

Exhibit B

Compensation Disclosure

The following compensation disclosures must be utilized in insurance proposals by Brown through its Retail Agents to its Florida policyholders. All italicized language below is for informational purposes only and shall not be incorporated within the text of the compensation disclosures to Florida policyholders.

The following is required in all insurance coverage proposals from Brown through its Retail Agents to its Florida policyholders:

Compensation. In addition to the commissions or fees received by us for assistance with the placement, servicing, claims handling, or renewal of your insurance coverages, other parties, such as excess and surplus lines brokers, wholesale brokers, reinsurance intermediaries, underwriting managers and similar parties, some of which may be owned in whole or in part by Brown & Brown, Inc., may also receive compensation for their role in providing insurance products or services to you pursuant to their separate contracts with insurance or reinsurance carriers. That compensation is derived from your premium payments. Additionally, it is possible that we, or our corporate parents or affiliates, may receive contingent payments or allowances from insurers based on factors which are not client-specific, such as the performance and/or size of an overall book of business produced with an insurer. We generally do not know if such a contingent payment will be made by a particular insurer, or the amount of any such contingent payments, until the underwriting year is closed. That compensation is partially derived from your premium dollars, after being combined (or “pooled”) with the premium dollars of other insureds that have purchased similar types of coverage. We may also receive invitations to programs sponsored and paid for by insurance carriers to inform brokers regarding their products and services, including possible participation in company-sponsored events such as trips, seminars, and advisory council meetings, based upon the total volume of business placed with the carrier you select. We may, on occasion, receive loans or credit from insurance companies. Additionally, in the ordinary course of our business, we may receive and retain interest on premiums you pay from the date we receive them until the date of premiums are remitted to the insurance company or intermediary. In the event that we assist with placement and other details of arranging for the financing of your insurance premium, we may also receive a fee from the premium finance company.

*If Brown utilizes an intermediary broker for the placement of coverage for the Florida policyholder, Brown, through its Retail Agent, must include the following disclosure **in addition to** the disclosure above:*

Wholesale Broker/Managing General Agent: _____ [IDENTIFY]

This intermediary _____ is/ _____ is not owned in whole or part by Brown & Brown, Inc., the parent company of (retail office name). Brown & Brown entities operate independently and are not required to utilize other companies owned by Brown & Brown, Inc., but routinely do so. In addition to providing access to the insurance company, the Wholesale Insurance Broker/Managing General Agent may provide additional services including, but not limited to: underwriting; loss control; risk placement; coverage review; claims coordination with insurance company; and policy issuance. Compensation paid for those services may be up to 15 % of the premium you pay for coverage, and any compensation paid for those services is derived from your premium payment.

*If Brown and/or its Retail Agents or other Brown agents are compensated by fee in lieu of commission under a written fee agreement with a Florida policyholder, Brown, through its Retail Agent, must include the following disclosure **instead of** those above:*

If we are being compensated based upon a fixed dollar amount or fixed percentage fee, meaning that the contract specifies our compensation and states anywhere in the document that additional compensation will not be paid to us or any other party, any additional compensation to us or any other party, including wholesale brokers or third party intermediaries, is strictly prohibited. Likewise, if our contract sets compensation based upon a fixed dollar amount or fixed percentage fee, and the contract specifies that additional compensation shall be credited to the insured, any additional compensation to any party, including brokers, wholesale brokers or third party intermediaries, must be promptly returned to you. If our contract is not based upon such fixed fee terms, no owned or affiliated party, including brokers, wholesale brokers or third party intermediaries, may accept any type of compensation without full disclosure by the undersigned broker to you of the dollar amount or percentage of compensation prior to binding your coverage.

*If Brown, through its Retail Agent or other Brown agent, is placing a Florida public entity policyholder in the Preferred Governmental Insurance Trust (PGIT), Brown, through its Retail Agent, must include the following disclosure **instead of** those above:*

We appreciate the opportunity to assist with your insurance needs. Information concerning additional compensation paid to other entities for this placement and related services appears below. Please do not hesitate to contact us if any additional information is required.

Our office is owned by Brown & Brown, Inc. Brown & Brown entities operate independently and are not required to utilize other companies owned by Brown & Brown, Inc., but routinely do so.

For the 2005-2006 policy year, your insurance was placed with Preferred Governmental Insurance Trust (PGIT). PGIT is an insurance trust formed by Florida public entities through an Interlocal Agreement for the purpose of providing its members with an array of insurance coverages and services. PGIT has contracted with entities owned by Brown & Brown, Inc. to perform various services. As explained below, those Brown & Brown entities are compensated for their services.

PGIT has contracted with Public Risk Underwriters (PRU), a company owned by Brown & Brown, Inc., to administer PGIT's operations. The administrative services provided by PRU to PGIT include:

- Underwriting
- Coverage review
- Marketing
- Policy Review
- Accounting
- Issuance of PGIT Coverage Agreements
- PGIT Member Liaison
- Risk Assessment and Control

Pursuant to its contract with PGIT, PRU receives an administration fee, based on the size and complexity of the account, of up to 12.5% of the premium you pay to PGIT. PRU may also receive commissions from insurance companies with whom it places your coverage, which commissions are derived from the premium you pay to PGIT. Multiple underwriters may be involved in the placement of your coverage. If so, they also may be compensated for their services from the premium you pay to PGIT.

PGIT has also contracted with Preferred Governmental Claims Solutions (PGCS), a company owned by Brown & Brown, Inc., for purposes of administering the claims of PGIT members. The services provided by PGCS to PGIT may include:

- Claims Liaison with Insurance Company
- Claims Liaison with PGIT Members
- Claims Adjustment

Pursuant to its contract with PGIT, PGCS receives a claims administration fee for those accounts which PGCS services of up to 5% of the nonproperty portion of the premiums you pay to PGIT.

PGIT also utilizes wholesale insurance brokers, some of which (such as Peachtree Special Risk Brokers and MacDuff Underwriters) are owned by Brown & Brown, Inc., for the placement of PGIT's insurance policies, and for individual risk placements for some PGIT members (excess and surplus lines, professional liability coverage, etc.) The wholesale insurance broker may provide the following services:

- Risk Placement
- Coverage review
- Claims Liaison with Insurance Company
- Policy Review
- Current Market Intelligence

The wholesale insurance broker's compensation is derived from your premium, and is largely dictated by the insurance company. It typically ranges between 10% and 17% of the premiums you pay to PGIT for your coverage. Some wholesale brokers used by Brown to place your coverage may also act as Managing General Agents for various insurance companies, and may be compensated directly by those insurance companies for their services in placing and maintaining coverage with those particular companies.

The wholesale insurance brokerage utilized in the placement of your property insurance was [INSERT NAME OF BROKER: e.g.- Peachtree Special Risk Brokers], which is a company owned by Brown & Brown, Inc. Furthermore, any professional liability coverage afforded by the package of insurance you purchased was acquired through Brown & Brown Public Entity Services (BBPES), which is also a company affiliated with Brown & Brown, Inc.