

BROWN & BROWN, INC.
Form 11-K
June 25, 2018

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

FORM 11-K

ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

ý ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the Fiscal Year ended December 31, 2017

OR
c TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from to .
Commission file number 001-13619

A. Full title of the plan and the address of the plan, if different from that of the issuer named below:

BROWN & BROWN, INC.
EMPLOYEE SAVINGS PLAN AND TRUST

B. Name of issuer of the securities held pursuant to the plan and the address of its principal executive office:

BROWN & BROWN, INC.
220 SOUTH RIDGEWOOD AVENUE
DAYTONA BEACH, FLORIDA 32114

BROWN & BROWN, INC. EMPLOYEE SAVINGS PLAN AND TRUST
FINANCIAL STATEMENTS AND SUPPLEMENTAL SCHEDULES
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REPORT OF INDEPENDENT REGISTERED CERTIFIED PUBLIC ACCOUNTING FIRM

To the Investment Committee of the Brown & Brown, Inc., Plan Administrator
and Participants

Brown & Brown, Inc. Employee Savings Plan and Trust

Daytona Beach, Florida

Opinion on the Financial Statements

We have audited the accompanying statements of net assets available for benefits of the Brown & Brown, Inc. Employee Savings Plan and Trust (the Plan) as of December 31, 2017 and 2016, the related statement of changes in net assets available for benefits for the year ended December 31, 2017, and the related notes (collectively, the financial statements). In our opinion, the financial statements present fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 2017 and 2016, and the changes in net assets available for benefits for the year ended December 31, 2017, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on the Plan's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Plan in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Plan is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risk of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by the Plan's management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Supplemental Information

The supplemental information in the accompanying supplemental schedule of assets (held at end of year) as of December 31, 2017 has been subjected to audit procedures performed in conjunction with the audit of the Plan's financial statements. The supplemental information is presented for the purpose of additional analysis and is not a required part of the financial statements, but includes supplemental information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. The supplemental information is the responsibility of the Plan's management. Our audit procedures included determining whether the supplemental information reconciles to the financial statements or the underlying accounting and other records, as applicable, and performing procedures to test the completeness and accuracy of the information presented in the supplemental information. In forming our opinion on the supplemental information, we evaluated whether the supplemental information, including its form and content, is presented in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. In our opinion, the supplemental information is fairly stated, in all material respects, in relation to the financial statements as a whole.

/s/ Hancock Askew & Co., LLP

We have served as the Plan's auditor since 2007.

Norcross, Georgia

June 25, 2018

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BROWN & BROWN, INC. EMPLOYEE SAVINGS PLAN AND TRUST
 STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
 AS OF DECEMBER 31, 2017 AND 2016

	2017	2016
ASSETS		
CASH	\$ 16	\$ 1,532
INVESTMENTS:		
Participant directed—at fair value:		
Registered investment companies (mutual funds)	545,212,704	413,511,719
Pooled separate account	51,804,442	53,672,164
Employer common stock fund	35,672,514	32,099,084
Personal choice retirement account	15,104,736	12,313,018
Total investments, at fair value	647,794,396	511,595,985
RECEIVABLES:		
Notes receivable from participants	12,581,685	10,829,432
Employer contributions	0	940,549
Participant contributions	0	621
Total receivables	12,581,685	11,770,602
NET ASSETS AVAILABLE FOR BENEFITS	\$ 660,376,097	\$ 523,368,119
See notes to financial statements.		

BROWN & BROWN, INC. EMPLOYEE SAVINGS PLAN AND TRUST
 STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
 FOR THE YEAR ENDED DECEMBER 31, 2017

ADDITIONS:

Investment income:	
Dividend income	\$23,672,504
Interest income	561,288
Other income	2,128,294
Net appreciation in fair value of investments	61,457,413
Total investment gain	87,819,499
Interest on note receivable from participants	470,328
Contributions:	
Participants	37,619,935
Employer	19,227,085
Rollovers from other qualified plans	14,028,825
Total contributions	70,875,845
Total additions	159,165,672

DEDUCTIONS:

Benefits paid to participants	42,131,651
Administrative expenses	776,638
Total deductions	42,908,289
NET INCREASE IN ASSETS AVAILABLE FOR BENEFITS	116,257,383
ASSETS TRANSFERRED IN AS A RESULT OF PLAN MERGER	20,750,595
NET ASSETS AVAILABLE FOR BENEFITS—Beginning of year	523,368,119
NET ASSETS AVAILABLE FOR BENEFITS —End of year	660,376,097

See notes to financial statements.

BROWN & BROWN, INC. EMPLOYEE SAVINGS PLAN AND TRUST
 NOTES TO FINANCIAL STATEMENTS
 AS OF DECEMBER 31, 2017 AND 2016, AND FOR THE YEAR ENDED DECEMBER 31, 2017

1. DESCRIPTION OF THE PLAN

The following brief description of the Brown & Brown, Inc. Employee Savings Plan and Trust (the “Plan”) is provided for general information purposes only. Participants should refer to the Plan document for a more complete description of the Plan’s provisions.

General -The Plan is a defined contribution plan. Substantially all employees who are at least 18 years of age and who are expected to complete a year of service (1,000 hours) are eligible to participate in the Plan effective the first full payroll period after one month of service. The Plan is intended to assist Brown & Brown, Inc. and its subsidiaries (the “Employer”) in its efforts to attract and retain employees by enabling eligible employees who are U.S. citizens with the opportunity to invest a portion of their annual compensation in the Plan, augmented by employer contributions, to supplement the employees’ retirement income. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended (“ERISA”).

Benefit Payments -Benefits under the Plan are payable upon normal (after age 65) or early (after age 59-1/2) retirement, death, disability, severe financial hardship or termination of service and are based on the vested balance in the participant’s account. Distributions of vested account balances will be made in the form of a single lump-sum payment or in some other optional form of payment, as defined in the Plan. If the participant’s vested account is \$5,000 or less, the participant will be prompted to distribute his or her funds to another qualified plan in a timely fashion or be subject to an immediate lump-sum distribution.

Administration -The Plan is administered by a designated Plan Administrator (the “Administrator”), which has been appointed by the Board of Directors (the “Board”) of the Employer. Information about the Plan document, such as provisions for allocations to participants’ accounts, vesting, benefits and withdrawals, is contained in the Summary Plan Description. Copies of this document are available on the employee benefits Web site accessible to employees of the Employer or from the Administrator. Schwab Retirement Plan Services, Inc. (“Schwab”) serves as the recordkeeper of the Plan and Charles Schwab Trust Company, a division of Charles Schwab Bank (the “Trustee”) serves as the trustee of the Plan.

Administrative Expenses - All investment-related expenses are charged against Plan earnings or are paid by the Plan. Administrative expenses for recordkeeping, accounting and legal are paid by the Plan. All other expenses are paid by the Employer.

Contributions - Participants may elect to contribute, subject to certain limitations, any percentage of annual compensation as contributions to the Plan, up to the allowable limits specified in the Internal Revenue Code of 1986, as amended (“IRC”). The Employer makes a fully vested safe harbor matching contribution for each participant equal to the sum of (1) 100% of the participant’s elective deferrals that do not exceed 3% of compensation for the allocation period, plus (2) 50% of the participant’s elective deferrals that exceed 3% of compensation for the allocation period but do not exceed 5% of compensation for the allocation period.

The Plan permits the Board of Directors of the Employer to authorize discretionary profit-sharing contributions. No profit-sharing contributions were made in 2016 and 2017.

Vesting -Participants are immediately vested in their voluntary contributions plus actual earnings thereon. Vesting in the Employer matching contributions for plan years beginning before January 1, 2014, and for discretionary profit-sharing contributions are based on years of credited service and are subject to the following vesting schedule:

Years of Credited Service	Vested Interest
Less than 1	0 %
1	20
2	40
3	60

4 80
5 or more 100

As a result of an Internal Revenue Service ruling policy, the Plan was amended effective January 1, 2015, to provide that the forfeited balances of terminated participants' non-vested accounts would not be available to reduce the Employer's safe harbor matching contributions unless the IRS specifically provides for such use of forfeitures in formal guidance of general applicability. On January 18, 2017, the IRS issued proposed regulations that permit such use of forfeitures, and provided that taxpayers may rely on the proposed regulations for periods preceding the issuance of final regulations. As of December 31, 2016 and 2017, forfeited employee amounts available to offset future Employer contributions and to offset future Plan expenses

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totaled approximately \$270,000 and \$743,200, respectively. For the Plan years 2016 and 2017, forfeiture amounts of \$132,882 and \$743,162, respectively, were used to offset Employer contributions and Plan expenses.

Investment Income and Expenses -Each participant's account shall be allocated the investment income and expenses of each fund based on the value of each participant's account invested in each fund, in proportion to the total value of all accounts in each fund, taking into account any contributions to or distributions from the participant's account in each fund. General expenses of the Plan not paid by the Employer and not attributable to any particular fund shall be allocated among participants' accounts in proportion to the value of each account, taking into consideration each participant's contributions and distributions.

The agreement between the Trustee and the Plan includes a revenue-sharing arrangement whereby the Trustee shares revenue generated by the Plan in excess of the Trustee's fee. These deposits are included in the "Other Income" amount in the Statement of Changes to Net Assets Available for Benefits. These funds are used to pay other Plan expenses, with any remaining amounts being reallocated to participants. During 2017, revenue of \$226,762 was deposited into the Plan related to this revenue-sharing arrangement. At December 31, 2017 and 2016, \$ 48,984 and \$53,025, respectively, was available to be reallocated or pay Plan expenses. For the Plan year ended December 31, 2017, Plan expenses of approximately \$180,000 were paid by these funds.

Notes Receivable from Participants -A participant may borrow from his or her own account a minimum of \$1,000, up to a maximum equal to the lesser of \$50,000 or 50% of the participant's vested account balance. Participants may not have more than two loans outstanding at any time, with a limited exception for grandfathered outstanding loans transferred to the Plan as a result of mergers of plans maintained by acquired companies. Loans, which are repayable each pay period for periods ranging generally up to five years (and up to 15 years for the purchase of a principal residence), are collateralized by a security interest in the borrower's vested account balance. The loans bear interest at the prime rate plus 1%, determined at the time the loan is approved. As of December 31, 2017, interest rates applicable to such loans ranged from 4.25% to 9.25%.

Plan Merger - On November 15, 2017, the Plan merged with the previously frozen Wright Risk Management Company LLC 401(k) Profit Sharing Plan (Wright Plan). As a result of the merger, the fair market value of assets totaling \$20,750,595 were transferred into the Plan.

2. SIGNIFICANT ACCOUNTING POLICIES

Use of Estimates -The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of net assets available for benefits and changes therein. Actual results could differ from those estimates.

Basis of Accounting -The accompanying financial statements of the Plan are presented on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Notes Receivable from Participants - Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Interest income is recorded on the accrual basis. Related fees are recorded as administrative expenses and are expenses when they are incurred. No allowance for credit losses was recorded as of December 31, 2017 and 2016. If a participant ceases to make loan repayments and the plan administrator deems the participant loan to be in default, the participant loan balance is reduced and a benefit payment is recorded.

Payment of Benefits - Benefits are recorded when paid.

Notes Receivable - Participant loans are recorded as "Notes Receivable from Participants" and are measured at their unpaid principal balance plus any accrued but unpaid interest in the statements of Net Assets Available for Benefits as of December 31, 2017 and 2016. No allowance for credit losses was recorded as of December 31, 2017 and 2016.

Defaulted participant loans are reclassified as distributions based upon the terms of the Plan documents.

Valuation of Investments -The Plan's investments in money market funds, mutual funds and the personal choice retirement account, which includes investments in mutual funds and common stock, are stated at fair value based on quoted market prices at year-end. The fair value of the Brown & Brown stock fund is measured using the unit value calculated from the observable market price of the stock plus the cost of the short-term investment fund, which approximates fair value. This non-pooled separate investment account is deemed to be Level 1 investment. The fair value of the pooled separate accounts is based upon the net asset value ("NAV") of the underlying assets as determined by the Trustee's valuation. NAV is used as a practical expedient. The contract value of participation units owned in the

pooled separate accounts is based on quoted redemption values, as determined by the Trustee, on the last business day of the Plan year.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on an accrual basis.

Dividends are recorded on the ex-dividend date. Net appreciation (depreciation) includes the Plan's gains and losses on investments bought and sold, as well as investments held during the year.

Participant Loans- Participant loans are valued at cost, which approximates fair value.

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3. INVESTMENTS

Fair Value Measurements-The Plan adopted a fair value measurement method that establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1 - Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities;

Level 2 - Quoted prices in markets that are not considered to be active or financial instruments for which all significant inputs are observable, either directly or indirectly;

Level 3 - Prices or valuations that require inputs that are both significant to the fair value measurement and unobservable.

The fair values estimated and derived from each fair value calculation may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Plan believes its valuation methods are appropriate and consistent with those utilized by other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following tables set forth by level within the fair value hierarchy the Plan investment assets and investment liabilities as of December 31, 2017 and 2016. As required by Accounting Standards Codification Topic 820-Fair Value Measurement and Disclosures, assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

	Investment Assets at Fair Value as of December 31, 2017			
	Level 1	Level 2	Level 3	Total
Registered investment companies (mutual funds);	\$545,212,704	\$—	\$	—\$545,212,704
Employer common stock fund	35,672,514	—	—	35,672,514
Personal choice accounts	12,513,857	2,590,879	—	15,104,736
Total investments at fair value	\$593,399,075	\$2,590,879	\$	—\$595,989,954
Pooled separate account, measured at net asset value*	—	—	—	51,804,442
Total investments at fair value				