.8%
Income Before Income Taxes Margin ⁽¹⁾	37.2%	33.9%	
EBITDAC - Adjusted ⁽²⁾	\$ 146	\$ 126	15.9%
EBITDAC Margin - Adjusted ⁽²⁾	44.5%	42.3%	
Organic Revenue growth rate ⁽²⁾	13.6%	11.8%	
Employee compensation and benefits relative to total revenues	34.5%	36.6%	
Other operating expenses relative to total revenues	21.0%	21.1%	

(1) "Income Before Income Taxes Margin" is defined as income before income taxes divided by total revenues.

(2) A non-GAAP financial measure.

NMF = Not a meaningful figure

The Programs segment's total revenues for the three months ended March 31, 2025 increased 10.1%, or \$30 million, as compared to the same period in 2024, to \$328 million. The \$37 million increase in core commissions and fees revenue was driven primarily by: (i) approximately \$2 million related to the core commissions and fees revenue from acquisitions that had no comparable revenues in the same period of 2024; and (ii) approximately \$36 million of net new business, renewal business, and fee revenues. Profit-sharing contingent commissions for the first quarter of 2025 decreased approximately \$6 million as compared to the first quarter of 2024. This decrease is a result of the prior year including approximately \$7 million resulting from the finalization of the calculation of profit-sharing contingent commissions that were estimated and accrued in 2023.

The Programs segment's total commissions and fees increased by 10.6%, and the Organic Revenue growth rate was 13.6% for the three months ended March 31, 2025. The Organic Revenue growth was driven by hurricane claims revenue, good retention, and exposure unit expansion, but was partially offset by declining rates on catastrophe ("CAT") property.

Income before income taxes for the three months ended March 31, 2025 increased 20.8%, or \$21 million, as compared to the same period in 2024, to \$122 million. Income before income taxes increased due to the drivers of EBITDAC - Adjusted described below as well as lower year over year interest expense and depreciation.

EBITDAC - Adjusted for the three months ended March 31, 2025 increased 15.9%, or \$20 million, from the same period in 2024, to \$146 million. EBITDAC Margin - Adjusted for the three months ended March 31, 2025 increased to 44.5% from 42.3% in the same period in 2024. EBITDAC Margin - Adjusted increased due to strong Organic Revenue growth and leveraging our expense base.

Wholesale Brokerage Segment

The Wholesale Brokerage segment markets and sells excess and surplus commercial and personal lines insurance, primarily through independent agents and brokers, including Brown & Brown retail agents. Approximately 85% of the Wholesale Brokerage segment's commissions and fees revenue is commission based.

Financial information relating to our Wholesale Brokerage segment is as follows:

(in millions, except percentages)	Three months ended March 31,		
	2025	2024	% Change
REVENUES			
Core commissions and fees	\$ 149	\$ 135	10.4%
Profit-sharing contingent commissions	9	6	50.0%
Investment and other income	1	1	—%
Total revenues	159	142	12.0%
EXPENSES			
Employee compensation and benefits	86	77	11.7%
Other operating expenses	22	19	15.8%
(Gain)/loss on disposal	—	—	NMF
Amortization	4	3	33.3%
Depreciation	1	1	—%
Interest	2	3	(33.3%)
Change in estimated acquisition earn-out payables	—	(2)	(100.0%)
Total expenses	115	101	13.9%
Income before income taxes	\$ 44	\$ 41	7.3%
Income Before Income Taxes Margin ⁽¹⁾	27.7%	28.9%	
EBITDAC - Adjusted ⁽²⁾	\$ 51	\$ 46	10.9%
EBITDAC Margin - Adjusted ⁽²⁾	32.1%	32.4%	
Organic Revenue growth rate ⁽²⁾	6.7%	10.8%	
Employee compensation and benefits relative to total revenues	54.1%	54.2%	
Other operating expenses relative to total revenues	13.8%	13.4%	

(1) "Income Before Income Taxes Margin" is defined as income before income taxes divided by total revenues.

(2) A non-GAAP financial measure.

NMF = Not a meaningful figure

The Wholesale Brokerage segment's total revenues for the three months ended March 31, 2025 increased 12.0%, or \$17 million, as compared to the same period in 2024, to \$159 million. The \$14 million net increase in core commissions and fees revenue was driven primarily by: (i) \$9 million related to net new and renewal business and (ii) \$5 million related to the core commissions and fees revenue from acquisitions that had no comparable revenues in the same period of 2024. Profit-sharing contingent commissions for the first quarter of 2025 increased \$3 million compared to the first quarter of 2024, driven by improved underwriting results, increased written premium and finalization

of prior year estimates of profit-sharing contingent commissions. The Wholesale Brokerage segment's growth rate for total commissions and fees was 12.1%, and the Organic Revenue growth rate was 6.7% for the first quarter of 2025. The Organic Revenue growth rate was driven by net new business and exposure unit increases, which was partially offset by rate decreases for CAT property.

Income before income taxes for the three months ended March 31, 2025 increased 7.3%, or \$3 million, as compared to the same period in 2024, to \$44 million due primarily to the growth of EBITDAC - Adjusted described below.

EBITDAC - Adjusted for the three months ended March 31, 2025 increased 10.9%, or \$5 million, as compared to the same period in 2024, to \$51 million. EBITDAC Margin - Adjusted for the three months ended March 31, 2025 decreased to 32.1% from 32.4%, as compared to the same period in 2024. EBITDAC Margin - Adjusted decreased due to: (i) a higher impact of foreign exchange rate changes; and (ii) higher non-cash stock-based compensation, which were partially offset by leveraging our expense base.

Other

As discussed in Note 12 of the Notes to Condensed Consolidated Financial Statements, the "Other" column in the Segment Information table includes any revenue and expenses not allocated to reportable segments, and corporate-related items, including the intercompany interest expense charges to reporting segments.

LIQUIDITY AND CAPITAL RESOURCES

The Company seeks to maintain a conservative balance sheet and strong liquidity profile. Our capital requirements to operate as an insurance intermediary are low, and we have been able to grow and invest in our business through a combination of cash that has been generated from operations, the disciplined use of debt and the issuance of equity as part of the purchase price consideration to acquire certain businesses. We have the ability to utilize our Revolving Credit Facility under the Second Amended and Restated Credit Agreement (the "Second Amended and Restated Credit Agreement"), which as of March 31, 2025 provided up to \$400 million in available cash. We believe that we have access to additional funds, if needed, through the capital markets or private placements to obtain further debt financing under the current market conditions. The Company believes that its existing cash, cash equivalents, short-term investment portfolio and funds generated from operations, together with the funds available under the Revolving Credit Facility and the Loan Agreement, dated March 31, 2022, which provided term loan capacity of \$800 million (the "Loan Agreement"), will be sufficient to satisfy its normal liquidity needs, including principal payments on our long-term debt, for the next 12 months and in the long term.

The Revolving Credit Facility contains an expansion option for up to an additional \$500 million of borrowing capacity, subject to the approval of participating lenders. Additionally, the Company may, subject to satisfaction of certain conditions, including receipt of additional term loan commitments by new or existing lenders, increase either Term Loan Commitment under the existing Loan Agreement or the term loans issued thereunder or issue new tranches of term loans in an aggregate additional amount of up to \$400 million. Including the expansion options under all existing credit agreements, the Company has access to up to \$1,300 million of incremental borrowing capacity as of March 31, 2025.

Cash and cash equivalents totaled \$669 million at March 31, 2025 reflecting a decrease of \$6 million from the \$675 million balance at December 31, 2024.

Operating Cash Flows

Our operating cash flows are primarily derived from the net income generated during the period adjusted for non-cash expenses, which include depreciation, amortization, changes in estimated earnout payables, non-cash stock based compensation and deferred income taxes while excluding gains and losses on sales/disposals of investments, businesses, fixed assets and customer accounts, payments on acquisition earn-outs in excess of original estimated payables and changes in working capital which relate primarily to the timing of payments of accrued liabilities and receipts of receivables from commissions and fees related to our revenues. Our ratio of current assets to current liabilities (the "current ratio") was 1.20 and 1.10 for March 31, 2025 and December 31, 2024, respectively.

Cash flows generated from operating activities totaled \$213 million and \$13 million for the three-month periods ended March 31, 2025 and 2024, respectively, representing an increase of \$200 million. Operating cash flows generated in 2025 included \$334 million from net income before non-controlling interests with \$83 million of non-cash adjustments, offset by \$204 million from changes in working capital. The growth in cash from operations is primarily due to higher operating margins resulting from strong Organic Revenue growth and a \$120 million reduction in our taxes paid, net of refunds related to the 2023 deferral of \$121 million related to certain federal income tax payments due to Hurricane Idalia tax relief, which was announced by the Internal Revenue Service ("IRS") on August 30, 2023. These deferred income tax payments were paid by the IRS deadline of February 15, 2024.

Investing Cash Flows

Cash flows used for investing activities were \$79 million and \$88 million for the three-month periods ended March 31, 2025 and 2024, respectively, a decrease of \$9 million, or 10.2%.

Acquisitions

During the three-month period ended March 31, 2025, the Company completed 13 acquisitions (including book purchases) and paid \$67 million, net of cash, and cash and cash equivalents held in a fiduciary capacity acquired, most notably for the purchase of NBS Insurance Agency for \$54 million. Net cash paid for acquisitions decreased \$9 million in the three-month period ended March 31, 2025, down from \$76 million during the same period in 2024.

Dispositions

The Company received cash proceeds from the sale of businesses, fixed assets and customer accounts totaling \$9 million during the three-month period ended March 31, 2025 compared to no proceeds received in the same period in 2024.

Capital Expenditures

Capital expenditures amounted to \$17 million and \$13 million in the three-month periods ended March 31, 2025 and 2024, respectively, and included purchases of furniture and fixtures, leasehold improvements related to office moves and hardware and software purchases related to information technology investments.

Financing Cash Flows

Cash flows used in financing activities totaled \$218 million and \$67 million in the three-month periods ended March 31, 2025 and 2024, respectively, an increase of \$151 million.

Fiduciary Receivables and Liabilities

Fiduciary cash represents funds in the Company's possession collected from customers to be remitted to insurance companies and funds from insurance companies to be distributed to insureds for the settlement of claims or refunds. The net change in fiduciary cash is represented by the net change in fiduciary liabilities and fiduciary receivables and is presented as cash flows from financing activities in the statement of cash flows. Financing cash flows reflect a decrease of \$90 million and \$26 million in the three-month periods ended March 31, 2025 and 2024, respectively, related to fiduciary receivables and liabilities.

Acquisition Earn-outs

Payments on acquisition earn-outs related to the original acquisition date estimates totaled \$26 million and \$39 million in the three-month periods ended March 31, 2025 and 2024, respectively.

Dividends

During the three-month periods ended March 31, 2025 and 2024, respectively, the Company paid cash dividends of \$43 million and \$38 million, respectively, an increase of \$5 million, or 13.2%. On April 28, 2025, the board of directors approved a quarterly cash dividend of \$0.15 per share to be paid on May 21, 2025.

Debt

Net payments from long term debt totaled \$19 million in the three-month period ended March 31, 2025, compared to net cash proceeds of \$87 million in the same period of 2024.

Total debt at March 31, 2025 was \$3,806 million net of unamortized discount and debt issuance costs, which was a decrease of \$18 million compared to December 31, 2024. The decrease includes the repayment of \$169 million of floating-rate debt balance, offset by \$150 million of net additions to the Revolving Credit Facility and the amortization of discounted debt related to our various unsecured senior notes and debt issuance cost amortization of \$1 million.

During the three months ended March 31, 2025, the Company repaid \$7 million of principal related to the Second Amended and Restated Credit Agreement term loan through the quarterly scheduled principal payments. The Second Amended and Restated Credit Agreement term loan had an outstanding balance of \$187 million as of March 31, 2025. The Company's next scheduled principal payment is due in June 2025 and is equal to \$6 million.

During the three months ended March 31, 2025, the Company repaid \$12 million of principal related to the Term Loans issued under the Term A-2 Loan Commitment ("Term A-2 Loans") through quarterly scheduled principal payments. The Term A-2 Loans had an outstanding balance of \$400 million as of March 31, 2025. The Company's next scheduled principal payment is \$13 million due in June 2025.

During the three months ended March 31, 2025, the Company repaid the outstanding balance on the Term A-1 Loan Commitment (the "Term A-1 Loan Commitment") of \$150 million related to the Loan Agreement, in accordance with the terms of the Loan Agreement using proceeds from the Revolving Credit Facility in connection with the Second Amended and Restated Credit Agreement.

Contractual Cash Obligations

As of March 31, 2025, our contractual cash obligations were as follows:

(in millions)	Payments Due by Period				
	Total	Less than 1 year	1-3 years	4-5 years	After 5 years
Long-term debt	\$ 3,838	\$ 75	\$ 913	\$ 350	\$ 2,500
Other liabilities	252	13	21	18	200
Operating leases	258	51	89	58	60
Interest obligations	1,543	177	280	226	860
Maximum future acquisition contingent payments ⁽¹⁾	419	123	291	5	—
Total contractual cash obligations ⁽²⁾	<u>\$ 6,310</u>	<u>\$ 439</u>	<u>\$ 1,594</u>	<u>\$ 657</u>	<u>\$ 3,620</u>

- (1) Includes \$143 million of current and non-current estimated acquisition earn-out payables. Earn-out payables for acquisitions not denominated in U.S. dollars are measured at the current foreign exchange rate. Four of the estimated acquisition earn-out payables assumed included provisions with no maximum potential earn-out amount. The amount recorded for these acquisitions as of March 31, 2025 is \$1 million. The Company believes a significant increase in this amount is unlikely.
- (2) Does not include approximately \$43 million of current liability for a dividend of \$0.15 per share approved by the Board of Directors on April 28, 2025.

ITEM 3. Quantitative and Qualitative Disclosures About Market Risk

Market risk is the potential loss arising from adverse changes in market rates and prices, such as interest rates, foreign exchange rates and equity prices. We are exposed to market risk through our investments, revolving credit line, term loan agreements and international operations.

Our invested assets are held primarily as cash and cash equivalents, restricted cash, available-for-sale marketable debt securities, non-marketable debt securities, certificates of deposit, U.S. Treasury securities, and professionally managed short-term duration fixed income funds. These investments are subject to interest rate risk. The fair value of our invested assets at March 31, 2025 and December 31, 2024 approximated their respective carrying values due to their short-term duration and therefore, such market risk is not considered to be material.

We do not actively invest or trade in equity securities. In addition, we generally dispose of any significant equity securities received in conjunction with an acquisition shortly after the acquisition date.

As of March 31, 2025, we had \$987 million outstanding under the Second Amended and Restated Credit Agreement and the Loan Agreement tied to the Secured Overnight Financing Rate (“SOFR”). These agreements bear interest on a floating basis and are therefore subject to changes in the associated interest expense. The effect of an immediate hypothetical 10% change in interest rates would not have a material effect on our Condensed Consolidated Financial Statements.

The majority of our international operations do not have material transactions in currencies other than their functional currency which would expose the Company to transactional currency rate risk. We are subject to translational exchange rate risk having businesses operating outside of the U.S. in the following functional currencies, British pounds, Canadian dollar, and euros. Based upon our foreign currency rate exposure as of March 31, 2025, an immediate 10% hypothetical change of foreign currency exchange rates would not have a material effect on our Condensed Consolidated Financial Statements.

ITEM 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

We carried out an evaluation (the “Evaluation”) required by Rules 13a-15 and 15d-15 under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), under the supervision and with the participation of our Chief Executive Officer (“CEO”) and Chief Financial Officer (“CFO”), of the effectiveness of our disclosure controls and procedures as defined in Rule 13a-15 and 15d-15 under the Exchange Act (“Disclosure Controls”) as of March 31, 2025. Based upon the Evaluation, our CEO and CFO concluded that the design and operation of our Disclosure Controls were effective to ensure that information required to be disclosed by us in reports that we file or submit under the Exchange Act is (i) recorded, processed, summarized and reported within the time periods specified in SEC rules and forms and (ii) accumulated and communicated to our senior management, including our CEO and CFO, to allow timely decisions regarding required disclosures.

Changes in Internal Controls

There has not been any change in our internal control over financial reporting identified in connection with the Evaluation that occurred during the quarter ended March 31, 2025, that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Inherent Limitations of Internal Control Over Financial Reporting

Our management, including our CEO and CFO, does not expect that our Disclosure Controls and internal controls will prevent all errors and all fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the control.

The design of any system of controls also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions; over time, a control may become inadequate because of changes in conditions, or the degree of compliance with the policies or procedures may deteriorate. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

CEO and CFO Certifications

Exhibits 31.1 and 31.2 are the Certifications of the CEO and the CFO, respectively. The Certifications are supplied in accordance with Section 302 of the Sarbanes-Oxley Act of 2002 (the “Section 302 Certifications”). This Item 4 of Part I of this Quarterly Report on Form 10-Q contains the information concerning the evaluation referred to in the Section 302 Certifications and this information should be read in conjunction with the Section 302 Certifications for a more complete understanding of the topics presented.



PART II

ITEM 1. Legal Proceedings

In Item 3 of Part I of the Company's Annual Report on Form 10-K for its fiscal year ended December 31, 2024, certain information concerning litigation claims arising in the ordinary course of business was disclosed. Such information was current as of the date of filing. During the Company's fiscal quarter ended March 31, 2025, no new legal proceedings, or material developments with respect to existing legal proceedings, occurred which require disclosure in this Quarterly Report on Form 10-Q.

ITEM 1A. Risk Factors

There were no material changes in the risk factors previously disclosed in Item 1A, "Risk Factors" of the Company's Annual Report on Form 10-K for the year ended December 31, 2024.

ITEM 2. Unregistered Sales of Equity Securities and Use of Proceeds

Issuer Purchases of Equity Securities

The following table provides information about our repurchase of shares of our common stock during the three months ended March 31, 2025:

	Total number of shares purchased ⁽¹⁾	Average price paid per share	Total number of shares purchased as part of publicly announced plans or programs	Maximum value of shares that may yet be purchased under the plans ⁽²⁾⁽³⁾ or programs
January 1, 2025 to January 31, 2025	19,993	\$ 105.55	—	\$ 249
February 1, 2025 to February 28, 2025	345,299	111.65	—	249
March 1, 2025 to March 31, 2025	104	118.20	—	249
Total	365,396	\$ 111.32	—	\$ 249

- (1) All shares reported in this column are attributable to shares withheld for taxes in connection with vesting of restricted stock awards under our 2019 Stock Incentive Plan.
- (2) On July 18, 2014, the Board of Directors authorized the repurchase of up to \$200 million of the Company's shares of common stock, and on July 20, 2015, the Board of Directors authorized the repurchase of an additional \$400 million of the Company's shares of common stock. On May 1, 2019, the Board of Directors approved an additional repurchase authorization amount of \$373 million to bring the total available share repurchase authorization to approximately \$500 million. After completing these open market repurchases, the Company's outstanding Board approved share repurchase authorization is approximately \$250 million. Between January 1, 2014 and March 31, 2025, the Company repurchased a total of approximately 20 million shares for an aggregate cost of approximately \$748 million.
- (3) Dollar values stated in millions.

ITEM 5. Other Information

During the first quarter of 2025, none of the Company's officers or directors adopted or terminated any "Rule 10b5-1 trading arrangement" or any "non-Rule 10b5-1 trading arrangement," as each term is defined in Item 408 of Regulation S-K.

ITEM 6. Exhibits

The following exhibits are filed as a part of this Report:

- 3.1 [Amended and Restated Articles of Incorporation of the Company \(adopted January 18, 2023\) \(incorporated by reference to Exhibit 3.1 to Form 8-K filed on January 19, 2023\).](#)
- 3.2 [Amended and Restated By-Laws \(incorporated by reference to Exhibit 3.2 to Form 8-K filed on January 19, 2023\).](#)
- 10.1** [Service Agreement, dated as of February 23, 2025, between the Registrant and Stephen P. Hearn.*](#)
- 31.1 [Rule 13a-14\(a\)/15d-14\(a\) Certification by the Chief Executive Officer of the Registrant.](#)
- 31.2 [Rule 13a-14\(a\)/15d-14\(a\) Certification by the Chief Financial Officer of the Registrant.](#)
- 32.1 [Section 1350 Certification by the Chief Executive Officer of the Registrant.](#)
- 32.2 [Section 1350 Certification by the Chief Financial Officer of the Registrant.](#)
- 101 The following financial statements from the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2025, formatted in inline XBRL, include: (i) Condensed Consolidated Statements of Income, (ii) Condensed Consolidated Balance Sheets, (iii) Condensed Consolidated Statements of Comprehensive Income, (iv) Condensed Consolidated Statements of Equity, (v) Condensed Consolidated Statements of Cash Flows and (vi) the Notes to the Condensed Consolidated Financial Statements.
- 104 Cover Page Interactive Data File (formatted in inline XBRL and included in Exhibit 101).

* Management Contract or Compensatory Plan or Arrangement

** Filed herewith

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

BROWN & BROWN, INC.

/s/ R. Andrew Watts

Date: April 28, 2025

R. Andrew Watts

**Executive Vice President, Chief Financial Officer and Treasurer
(duly authorized officer, principal financial officer and principal
accounting officer)**

DATED 23 FEBRUARY 2025

SERVICE AGREEMENT

Brown & Brown, Inc.

and

Stephen P. Hearn

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THIS AGREEMENT is dated **23 February 2025**.

PARTIES

- (1) **Brown & Brown Inc.**, whose head office is at 300 North Beach Street, Daytona Beach, United States, 32114 (**Company**)
- (2) **Stephen P. Hearn (Executive)**.

AGREED TERMS

1. INTERPRETATION

1.1. The definitions and rules of interpretation in this clause 1 apply in this Agreement.

Appointment: the employment of the Executive under this Agreement.

Board: the board of directors of the Company.

Capacity: as agent, consultant, director, employee, owner, partner, shareholder or in any other capacity.

Commencement Date: 3 March 2025.

Compensation Committee: the Compensation Committee of the Board.

Confidential Information: any information (whether or not recorded in documentary form, or stored on any magnetic or optical disk or memory) which is identified or treated as confidential or which is commercially sensitive or which by its character or the circumstances or manner of its disclosure to the Executive is evidently confidential and/or commercially sensitive regarding the operations and/or commercial activities of the Company and/or any Group Company. For the avoidance of doubt and without prejudice to the generality of the aforementioned the following is a non-exhaustive list of matters which in relation to the Company are considered confidential and which the Executive should treat as such:

- (a) any trade secrets, technical data, know-how of the Company or any Group Company and any information in respect of which the Company or any Group Company is bound by an obligation of confidence to any third party;
 - (b) employment or staff related information including in particular the remuneration of other members of staff and any terms under which they are employed or engaged including the length of their notice periods, the value of their client (or similar business) relationships, their job skills and capabilities and any other personal data relating to them;
 - (c) contact lists or details of clients, producers, coverholders, intermediaries, affinity partners, third party administrators,
-

underwriters or other suppliers or business associates (actual or prospective) and associated details of their requirements (or their client's requirements) and the terms of business with them (actual or proposed) which have been compiled for the Company or a Group Company's business including:

the names and contact details of key individuals in client and prospective clients;

details of insurance policies purchased by clients, premium rates and brokerage rates, policy terms, conditions and rates, renewal and expiry dates, customer risk characteristics, claims information, profitability information and information concerning the insurance or reinsurance arrangements for large and complex risks;

pricing strategies, discount rates and sales figures, underwriting guides information about commissions or fees and details of suppliers and rates of charge.

- (d) any information regarding M&A Prospects and other merger or acquisition opportunities, any possible, completed or terminated Transactions, and other aspects of the M&A Process including (1) document templates and examples, (2) term sheets, letters of intent, pro forma income statements, acquisition profiles, agreements, acquisition lists, and related information relating any M&A Prospect, and (3) and the fact that the Company has entered into a non-disclosure agreement, or entertained discussions or requested and received information relating to an actual or potential Transaction with any M&A Prospect.

FCA: means the Financial Conduct Authority.

Financial Services Regulatory Requirements: means any rules, requirements, regulations, guidelines, recommendations, or codes of practice contained in the Financial Services and Markets Act 2000, the Criminal Justice Act 1993 and the FCA Handbook, including without limitation: (a) the Senior Managers and Certification Regime, (b) the Statements of Principle and Code of Practice for Approved Persons issued by the FCA; (c) the Code of Conduct set out in the FCA Handbook; and any other rules, requirements regulations, guidelines, recommendations or codes of practice issued by the FCA or other regulatory body (as amended from time to time) and any code of practice, policies or procedures manual issued by us (as amended from time to time) relating to any such requirements.

Garden Leave: any period during which the Company has exercised its rights under clause 17.

Group Company: means the Company, and any company of which it is a Subsidiary (its holding company) and any Subsidiaries of the Company or of

its holding company (or any parent undertaking of the Company or a subsidiary or subsidiary undertaking of the Company or of any holding company or parent undertaking of the Company (as such expressions are defined in sections 548, 1159 and 1162 Companies Act 2006) of the Company or of any such holding company and "**Group**" shall be defined accordingly.

Incapacity: any sickness or injury which prevents the Executive from carrying out their duties.

Intellectual Property Rights: patents, rights to Inventions, copyright and related rights, trade marks, trade names and domain names, rights in get-up, rights in goodwill or to sue for passing off, rights in designs, rights in computer software, database rights, rights in confidential information (including know-how and trade secrets) and any other intellectual property rights, in each case whether registered or unregistered and including all applications (or rights to apply) for, and renewals or extensions of, such rights and all similar or equivalent rights or forms of protection which may now or in the future subsist in any part of the world.

Inventions: inventions, ideas and improvements, whether or not patentable, and whether or not recorded in any medium.

M&A Process: engagement in one or more of the following processes involving an M&A Prospect: (i) the identification of M&A Prospects; (ii) the negotiation and entry into a non-disclosure, confidentiality, or similar agreement with an M&A Prospect or its representative; (iii) the pursuit, receipt, analysis and evaluation of financial, legal, operational, and other information provided by or on behalf of an M&A Prospect to determine whether the Company or any Group Company should pursue a Transaction; (iv) the negotiation of terms of a Transaction; (v) the consummation or termination of a potential Transaction and, if consummated; (vi) the integration of the M&A Prospect into the Company or any Group Company and monitoring of the performance of a completed Transaction.

M&A Prospect: any business entity with which the Company or any Group Company has directly or indirectly, entertained discussions or requested and received information relating to an actual or potential Transaction within the twelve month period immediately preceding Termination.

Pre-Contractual Statement: any undertaking, promise, assurance, statement, representation, warranty or understanding (whether in writing or not) of any person (whether party to this Agreement or not) relating to the Executive's employment under this Agreement which is not expressly set out in this Agreement.

Termination: the termination of the Executive's employment with the Company however caused.

Transaction: an agreement to acquire an M&A Prospect by (1) asset acquisition, (2) stock acquisition, (3) merger, or (4) any other form of business combination by which an M&A Prospect becomes a part of the Company or any Group Company.

1.2. A reference to a particular law is a reference to it as it is in force for the time being taking account of any amendment, extension, or re-enactment and includes any subordinate legislation for the time being in force made under it.

1.3. The schedules to this Agreement form part of (and are incorporated into) this Agreement.

2. APPOINTMENT

2.1. The Appointment shall commence on the Commencement Date and shall continue, subject to the remaining terms of this Agreement, until terminated by either party giving the other not less than **6 months'** prior notice in writing.

2.2. No previous employment with the Company or any other employer counts as part of the Executive's period of continuous employment with the Company.

2.3. The first **6 months** of employment will be probationary during which time the employment of the Executive will be kept under review and may be terminated by the Executive or by the Company by giving **1 month's** notice in writing.

2.4. The company reserves the right to extend the probation period of the Executive at its discretion. The total probation period will be no longer than twelve (12) months.

2.5. The Executive warrants that they are not subject to any restrictions which prevent themselves from taking up the Appointment.

3. DUTIES

3.1. The Executive shall serve the Company as Executive Vice President and Chief Operating Officer.

3.2. During the Appointment the Executive shall:

- (a) use their best endeavours to promote, protect, develop and extend the business of the Company and any Group Company;
 - (b) unless prevented by Incapacity, devote the whole of their time, attention and abilities to the business of the Company, unless otherwise approved in writing by the Company (and, without limiting the foregoing, not engage in any competitive behaviour or provide services, directly or indirectly, to any other business or activity which may be competitive with any of the Group Companies or which may involve or potentially involve a conflict of interest);
 - (c) diligently exercise such powers and perform such duties as may from time to time be assigned to themselves by the Company;
 - (d) comply with all reasonable and lawful directions given to themselves by the CEO of the Company;
 - (e) promptly make such reports to the CEO of the Company and the Board, as applicable, in connection with the affairs of the Company on such matters and at such times as are reasonably required;
-

- (f) report their own wrongdoing and any wrongdoing of any other member of the Company to the Company immediately on becoming aware of it;
- (g) comply with any electronic communication systems policy that the Company may issue from time to time;
- (h) comply with all other Company rules, policies and procedures including but not limited to the Company's anti-bribery policy, modern slavery statement and conflicts of interests policies;
- (i) recognise that all documents, manuals, hardware and software provided for the Executive's use by the Company, and any data or documents produced, maintained or stored on the Company's computer systems or other electronic equipment (including mobile phones), remain the property of the Company; and
- (j) if so required by the Board, act as a director of a Group Company and carry out duties on behalf of any other Group Company including, without limitation, acting as an officer or consultant of any such Group Company.

3.3. The Executive must read and comply strictly at all times with the Financial Services Regulatory Requirements and the Company's Conduct Rules. The Executive must at all times deal with the Company and its regulators in an open and co-operative way and must pro-actively and appropriately disclose any information of which the Company or its regulators would reasonably expect notice. The Executive's employment may be terminated with or without notice they are found to have breached the Financial Services Regulatory Requirements or the Code of Conduct.

3.4. The Executive acknowledges that his terms and conditions of employment (including as to any remuneration) may be subject, from time to time, to requirements or expectations set down in policies established by the Company and/or Group Company, or in policies, rules or listing requirements of applicable regulatory bodies including, but not limited to, the FCA, the SEC and the New York Stock Exchange. In the event such requirements or practices change from time to time, the Company reserves the right to modify these terms and conditions to the extent necessary to comply with any such regulatory requirements or expectations. Without limiting the foregoing, if the Executive is appointed to a Senior Manager or Certified Function role (as those terms are used by the UK FCA), or their role is deemed to be a Senior Manager or Certified Function position, the additional duties, obligations and provisions set out in Schedule 1 ("Senior Manager and Certified Function Schedule") shall apply.

4. PLACE OF WORK

- 4.1. The Executive shall have no specific normal place of work.
- 4.2. The Executive agrees to travel on Company business as may be required for the proper performance of their duties under the Appointment.
- 4.3. It is not envisaged that the Executive shall be required to work outside the United Kingdom for any continuous period of more than one month. If the Executive is required to travel outside of the United Kingdom for a continuous period of more than one month, the terms and conditions which shall apply during that time will be provided to them separately.

5. HOURS OF WORK

- 5.1. The normal basic week will be **9am to 5pm, Monday to Friday**. The Executive will also be required to work such additional hours as are reasonably necessary for the performance of their duties. The Executive acknowledges that they shall not receive further remuneration in respect of such additional hours.
- 5.2. The suggested basic week is merely a guide and the parties agree that the nature of the Executive's position is such that their working time cannot be measured and, accordingly, that the Appointment falls within the scope of regulation 20 of the Working Time Regulations 1998.

6. SALARY AND BENEFITS

- 6.1. The Executive shall be paid a salary of **£588,800** per annum less any deductions required by law. For administrative expedience and convenience, another Group Company may act as the local payroll agent for the Company (but will not be the employer or joint employer of the Executive).
- 6.2. The Executive's salary shall accrue from day to day and be payable monthly in arrears directly into the Executive's bank or building society on the 25th of the month.
- 6.3. The Company may deduct from the salary, or any other sums owed to the Executive, any money owed to the Company or the Group by the Executive from time to time.
- 6.4. The Executive's remuneration is subject to the Financial Services Regulatory Requirements and any Company remuneration policy (as introduced or amended from time to time). The Executive agrees that, if any cash incentive, bonus, or incentive award is subject to repayment, the Company or any Group Company may deduct from their salary or any other sums payable to the Executive a sum equal to part or all of the amount due to be repaid.

7. CASH INCENTIVES AND LONG-TERM EQUITY INCENTIVES

Cash Incentives

- 7.1. The Executive will be eligible to receive an annual cash incentive payment based on the achievement of certain performance objectives in calendar year
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2025 (pro-rated for time employed in 2025 and subject to reduction in the event of unexpectedly poor financial performance of the Company or the commission of acts of malfeasance by recipient), payable in the first quarter of 2026 (the “**2025 Cash Incentive**”). The terms of the 2025 Cash Incentive will be approved by the Compensation Committee.

7.2. The 2025 Cash Incentive is expected to consist of three components (the calculation of which may be adjusted by the Compensation Committee, at its discretion, to exclude the effect of items that are unusual in nature or infrequently occurring), which are as follows:

- (a) the first component, which will affect 40% of the 2025 Cash Incentive, is based on specified organic revenue growth targets, which will be calculated based upon the organic revenue growth of the Company as a whole.
- (b) the second component, which will affect 40% of the 2025 Cash Incentive, will be determined based upon performance of the Company’s adjusted EBITDAC margin (“**EBITDAC Margin - Adjusted**”), which is (i) the Company’s income before income taxes less amortisation, depreciation, interest, and the change in estimated acquisition earn-out payables, adjusted to exclude the (gain)/loss on disposal, divided by (ii) total revenues.
- (c) the third component, which will affect 20% of the 2025 Cash Incentive, will be linked to the achievement of personal objectives of the Executive as determined by the Compensation Committee.

7.3. Each of the components described above contemplates a minimum payout of 0% of the Executive’s target cash incentive amount and a maximum payout of 200% of the Executive’s target cash incentive amount. The target 2025 Cash Incentive is expected to be **£1,213,000**.

7.4. The Executive will be eligible to receive annual cash incentives thereafter, subject to approval by the Compensation Committee of the applicable target cash incentive amounts and any other applicable terms.

7.5. For the avoidance of doubt, in the event that:

- (a) the Executive has given notice of termination of their employment; or
 - (b) the Executive has been given notice to terminate their employment; or
 - (c) the Executive’s employment is terminated for any act of misconduct; or
 - (d) the Executive’s employment is terminated for any act of gross misconduct or negligence otherwise meriting summary dismissal in accordance with the Executive’s contract; or
 - (e) the Executive has been suspended in accordance with terms of the Executive’s contract; or
 - (f) the Executive is no longer an employee of the Company and/or Group;
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(together a “**Terminating Event**”) in each case, on or prior to the payment date, the Executive shall not be entitled to receive payment of any cash incentive or other bonus.

7.6. All cash incentive payments and other bonuses are subject to statutory deductions but are not pensionable.

7.7. If a cash incentive payment or other bonus is made to the Executive, there is no obligation to make any subsequent cash incentive payments or other bonuses to the Executive. Any payments made shall not form part of the Executive's contractual remuneration under the terms of this Agreement.

Long-Term Equity Incentive Grants

7.8. Upon approval by the Compensation Committee, which is expected to occur before March 31, 2025, the Company will grant the Executive restricted stock unit awards of £1,213,000 (based on the value of the Company's stock on the last business day preceding the date of grant) under the Brown & Brown, Inc. 2019 Stock Incentive Plan (“**2019 SIP**”), structured as follows:

- (a) Seventy-five percent (75%) of the award (“**PSUs**”) will be awarded based on performance over a three-year period and vesting over a five-year period from the date of grant. The awarding of the PSUs will be tied to increases in the Company's organic revenue growth and compound annual growth rate of the Company's cumulative diluted earnings per share, excluding any impact for changes in acquisition earn-out liabilities, in each case measured over a three (3)-year period beginning 1 January, 2025 and subject to adjustment for such items (for example, items that are unusual in nature or infrequently occurring) as determined by the Compensation Committee. The PSUs will contemplate a minimum payout of 0% and a maximum payout of 200% based upon the level of performance of each performance condition during the three-year measurement period. In addition to these performance conditions, the PSUs will be subject to an additional time-based, cliff vesting condition requiring five years of continuous employment from the date of grant.
- (b) Twenty-five percent (25%) of the award (“**RSUs**”) will be subject to a time-based-only cliff vesting condition requiring five (5) years of continuous employment from the date of grant.
- (c) The PSUs and the RSUs will be subject the terms and conditions set forth in the 2019 SIP and the award agreements established between the Company and the Executive and approved by the Compensation Committee (each, a “**PSU Agreement**” and an “**RSU Agreement**”, respectively).

7.9. Beginning in 2026, the Executive will be eligible to receive annual long-term equity incentive grants, typically granted in the first quarter of the Company's calendar year, subject to recommendation by the Company's Chief Executive Officer and approval by the Compensation Committee. For 2026, upon approval by the Compensation Committee, the Company expects to grant the Executive restricted stock unit awards of £646,000 (based on the value of the

Company's stock on the last business day preceding the date of grant) under the 2019 SIP, of which seventy-five percent (75%) will be PSUs, subject to a PSU Agreement, and twenty-five percent (25%) will be RSUs, subject to an RSU Agreement.

8. EXPENSES

The Company will reimburse all reasonable out-of-pocket expenses wholly, properly and necessarily incurred by the Executive in the course of the Appointment, subject to production of VAT receipts or other appropriate written evidence of expenditure.

9. HOLIDAYS

- 9.1. The Executive shall be entitled to **30 days'** paid annual leave in each holiday year plus the usual public holidays in England. If the Appointment commences or terminates part way through a holiday year, the Executive's entitlement during that holiday year shall be calculated on a pro-rata basis.
 - 9.2. The Executive shall not without the consent of their line manager carry forward more than 5 days accrued but untaken holiday entitlement to a subsequent holiday year unless the Executive has been unavoidably prevented from taking such holiday during the relevant leave year because of sickness absence.
 - 9.3. The Executive shall have no entitlement to any payment in lieu of accrued but untaken holiday except on termination of the Appointment. Subject to clause 9.4 the amount of such payment in lieu shall be 1/260th of the Executive's salary for each untaken day of the entitlement under clause 9.1 for the holiday year in which termination takes place and any untaken days carried forward from the preceding holiday year.
 - 9.4. If the Company has terminated or would be entitled to terminate the Appointment under clause 16 or if the Executive has terminated the Appointment in breach of this Agreement any payment due under clause 9.3 shall be limited to the Executive's statutory entitlement under the Working Time Regulations 1998 and any paid holidays (including paid public holidays) taken shall be deemed first to have been taken in satisfaction of that statutory entitlement.
 - 9.5. If on termination of the Appointment the Executive has taken in excess of their accrued holiday entitlement, the Company shall be entitled to recover from the Executive by way of deduction from any payments due to the Executive or otherwise one day's pay calculated at 1/260th of the Executive's salary for each excess day.
 - 9.6. If either party has served notice to terminate the Appointment, the Company may require the Executive to take any accrued but unused holiday entitlement during the notice period. Any accrued but unused holiday entitlement shall be deemed to be taken during any period of Garden Leave under clause 17.
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10. INCAPACITY

- 10.1. In the event of Incapacity due to sickness or injury the Executive must personally advise the Company, as soon as possible.
- 10.2. If the Executive is absent for more than seven days, they must provide the Company with a medical certificate from their General Practitioner stating the reason for absence and provide subsequent certificates to cover any further periods of absence.
- 10.3. Subject to the Executive's compliance with the Company's sickness absence procedures, they shall continue to receive their full salary (inclusive of statutory sick pay) and contractual benefits during any period of absence due to Incapacity for up to an aggregate of 12 weeks in any rolling 52 week period and thereafter any such payments shall be governed by clause 10.4 below or otherwise in accordance with their entitlement to Statutory Sick Pay.
- 10.4. The Company operates the following schemes for the benefit of its employees and in respect of which the Executive shall be entitled to be a member without cost to themselves but upon such terms and conditions as the applicable Group Company may determine and subject to the rules and relevant insurance policy of each such scheme, as the same may be amended from time to time:
- (a) Death in Service designed to provide a benefit equal to **5** times annual salary detailed at clause 6.1 (and excluding any cash incentive or other bonus);
 - (b) Private Medical Insurance Family Cover; and
 - (c) Group Income Protection Insurance.
- 10.5. The Company's obligation under Agreement is limited to paying premiums to the relevant benefits provider. The Executive shall only receive payment or benefit under each such scheme where the conditions of entitlement laid down by the relevant insurer are satisfied and for the avoidance of doubt the Company shall be under no obligation to pay benefits where the relevant insurer does not agree to pay under a claim made in respect of the Executive. Any actual or prospective loss of entitlement to insurance benefits shall not limit or prevent the Company from exercising its right to terminate the Executive's employment and the Company shall not be liable to provide, or compensate for the loss of, such benefit(s).

11. OUTSIDE INTERESTS

The Executive shall not during their employment:

- 11.1. hold an investment by way of shares or other securities of more than 3% of the total issued share capital of any company (whether or not it is listed or dealt in on a recognised stock exchange) where such company does not carry on a business similar to or competitive with a Competing Business (as defined in Schedule 1).
- 11.2. In respect of clause 11.1 above, the Executive shall not

- (a) hold any investment whatsoever with a Competing Business (as defined in Schedule 1), without the express written consent of the Board; or
- (b) directly or indirectly solicit, entice or attempt to solicit or entice any client, customer, introducer of business or supplier away from the Company or any Group Company, or take any steps to divert business or opportunities away from the Company or any Group Company; or
- (c) directly or indirectly solicit, entice or attempt to solicit or entice any employee, contractor or director to terminate their employment by or engagement with the Company or any Group Company.

12. CONFIDENTIAL INFORMATION

- 12.1. The Executive acknowledges that in the course of the Appointment they will have access to Confidential Information. The Executive has therefore agreed to accept the restrictions in this clause 12.
- 12.2. The Executive shall not (except in the proper course of their duties), either during the Appointment or at any time after its termination (howsoever arising), use or disclose to any person, company or other organisation whatsoever (and shall use their best endeavours to prevent the publication or disclosure of) any Confidential Information. This restriction does not apply to:
- (a) any use or disclosure authorised by the Company or required by law or by the Appointment; or
 - (b) any information which is already in, or comes into, the public domain other than through the Executive's unauthorised disclosure; or
 - (c) prevent the Executive from:
 - (i) making a protected disclosure within the meaning of section 43A of the Employment Rights Act 1996;
 - (ii) reporting an offence or suspected offence to a law enforcement agency;
 - (iii) co-operating with a criminal investigation or prosecution;
 - (iv) disclosing information to any professional legal or tax advisor or medical professionals or counsellors where it is necessary to do so provided that such person is also bound by a duty of confidentiality (which remains unwaived);
 - (v) reporting misconduct, wrongdoing or any serious breach of regulatory requirements to any supervisory authority responsible for supervising or regulating the relevant matter in question, including the FCA, and in the case of solicitors the Solicitors Regulatory Authority; and/or
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(vi) cooperating with any such supervisory authority (including giving evidence at a hearing).

12.3 The Executive acknowledges that all client contact and other business-related contacts made by them in connection with their employment by the Company or a Group Company on any social or professional networking site on which the Executive has an account together with all rights connected with such contacts belong to the Company and on termination of this Agreement the Executive agrees at the Company's request to remove those details or provide details of them in accordance with this Agreement. It is recommended that the Executive sets up a Company-specific account separate to the Executive's personal accounts on commencement of employment for these purposes.

13. INTELLECTUAL PROPERTY

- 13.1. The Executive acknowledges that all Intellectual Property Rights subsisting (or which may in the future subsist) in all Inventions and all works embodying Intellectual Property Rights made wholly or partially by themselves at any time during the course of the Appointment which relate to, or are reasonably capable of being used in, the business of any Group Company shall automatically, on creation, vest in the Company absolutely. To the extent that they do not vest automatically, the Executive holds them on trust for the Company. The Executive agrees promptly to execute all documents and do all acts as may, in the opinion of the Company, be necessary to give effect to this clause.
- 13.2. The Executive hereby irrevocably waives all moral rights under the Copyright, Designs and Patents Act 1988 (and all similar rights in other jurisdictions) which they have or will have in any existing or future works referred to in this clause.
- 13.3. The Executive hereby irrevocably appoints the Company to be their attorney to execute and do any such instrument or thing and generally to use their name for the purpose of giving the Company or its nominee the benefit of this clause 13 and acknowledges in favour of a third party that a certificate in writing signed by any Director or the Secretary of the Company that any instrument or act falls within the authority conferred by this clause 13 shall be conclusive evidence that such is the case.

14. CEASING TO BE A DIRECTOR

- 14.1. Except with the prior approval of the Board, or as provided in the articles of association of any Group Company of which the Executive is a director, the Executive shall not resign as a director of any Group Company.
- 14.2. Subject to clause 18.1(a), if during the Appointment the Executive ceases to be a director of any Group Company (otherwise than by reason of death, resignation or disqualification pursuant to the articles of association of the relevant Group Company, as amended from time to time, or by statute or court order) the Appointment shall continue with the Executive as an employee only and the terms of this Agreement (other than those relating to the holding of the office of director) shall continue in full force and effect. The Executive shall have no claims in respect of such cessation of office.
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15. PAYMENT IN LIEU OF NOTICE

- 15.1. Notwithstanding clause 2 above, the Company may, in its sole and absolute discretion, terminate the Appointment at any time and with immediate effect by notifying the Executive that the Company is exercising its right under this clause 15.1 and that it will make within 28 days the first instalment of a payment in lieu of notice ("**Payment in Lieu**") to the Executive. This Payment in Lieu will be equal to the basic salary (as at the date of termination) which the Executive would have been entitled to receive under this Agreement during the notice period referred to at clause 2 (or, if notice has already been given, during the remainder of the notice period) less income tax and National Insurance contributions. For the avoidance of doubt, the Payment in Lieu shall not include any element in relation to:
- (a) any cash incentive, bonus, equity, stock or commission payments that might otherwise have been due during the period for which the Payment in Lieu is made;
 - (b) any payment in respect of benefits which the Executive would have been entitled to receive during the period for which the Payment in Lieu is made; and
 - (c) any payment in respect of any holiday entitlement that would have accrued during the period for which the Payment in Lieu is made.
- 15.2. The Company may pay any sums due under clause 15.1 in equal monthly instalments until the date on which the notice period referred to at clause 2 would have expired if notice had been given.

16. TERMINATION WITHOUT NOTICE

- 16.1. The Company may terminate the Appointment with immediate effect without notice and with no liability to make any further payment to the Executive (other than in respect of amounts accrued due at the date of termination) if the Executive:
- (a) is disqualified from acting as a director or resigns as a director from any Group Company without the prior written approval of the Company;
 - (b) is guilty of a serious breach of the rules or regulations (as amended from time to time) of any regulatory authority relevant to any Group Company or any compliance manual or code of practice of any Group Company (as amended from time to time), including but not limited to, the Financial Services Regulatory Requirements;
 - (c) fails or ceases to meet the requirements of any regulatory body whose consent is required to enable themselves to undertake all or any of their duties under the Appointment;
 - (d) is in breach of the Company's anti-corruption, bribery policy and conflicts of interest policy and related procedures;
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- (e) is guilty of any gross misconduct affecting the business of any Group Company;
- (f) commits any serious or repeated breach or non-observance of any of the provisions of this Agreement or refuses or neglects to comply with any reasonable and lawful directions of their line manager;
- (g) is declared bankrupt or makes any arrangement with or for the benefit of their creditors or has a county court administration order made against themselves under the County Court Act 1984;
- (h) is convicted of any criminal offence (other than an offence under any road traffic legislation in the United Kingdom or elsewhere for which a fine or non-custodial penalty is imposed);
- (i) becomes of unsound mind (which includes lacking capacity under the Mental Capacity Act 2005), or a patient under any statute relating to mental health;
- (j) ceases to be eligible to work in the United Kingdom;
- (k) is guilty of any fraud or dishonesty or acts in any manner which in the opinion of the Company brings or is likely to bring the Executive or any Group Company into disrepute or is materially adverse to the interests of any Group Company; or
- (l) acts or fails to act in breach of any fiduciary duty he may owe to the Company or to any other Group Company, from time to time.

16.2. The rights of the Company under clause 16.1 are without prejudice to any other rights that it might have at law to terminate the Appointment or to accept any breach of this Agreement by the Executive as having brought the agreement to an end. Any delay by the Company in exercising its rights to terminate shall not constitute a waiver thereof.

17. GARDEN LEAVE

17.1. Following service of notice to terminate the Appointment by either party, or if the Executive purports to terminate the Appointment in breach of contract, the Company may by written notice place the Executive on Garden Leave for the whole or part of the remainder of the Appointment.

17.2. During any period of Garden Leave:

- (a) the Company shall be under no obligation to provide any work to, or vest any powers in, the Executive, who shall have no right to perform any services for the Company;
 - (b) the Company may require the Executive to carry out alternative duties or to only perform such specific duties as are expressly assigned to the Executive, at such location (including the Executive's home) as the Company may decide;
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- (c) the Executive shall continue to receive their salary and all contractual benefits in the usual way and subject to the terms of any benefit arrangement;
- (d) the Executive shall remain an Executive of the Company and bound by the terms of this Agreement, particularly in relation to any duties of confidentiality and fidelity;
- (e) the Executive shall not, without the prior written consent of the Company, attend their place of work or any other premises of any Group Company;
- (f) the Executive shall not, without the prior written consent of the Company, contact or deal with (or attempt to contact or deal with) any officer, Executive, consultant, client, customer, supplier, agent, distributor, shareholder, adviser or other business contact of any Group Company; and
- (g) the Executive shall (except during any periods taken as holiday in the usual way) ensure that their line manager knows where they will be and how they can be contacted during each working day and shall comply with any written requests to contact a specified Executive of the Company at specified intervals.

18. OBLIGATIONS ON TERMINATION

18.1. On termination of the Appointment or, if earlier, at the start of a period of Garden Leave, the Executive shall:

- (a) resign immediately without compensation from any office, directorship or trusteeship that they hold in or on behalf of any Group Company;
 - (b) immediately deliver to the Company all documents, books, materials, records, correspondence, papers and information (on whatever media and wherever located) relating to the business or affairs of any Group Company, their business contacts, any keys and any other property of the Company which is in their possession or under their control;
 - (c) promptly disclose to the Company a full list and details of any and all client or prospective client or other business contacts the Executive has made and/or developed on social or professional networking sites (including LinkedIn) in the course of their duties during their employment by the Company or any Group Company and/or whose details are held on any electronic devices which do not belong to the Company to which the Executive has access and/or in any internet, email or social media or profession networking account managed by the Executive. Following disclosure of this list, and only upon instructions from the Company, the Executive shall irretrievably delete such contact details, any Confidential Information and any other information relating to the business of the Company or any Group Company stored on any electronic media or drive or in any internet, email or social or professional media account and all matter derived from such sources which is in the Executive's possession or under their contract (save for
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that stored on Company property which is returned in accordance with this clause 18);

- (d) provide the Company with the list of all current passwords used by them during the Appointment;
- (e) return any computer equipment to the Company and/or Group Company (including but not limited to a Company laptop, computer and/or mobile phone device) immediately upon termination without undertaking any form of deletions of data (including but not limited to factory resetting and/or cleaning packages) failing which the Company shall be entitled to appoint a third party to restore the data and to deduct the cost of doing so from any sums which may be owed to the Executive by the Company and/or to recover the balance from the Executive as a debt; and
- (f) provide a signed statement if required by the company that they have complied fully with their obligations under this clause 18.

18.2. The Executive hereby irrevocably appoints the Company to be their attorney to execute and do any such instrument or thing and generally to use their name for the purpose of giving the Company or its nominee the full benefit of clause 18.1(a) and clause 18.1(b).

18.3. On termination of the Executive's employment, howsoever arising, the Executive shall not be entitled to any compensation for the loss of any rights or benefits under any share option, cash incentive, bonus, long term incentive plan or other profit-sharing scheme ("Incentive") operated by the Company or any Group Company from time to time. The Executive's rights (if any) shall be solely determined by the articles of association, rules or other documents governing each Incentive which are in force on the termination of their employment and the Executive hereby irrevocably waive all claims or

rights of action in respect of the loss of any rights or benefits under or in respect of any Incentive granted or not yet granted to them.

19. CONDUCT AFTER TERMINATION

The Executive acknowledges and agrees to be bound by the Post-Termination Restrictions detailed in Schedule 2 ("Post-Termination Restrictions") to this Agreement.

20. DATA PROTECTION

- 20.1. It is necessary for the Company and any Group Company to hold and process data relating to themselves for legal, personnel, administrative and management purposes and in particular to the processing of any "sensitive personal data" (as defined in the Data Protection Act 1998 and/or the UK General Data Protection Regulation ("UK GDPR")) relating to the Executive including, as appropriate:
- (a) information about the Executive's physical or mental health or condition in order to monitor sickness absence;
 - (b) the Executive's racial or ethnic origin or religious or similar beliefs in order to monitor compliance with equal opportunities legislation; and
 - (c) information relating to any criminal proceedings in which the Executive has been involved, for insurance purposes and in order to comply with legal requirements and obligations to third parties.
- 20.2. It may be necessary for the Company to make such information available to any Group Company and those who provide products or services to the Company and any Group Company such as advisers, regulatory authorities, governmental or quasi-governmental organisations and potential purchasers of the Company or any part of its business.
- 20.3. The Executive shall comply with the Company's data protection policy and relevant obligations under the Data Protection Act 1998 and/or the UK GDPR and associated codes of practice when processing personal data relating to any employee, worker, customer, Company, supplier or agent of the Company.

21. DISCIPLINARY AND GRIEVANCE PROCEDURES

- 21.1. The Executive is subject to the Company's disciplinary and grievance procedures, copies of which are available from the Company. These procedures do not form part of the Executive's contract of employment.
- 21.2. If the Executive wishes to raise a grievance, they may apply in writing in accordance with the Company's grievance procedure.
- 21.3. If the Executive wishes to appeal against a disciplinary decision they may do so in writing in accordance with the Company's disciplinary procedure.
- 21.4. The Company may at any time suspend the Executive for a reasonable period, during any period in which the Company is carrying out an investigation into
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any alleged acts or defaults related to the Executive. During any period of suspension the Executive shall continue to receive their salary and contractual benefits.

21.5. During any period of suspension:

- (a) the Executive shall continue to receive their basic salary and all contractual benefits in the usual way and subject to the terms of any benefit arrangement;
- (b) the Executive shall remain an employee of the Company and bound by the terms of this Agreement;
- (c) the Executive shall ensure that their line manager knows where they will be and how they can be contacted during each working day (except during any periods taken as holiday in the usual way);
- (d) the Company may exclude the Executive from their place of work or any other premises of any Group Company; and
- (e) the Company may require the Executive not to contact or deal with (or attempt to contact or deal with) any officer, employee, consultant, client, customer, supplier, agent, distributor, shareholder, adviser or other business contact of any Group Company.

22. Pension

- 22.1. The Executive will be auto-enrolled into a pension scheme on a salary sacrifice arrangement to meet the requirements of the law, or (if the Executive opts-out in their own discretion, as provided by law) in the alternative provided with an allowance in lieu thereof (being 10% per year of his annual salary), to be paid monthly via payroll subject to tax and National Insurance (NI) contributions.
- 22.2. Contributions will be managed in accordance with the Pensions Act 2008.
- 22.3. We reserve the right to make changes to Employer and Employee pension contributions as necessary under the legislation, with particular regard to auto enrolment and the statutory minimum contributions as set out by workplace pension legislation.
- 22.4. We reserve the right to vary, replace or discontinue any pension scheme(s) in place from time to time. The Executive will be given notice of any such changes.

23. STATUTORY PARTICULARS

- 23.1. There is no collective agreement which directly affects the Appointment.
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- 23.2. The Company does not impose any special individual mandatory training requirements in relation to the Executive, other than day-to-day mandatory training for HR, regulatory or similar reasons; details of the Company's policies regarding the provision of training are available from the Company's HR department.
- 23.3. The Executive may be eligible for other paid leave, including adoption leave, paternity leave, parental leave, shared parental leave, bereavement leave and leave for public duties, in accordance with the Company's current policies, as amended from time to time, provided that the Executive complies with the relevant statutory and other conditions and requirements in order to be entitled to the leave and pay. Any payment made in relation to such leave will be:
- (a) inclusive any statutory entitlement to which the Executive may be entitled; and
 - (b) subject to
 - (i) the terms of the relevant policy as amended from time to time by the Company in its absolute discretion, and
 - (ii) the Company's right to change all and any benefits schemes in its absolute discretion at any time.

24. NOTICES

- 24.1. A notice given to a party under this Agreement shall be in writing in the English language and signed by or on behalf of the party giving it. It shall be delivered by email, hand or sent to the party at the address given in this Agreement or as otherwise notified in writing to the other party.
- 24.2. Any such notice shall be deemed to have been received:
- (a) if delivered by email, at the time of transmission;
 - (b) if delivered by hand, at the time the notice is left at the address or given to the addressee;
- 24.3. in the case of pre-paid first class UK post or other next working day delivery service, at 9.00 am on the second business day after posting or at the time recorded by the delivery service.
- 24.4. A notice shall have effect from the earlier of its actual or deemed receipt by the addressee. For the purpose of calculating deemed receipt:
- (a) all references to time are to local time in the place of deemed receipt; and
 - (b) if deemed receipt would occur on a Saturday or Sunday or a public holiday when banks are not open for business, deemed receipt is at 9.00 am on the next business day.
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24.5. A notice required to be given under this Agreement shall be valid if sent by e-mail.

24.6. This clause 24 does not apply to the service of any proceedings or other documents in any legal action.

25. ENTIRE AGREEMENT

24.1 Each party on behalf of itself (and in the case of the Company, as agent for any Group Companies) acknowledges and agrees with the other party that:

- (a) this Agreement constitutes the entire agreement and understanding between the Executive and the Company and supersedes any previous agreement between them relating to the Appointment, including any term sheets or offer letters (which shall be deemed to have been terminated by mutual consent, notwithstanding any provision in such previous agreement that purports to incorporate its terms into this Agreement);
- (b) in entering into this Agreement neither party nor any Group Company has relied on any Pre-Contractual Statement; and
- (c) the only remedy available to each party for breach of this Agreement shall be for breach of contract under the terms of this Agreement.

24.1 Nothing in this Agreement shall, however, operate to limit or exclude any liability for fraud.

26. VARIATION

No variation or agreed termination of this Agreement shall be effective unless it is in writing and signed by the parties (or their authorised representatives).

27. COUNTERPARTS

24.1 This Agreement may be executed in any number of counterparts, each of which, when executed and delivered, shall be an original, and all the counterparts together shall constitute one and the same instrument.

24.1 Transmission of the executed signature page of a counterpart of this agreement by email (in PDF, JPEG or other agreed format) shall take effect as the transmission of an executed "wet-ink" counterpart of this agreement. If this method of transmission is adopted, without prejudice to the validity of the agreement thus made, each party shall on request provide the other with the "wet ink" hard copy original of their counterpart.

28. THIRD PARTY RIGHTS

The Contracts (Rights of Third Parties) Act 1999 shall not apply to this Agreement and no person other than the Executive and the Company and/or a Group Company shall have any rights under it.

29. GOVERNING LAW AND JURISDICTION

- 28.1 This Agreement and any dispute or claim arising out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims) shall be governed by and construed in accordance with English law.
- 28.2 The parties irrevocably agree that the courts of England and Wales shall have exclusive jurisdiction to settle any dispute or claim that arises out of or in connection with this Agreement or its subject matter or formation (including non-contractual disputes or claims).
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IN WITNESS WHEREOF this Agreement has been executed as a Deed and takes effect on the date stated at the beginning of it.

EXECUTED by **Julie L. Turpin, Executive Vice President & Chief People Officer, Brown & Brown, Inc.**

/s/ Julie L. Turpin

in the presence of the following witness:

/s/ Anthony M. Robinson

Witness

Anthony M. Robinson

Full Name

300 N. Beach St., Daytona Beach, FL 32114

Address

Secretary

Title

EXECUTED by **Stephen P. Hearn**

/s/ Stephen P. Hearn

in the presence of the following witness:

/s/Simon Ford

Witness

Simon Ford

Full Name

Heath View, The Common

Address

Blindley Heath, Lingfield, RH7 6LH United Kingdom

Managing Director

Occupation

Schedule 1

Senior Manager and Certified Functions Schedule

In this Schedule:

“Prescribed Responsibilities” means the specific responsibilities that the Company must allocate to one of its senior managers, as set out in the FCA Handbook (as amended from time to time) or as otherwise prescribed by the FCA or any other relevant supervisory authority from time to time; and

“Statement of Responsibilities” means the statement of responsibilities that is or will be submitted to the FCA setting out the Executive’s responsibilities together with any amendments and/or replacements issued from time to time.

1. The Executive shall perform in such function as the Company may determine or as communicate to the EXECUTIVE from time to time. If the Executive’s role is classified as a Senior Manager function:

- (a) They shall competently discharge the Prescribed Responsibilities assigned to them and perform the duties and responsibilities as set out in the Statement of Responsibilities.
 - (b) They confirm they have reviewed the Statement of Responsibilities together with the Company’s management responsibilities map. They acknowledge that they are satisfied that there are no gaps in accountability and they have the necessary skills and experience to competently perform the responsibilities set out in the Statement of Responsibilities. They will notify the Company in writing immediately if:
 - (i) they become aware of any gaps in accountability;
 - (ii) there is any material change to the responsibilities not reflected by the Statement of Responsibilities;
 - (iii) any event occurs which may call into question their fitness and propriety and/or change in circumstance relevant to their regulatory status;
 - (iv) they become aware of any act or omission that might call into question the fitness and propriety of any other executive performing a senior management function or certified function; or
 - (v) they become aware of any act or omission by themselves or any other employee of the Company or any Associated Company which is or may be a breach of the Financial Services Regulatory Requirements.
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(vi) Where the Executive delegates duties to others they shall: (i) use their best endeavours to ensure that the staff to whom such duties are delegated are competent to assume them; (ii) ensure that such delegation is appropriately documented; and (iii) remain ultimately responsible for their discharge.

2. **The Executive's employment under this Agreement is, in addition to the conditions referenced in the main body of this Agreement, conditional upon: (i) the Company being satisfied that they are fit and proper to perform the role for which they are employed; and (if they are in a Senior Management role), being approved or certified (as applicable) by the FCA that they are fit and proper to perform the senior management function.**
 3. **The Company shall have the right to appoint a person to act jointly with the Executive and, if it considers it necessary or expedient to do so, including for the purposes of discharging any Financial Services Regulatory Requirements, may transfer some or all of their duties to another person.**
 4. **The Executive warrants that they have not: been the subject of any disciplinary investigation in the last 6 years; or committed any act or omission which, if known, may or would have resulted in disciplinary action being taken against them, whether related to conduct or performance, during any employment relationship prior to the Commencement Date and which, if known by the Company or the FCA, may or would affect or alter the Company's or the FCA's assessment of their fitness and propriety to perform their stated function above.**
 5. **The Executive's employment may be terminated with or without notice if they cease to be approved or certified by the FCA as fit and proper or to perform functions for which they are employed or (if they are in a Senior Manager role) fail to adequately carry out or discharged Prescribed Responsibilities. The Company may also terminate the Executive's employment with immediate effect without notice and with no liability to make any further payment (other than in respect of amounts accrued at the date of termination) if the Company resolve that they no longer have confidence in their fitness and propriety.**
 6. **The Executive must provide such handover of their duties as the Company shall consider appropriate on termination of their employment.**
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Schedule 2

Post-Termination Restrictions

The Parties to this Schedule of Post-Termination Restrictions shall be the Executive, the Company acting for its own behalf and as trustee and agent for any other Group Company.

The Executive acknowledges that the restrictions in this Schedule afford the Group Company with the same protection as the Company, and as such, the Executive enters into this arrangement understanding that should their employment be transferred to a Group Company at any time that the employing Group Company be entitled to enforce the protection of this Schedule as if it were the Company.

Within this Schedule, unless the context requires otherwise, the following definitions shall apply:

- Business:** means that part of the business conducted by any Group Company in which the Executive was involved during the Relevant Period or in respect of which the Executive had, as at the Termination Date, Confidential Information.
- Business Partner:** means any Person who or which at any time during the Relevant Period was party to an affinity or joint venture, partnering or agreement with any Group Company; and
- i) with whom the Executive or any person directly reporting to the Executive during the Relevant Period were materially involved during that Relevant Period; and/or
 - ii) in relation to which the Executive had access to Confidential Information during the Relevant Period
- in the course of their duties for any Group Company.
- Competing Business:** means a business which competes or which intends to compete with the Business;
- Customer:** means any Person for whom any Group Company at any time during the Relevant Period:
- i) was supplied with Restricted Goods or Services by a Group Company; or
 - ii) was supplied with Restricted Goods or Services by a Group Company via an Intermediary as the ultimate insured or reinsured; or
 - iii) was an Intermediary (but only in respect of any underlying insured or reinsured for whom Restricted Goods or Services were provided by a Group Company during the Relevant Period);
- and in each case:
- i) with whom the Executive or any person reporting to the Executive during the
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- Relevant Period had material dealings during that Relevant Period; and/or
- ii) about whom the Executive or any person reporting to the Executive during the Relevant Period had Confidential Information during that Relevant Period in the course of the Executive's duties for any Group Company;

Intermediary:	mean any insurance or reinsurance intermediary, agent, introducer or other intermediary for whom or in conjunction with whom Restricted Goods or Services are provided by the Company or a Group Company;
Insurer:	means any insurer of underwriter in respect of whose arrangements with other intermediary for whom or in conjunction with whom Restricted Goods or Services are provided by the Company or a Group Company;
Person:	means any person, firm, partnership, company, corporation or organisation, governmental or non-governmental body or other entity;
Prospective Customer:	means any Person with whom at any time during the Relevant Period the Executive, or any person reporting to the Executive, had been involved on behalf of any Group Company in a tender, formal proposal or presentation in relation to the Business with a view to such Person becoming a Customer;
Relevant Period:	the period of twelve months up to and including the date of termination of employment;
Relevant Person:	means a person who is or was at any time during the Relevant Period employed or engaged by any Group Company and: i) is an account executive or an account handler or an employee who otherwise works in a capacity in which they have access to Confidential Information about the Business; or ii) works in a capacity with responsibility for or influence over a Customer or Business Partners or Insurers; or iii) provides support in a senior operational capacity; or iv) otherwise could materially damage the interests of any Group Company and in each case with whom the Executive or any person who reported to the Executive during the Relevant Period had material dealings during that period in the course of the Executive's or their duties for the Company and/or any Group Company;

Restricted Goods or Services:	means goods or services of a type provided by the Company or any Group Company. These goods and services may include (but not be limited to): (i) general insurance and/or reinsurance intermediary goods and services (ii) specialist or niche insurance and/or reinsurance intermediary goods or services in a particular class of business (iii) specialist services connected to the same such as market management, placement, delegated authority management services; (iv) acting as an underwriting agent on behalf of Insurers; or (v) any other business conducted by the Company or a Group Company during the Relevant Period.
Team Recruitment Exercise	means an attempt by the Executive or a Competing Business or any other Person to target and recruit a team of two or more employees/consultants of the Company or of any Group Company in circumstances where those employees/consultants are to be involved in competition with the Company or any Relevant Group Company;

- 1. In order to protect the Company and Group Company's Confidential Information, goodwill, client and other business connections, trading relationships, workforce stability and other legitimate business interests, the Executive undertakes to each Group Company that they will not directly or indirectly without the prior written consent of the Company either during employment or:**

General restrictions

- (a) for a period of twelve months after Termination, on the Executive's own account or for or on behalf of a Competing Business, canvass, solicit, approach, deal with, entice away or cause to be canvassed, solicited, approached, dealt with or enticed away any Customer, Prospective Customer, Insurer, Intermediary or Business Partner to cease conducting any business with any Group Company or to reduce the amount of business conducted with any Group Company or adversely to vary the terms on which any business is conducted with any Group Company or to exclude any Group Company from new business opportunities in relation to any Restricted Goods or Services;
 - (b) for a period of twelve months after Termination, in the course of any Competing Business solicit, interfere with or attempt to entice away any Relevant Person to terminate their employment and/or engagement with the Company and/or any Group Company, provided always that the placing of a general recruitment advert in a publication or website will not be treated as a breach of this restriction;
 - (c) for a period of twelve months after Termination in the course of any Competing Business employ or engage or otherwise facilitate the employment or engagement of any Relevant Person, whether or not such person would be in breach of contract as a result of such employment or engagement;
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- (d) at any time after Termination, represent themselves as connected with any Group Company in any Capacity, other than as a former employee, or use any registered business names or trading names associated with any Group Company;
- (e) for a period of twelve months after Termination not to directly or indirectly (A) induce or attempt to induce any M&A Prospect to cease doing or not do a Transaction with the Company or Group Company, or in any way interfere with the relationship between any such M&A Prospect and the Company or Group Company, or (B) in the course of any Competing Business acquire or invest in (by asset acquisition, equity acquisition, equity subscription, recapitalization, merger, or other form of business combination), attempt to acquire, or arrange, participate in, or facilitate (including by providing any assistance, advice, financing, solicitation, brokerage, or similar services) any acquisition by another person of, any M&A Prospect;

Team-move restrictions

- (f) for a period of twelve months after the Termination Date directly or indirectly plan, organise, finance, facilitate, procure, co-ordinate, co-operate with, participate in, encourage or otherwise support a Team Recruitment Exercise, or endeavour to do so;
 - (g) for a period of twelve months after the Termination Date directly or indirectly accept or agree to accept any financial support, commitment or reimbursement of any kind from any Person who or which is directly or indirectly engaged or involved in a Competing Business, for the purpose of facilitating or encouraging a Team Recruitment Exercise; or
 - (h) for a period of twelve months after the Termination Date carry on, set up or prepare to set up, be employed, engaged or interested or become a business partner in a Competing Business in which any Restricted Person is employed, engaged or interested as a business partner or in which any Restricted Person has accepted an offer to be so employed, engaged or interested in circumstances where:
 - (i) there has been collusion or cooperation directly or indirectly between the Executive and any such Restricted Person in relation to any Restricted Person's departure or the Executive's departure with a view to Joining the Competing Business together; and
 - (ii) such collusion or co-operation involves a breach by the Executive or the Restricted Person of any obligation owed to any Group Company; and
 - (iii) such action has or is likely to have a negative impact (other than a de minimis effect) on the goodwill and/or operations of any Group Company in terms of client or staff retention in
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any affected business unit, capacity to continue providing similar service levels or the preservation of Confidential Information.

2. **During the Executive's employment (and without prejudice to any other express, implied or fiduciary duties which the Executive may owe to the Company or any Group Company) the Executive shall be expressly obliged to notify the Company immediately and fully upon their becoming aware of any proposed or actual Team Recruitment Exercise including without limitation any such Team Recruitment Exercise in which the Executive personally may be or are considering being involved and the Executive will provide such further details as the Company may reasonably request.**

General

3. **The Executive acknowledges that:**
 - (a) each of the foregoing sub-clauses of this Schedule constitutes an entirely separate and independent restriction upon the Executive;
 - (b) the duration, extent and application of each of the restrictions are no greater than is necessary for the protection of the Company's interests;
 - (c) the duration of each of the restrictions (unless otherwise stated) shall be reduced by any period of time during which the Company requires the Executive to be on Garden Leave; and
 - (d) the restrictions contained in this Schedule are considered to be reasonable but if any of the restrictions are found to be void in circumstances where it would be valid if some part of it were deleted it is agreed that the restrictions shall apply with such deletion as is necessary to make it valid.
 4. **The Company and the Executive acknowledge that they have entered into the restrictions in this Schedule having been separately legally advised.**
 5. **If the Executive's employment is transferred to any firm, company, person or entity other than a Group Company (the "New Employer") pursuant to the Transfer of Undertakings (Protection of Employment) Regulations 2006, the Executive will, if required, enter into an agreement with the New Employer containing post-termination restrictions corresponding to those restrictions in this Schedule, protecting the confidential information, trade secrets and business connections of the New Employer.**
 6. **The Executive agrees to indemnify and keep indemnified the Company (and any relevant Group Company) against all costs, claims, liabilities, expenses, proceedings including all legal and other professional costs on a full indemnity basis which the Company and each company in the Group may suffer or incur in investigating, seeking to enforce or enforcing its rights under this clause and/or the confidentiality provisions of this agreement.**
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Certification by the Chief Executive Officer
Pursuant to Section 302 of The Sarbanes-Oxley Act of 2002

I, J. Powell Brown, certify that:

1. I have reviewed this Quarterly Report of Brown & Brown, Inc. (the “Registrant”) on Form 10-Q for the quarter ended March 31, 2025;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;
4. The Registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the Registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the Registrant’s internal control over financial reporting that occurred during the Registrant’s most recent fiscal quarter (the Registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant’s internal control over financial reporting; and
5. The Registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant’s auditors and the audit committee of the Registrant’s board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant’s ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant’s internal control over financial reporting.

Date: April 28, 2025

/s/ J. Powell Brown
J. Powell Brown
President and Chief Executive Officer

Certification by the Chief Financial Officer
Pursuant to Section 302 of The Sarbanes-Oxley Act of 2002

I, R. Andrew Watts, certify that:

1. I have reviewed this Quarterly Report of Brown & Brown, Inc. (the “Registrant”) on Form 10-Q for the quarter ended March 31, 2025;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;
4. The Registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the Registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the Registrant’s internal control over financial reporting that occurred during the Registrant’s most recent fiscal quarter (the Registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant’s internal control over financial reporting; and
5. The Registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant’s auditors and the audit committee of the Registrant’s board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant’s ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant’s internal control over financial reporting.

Date: April 28, 2025

/s/ R. Andrew Watts

R. Andrew Watts

Executive Vice President, Chief Financial Officer and
Treasurer

**Certification Pursuant to Section 1350 of Title 18 of the United States Code, as Adopted
Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the Quarterly Report of Brown & Brown, Inc. (the “Company”) on Form 10-Q for the quarter ended March 31, 2025, as filed with the Securities and Exchange Commission on the date hereof (the “Form 10-Q”), I, J. Powell Brown, Chief Executive Officer of the Company, hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Form 10-Q fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. § 78m or § 78o(d)); and
- (2) The information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: April 28, 2025

/s/ J. Powell Brown

J. Powell Brown

President and Chief Executive Officer

**Certification Pursuant to Section 1350 of Title 18 of the United States Code, as Adopted
Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the Quarterly Report of Brown & Brown, Inc. (the “Company”) on Form 10-Q for the quarter ended March 31, 2025, as filed with the Securities and Exchange Commission on the date hereof (the “Form 10-Q”), I, R. Andrew Watts, Chief Financial Officer of the Company, hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Form 10-Q fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. § 78m or § 78o(d)); and
- (2) The information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: April 28, 2025

/s/ R. Andrew Watts

R. Andrew Watts
Executive Vice President, Chief Financial Officer and
Treasurer
