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

FORM 10-K

☒ **Annual Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

For the fiscal year ended December 31, 2024

☐ **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 1-09761

ARTHUR J. GALLAGHER & CO.
(Exact name of registrant as specified in its charter)

DELAWARE	**36-2151613**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification Number)**
2850 Golf Road	
Rolling Meadows, Illinois	**60008-4050**
(Address of principal executive offices)	**(Zip Code)**

Registrant's telephone number, including area code (630) 773-3800

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, par value $1.00 per share	AJG	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No ☐.

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒.

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 during the preceding 12 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 emerging growth company. See 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 has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 726(b)) by the registered public accounting firm that prepared or issued its audit report Yes ☒ No ☐.

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

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

The aggregate market value of the voting common equity held by non-affiliates of the registrant, computed by reference to the last reported price at which the registrant's common equity was sold on June 30, 2024 (the last day of the registrant's most recently completed second quarter) was $49,339.2 million.

The number of outstanding shares of the registrant’s Common Stock, $1.00 par value, as of January 31, 2025 was 254.7 million**.**

Documents incorporated by reference: Portions of Arthur J. Gallagher & Co.’s definitive 2025 Proxy Statement are incorporated by reference into this Form 10-K in response to Part III to the extent described herein.

Information Concerning Forward-Looking Statements

This report contains certain statements related to future results, or states our intentions, beliefs and expectations or predictions for the future of Arthur J. Gallagher & Co. and its subsidiaries, collectively referred to herein as we, our, us, Gallagher or the Company, which are forward-looking statements as that term is defined in the Private Securities Litigation Reform Act of 1995. Forward-looking statements relate to expectations or forecasts of future events. Such statements use words such as "anticipate," "believe," "estimate," "expect," "contemplate," "forecast," "project," "intend," "plan," "potential," and other similar terms, and future or conditional tense verbs like "could," "may," "might," "see," "should," "will" and "would." You can also identify forward-looking statements by the fact that they do not relate strictly to historical or current facts. For example, we may use forward-looking statements when addressing topics such as: the impact of general economic conditions, including inflation, interest rates and market uncertainty; the effects of geopolitical volatility, including repercussions from the armed conflicts in Ukraine and the Middle East; market and industry conditions, including competitive and pricing trends and the impact of large natural events; acquisition strategy including the expected size of our acquisition program; the expected impact of acquisitions and dispositions and integrating recent acquisitions, including comments regarding the expected benefits of our acquisition of BCHR Holdings, L.P., and its subsidiaries, dba Buck (which we refer to as Buck), Cadence Insurance, Inc. (which we refer to as Cadence Insurance), Eastern Insurance Group, LLC (which we refer to as Eastern Insurance), My Plan Manager Group Pty Ltd (which we refer to as My Plan Manager), and the acquisition of all the issued and outstanding stock of Dolphin TopCo, Inc., the holding company of AssuredPartners, Inc. (which we refer to as AssuredPartners, and such acquisition, which we refer to as the Transaction), and other acquisitions larger than our typical tuck-in acquisitions and the expected duration and costs of integrating such large acquisitions; the development and performance of our services and products; changes in the composition or level of our revenues or earnings; our cost structure and the size and outcome of cost-saving or restructuring initiatives; future capital expenditures; future debt levels and anticipated actions to be taken in connection with maturing debt; future debt to earnings ratios; the outcome of contingencies; dividend policy; pension obligations; cash flow and liquidity; capital structure and financial losses; future actions by regulators; the outcome of existing regulatory actions, audits, reviews or litigation; the impact of changes in accounting rules; financial markets; interest rates; foreign exchange rates; matters relating to our operations; income taxes; expectations regarding our investments; human capital management, including diversity and inclusion initiatives, and sustainability, including climate-resilience and climate-advisory products and services and our carbon emissions. These forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from either historical or anticipated results depending on a variety of factors.

Potential factors from the acquisition of AssuredPartners that could impact results include impact results include:

- Our ability to complete the Transaction on a timely basis or at all, which may be negatively impacted by issues with regulatory approvals in the United States (U.S.), the United Kingdom (U.K.) and Ireland;
- The Transaction will not be accretive to earnings per share because our assumptions about our business, AssuredPartners and preliminary estimates are materially inaccurate causing dilution to our earnings per share; decreasing or delaying the expected accretive effect of the Transaction or causing a decrease in the market price of our common stock;
- Risks related to the integration of AssuredPartners into the Company, including achieving the expected cost savings or revenue synergies from such integration, that AssuredPartners will perform as expected or that we will incur unforeseen obligations or liabilities; and
- Diversion of management's attention from ongoing business operations and opportunities.

Potential factors that could impact results include:

- Global economic and geopolitical events, such as fluctuations in interest and inflation rates; geo-economic fragmentation and protectionism such as tariffs, trade wars or similar governmental actions affecting the flows of goods, services or currency; a recession or economic downturn; a potential U.S. government shutdown or gridlock over increasing the U.S. debt ceiling; political violence, and instability, including as a result of the armed conflicts in Ukraine and the Middle East;
- Economic conditions that result in financial difficulties for underwriting enterprises or lead to reduced risk-taking capital capacity, for example, as a result of large payouts related to extreme weather events, or to the failure of such enterprises, including the increased risk of errors and omissions (which we refer to as E&O) claims against us;
- Risks that could negatively affect the success of our acquisition strategy, including the impact of economic uncertainty on our ability to source, review and price acquisitions, continuing consolidation in our industry and interest in acquiring insurance brokers on the part of private equity firms and newly public insurance brokers, which makes it more difficult to identify targets and in some cases makes them more expensive, inaccurate assumptions and failure to realize expected benefits; the risk that we may not receive timely regulatory approval of pending transactions, closing risks; execution risks, integration risks, poor cultural fit, the risk of post-acquisition deterioration leading to intangible asset impairment

charges, and the risk we could incur or assume unanticipated liabilities such as cybersecurity issues or violations of anti-corruption and sanctions laws;

- Risks related to Buck, Cadence Insurance, Eastern Insurance, My Plan Manager, the pending acquisition of AssuredPartners and other acquisitions larger than our usual tuck-in acquisitions, including risks related to our ability to successfully integrate operations, the possibility that our assumptions may be inaccurate resulting in unforeseen obligations or liabilities and failure to realize the expected benefits of these acquisitions;
- Damage to our reputation, including as a result of failing to uphold our culture and the potential for the Internet and social media to magnify the effects of such reputational issues;
- Failure to meet our sustainability aspirations, goals and initiatives or to comply with increasingly complex climate-related and other sustainability regulations, including heightened scrutiny, including a growing backlash against sustainability initiatives, and increased risks related to "greenwashing" and "greenhushing;"
- Failure to apply technology, data analytics and artificial intelligence (which we refer to as AI) effectively in driving value for our clients through technology-based solutions, or failure to gain internal efficiencies and effective internal controls through the application of technology and related tools;
- Risks associated with the use of AI in our business operations, including regulatory, data privacy, cybersecurity, E&O, intellectual property and competition risks;
- Failure to attract and retain experienced and qualified talent, including our senior management team, or adequately plan and execute for the succession of such leaders; increased costs resulting from increased compensation and benefits packages as a result of a tighter labor market, and negative effects from restrictions on non-compete agreements at the state level;
- A disaster or other significant disruption to business continuity for our own operations or those of third-parties on which we rely, including cybersecurity incidents; natural disasters; political violence and unrest in the U.S. or elsewhere around the world; for example, our substantial operations in India could be negatively impacted as a result of the dispute between India and Pakistan involving the Kashmir region, rising tensions between India and China, or incidents of terrorism in India, civil unrest or other reasons;
- Sustained increases in the cost of employee benefits and compensation expense;
- Risks arising from our international operations and changes in international conditions, including the risks posed by political and economic uncertainty in certain countries (including repercussions from the armed conflicts in Ukraine and the Middle East), maintaining regulatory and legal compliance across multiple jurisdictions (such as those relating to violations of anti-corruption, sanctions, and privacy laws, increasingly complex regulatory requirements related to climate change and sustainability issues); increased protectionism, tariffs, and trade wars, climate change and other long-term sustainability matters, increased scrutiny of the use of off-shore centers of excellence such as those we operate and global health risks;
- Risks related to changes in U.S. or foreign tax laws, including a U.S. or foreign tax rate change, potential changes in guidance related to the U.S. Inflation Reduction Act, the Organisation for Economic Co-operation and Development's (OECD) global minimum corporate tax regime, and other local policy changes;
- Competitive pressures, including as a result of innovation, in each of our businesses;
- Volatility or declines in premiums or other adverse trends in the insurance industry;
- The higher level of variability inherent in contingent and supplemental revenues versus standard commission revenues;
- Risks particular to our benefit consulting operations, including risks related to the acquisition of Buck and Redington Ltd. (which we refer to as Redington), an FCA-regulated investment consulting firm;
- Risks particular to our third-party claims administrations operations, including risks related to the availability of RISX-FACS®, our proprietary risk management information system, wage inflation, staffing shortages, any slowing of the trend toward outsourcing claims administration, and the concentration of large amounts of revenue with certain clients;
- Climate risks, including the risk of a systemic economic crisis and disruptions to our business caused by the transition to a low-carbon economy;

- Cyber-attacks or other cybersecurity incidents and the heightened risk of such attacks as a result of the armed conflicts in Ukraine and the Middle East, improper disclosure of confidential, personal or proprietary data and changes to laws and regulations governing cybersecurity and data privacy;
- Unfavorable determinations related to contingencies and legal proceedings, including; violations or alleged violations of the U.S. Foreign Corrupt Practices Act (which we refer to as FCPA), the U.K. Bribery Act 2010 or other anti-corruption laws and the Foreign Account Tax Compliance provisions of the Hiring Incentives to Restore Employment Act, and the outcome of any existing or future investigation, review, regulatory action or litigation;
- Failure to comply with regulatory requirements, including those related to governance and control requirements in particular jurisdictions, international sanctions, including new sanctions laws as a result of the armed conflicts in Ukraine and the Middle East; laws relating to the disclosure of sustainability matters; laws relating to the use of AI, or a change in regulations or enforcement policies that adversely affects our operations (for example, relating to insurance broker compensation methods or restrictions on non-compete agreements);
- Changes to our financial presentation from new accounting estimates and assumptions;
- Intellectual property risks;
- Risks related to our legacy clean energy investments, including intellectual property claims, environmental and product liability claims, environmental compliance costs and the risk of disallowance by the Internal Revenue Service of previously claimed tax credits;
- The risk that our outstanding debt adversely affects our financial flexibility and restrictions and limitations in the agreements and instruments governing our debt;
- The risk of credit rating downgrades;
- The risk that we may not be able to receive dividends or other distributions from our subsidiaries, including the effects of significant changes in foreign exchange rates;
- The risk of share ownership dilution when we issue common stock; and
- Volatility of the price of our common stock.

Forward-looking statements are not guarantees of future performance. They involve risks, uncertainties and assumptions, including the risk factors referred to above. Our future performance and actual results or outcomes may differ materially from those expressed in forward-looking statements. Accordingly, you should not place undue reliance on forward-looking statements, which speak only as of, and are based on information available to us on, the date of the applicable document. Many of the factors that will determine these results are beyond our ability to control or predict. All subsequent written and oral forward-looking statements attributable to us or any person acting on our behalf are expressly qualified in their entirety by the cautionary statements contained or referred to in this section. Forward-looking statements speak only as of the date that they are made, and we do not undertake any obligation to update any such statements or release publicly any revisions to these forward-looking statements to reflect events or circumstances after the date of this report or to reflect new information, future or unexpected events or otherwise, except as required by applicable law or regulation. In addition, historical, current and forward-looking sustainability-related statements may be based on standards for measuring progress that are still developing, internal controls and processes that continue to evolve, and assumptions that are subject to change in the future.

A detailed discussion of the factors that could cause actual results to differ materially from our published expectations is contained under the heading "Risk Factors" in our filings with the Securities and Exchange Commission (SEC), including this report and any other reports we file with the SEC in the future.

Arthur J. Gallagher & Co.
Annual Report on Form 10-K
For the Fiscal Year Ended December 31, 2024
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Part I

Item 1. Business.

Overview

Arthur J. Gallagher & Co. and its subsidiaries, collectively referred to herein as we, our, us or Gallagher, are engaged in providing insurance brokerage, reinsurance brokerage, consulting, and third-party property/casualty claims settlement and administration services to entities and individuals around the world. We believe that our major strength is our ability to deliver comprehensively structured insurance, reinsurance and risk management solutions, superior claim outcomes and comprehensive consulting services to our clients.

Our brokerage segment operations provide brokerage and consulting services to entities of all types, including commercial, nonprofit, public sector entities, insurance companies and insurance capital providers, and to a lesser extent, individuals, in the areas of insurance and reinsurance placements, risk of loss management, and management of employer sponsored benefit programs. Our risk management segment operations provide contract claim settlement, claim administration, loss control services and risk management consulting for commercial, nonprofit, captive and public sector entities, and various other organizations that choose to self-insure property/casualty coverages or choose to use a third-party claims management organization rather than the claim services provided by an underwriting enterprise.

We do not assume underwriting risk on a net basis, other than with respect to de minimis amounts necessary to provide minimum or regulatory capital to organize captives, pools, specialized underwriters or risk-retention groups. Rather, capital necessary for covering events of loss is provided by "underwriting enterprises," which we define as insurance companies, reinsurance companies and various other risk-taking entities, including intermediaries of underwriting enterprises, that we do not own or control.

Since our founding in 1927, we have grown from a one-person insurance agency to the world's third largest insurance broker/risk manager based on revenues according to *Business Insurance* magazine's July/August 2024 edition, and one of the world's largest property/casualty third party claims administrators, according to *Business Insurance* magazine's May 2024 edition.

We report our results in three segments: brokerage, risk management and corporate. The brokerage and risk management segments contributed approximately 86% and 14%, respectively, to 2024 revenues. We generate approximately 64% of our revenues from the combined brokerage and risk management segments in the U.S., with the remaining 36% generated internationally, primarily in Australia, Canada, New Zealand and the U.K. The corporate segment did not generate any significant revenues in 2024.

Shares of our common stock are traded on the New York Stock Exchange under the symbol "AJG", and we had a market capitalization at December 31, 2024 of approximately $71 billion. Information in this report is as of December 31, 2024 unless otherwise noted. We were reincorporated as a Delaware corporation in 1972. Our executive offices are located at 2850 Golf Road, Rolling Meadows, Illinois 60008-4050, and our telephone number is (630) 773-3800.

Operating Segments

We report our results in three segments: brokerage, risk management and corporate. The major sources of our operating revenues are commissions, fees, supplemental and contingent revenues and interest income, premium finance and other income from our brokerage operation, and fees, including performance-based fees, from our risk management operations. The corporate segment does not generate any significant revenues.

Our business, particularly our brokerage business, is subject to seasonal fluctuations. Commissions, fees, supplemental revenues and contingent revenues, and our costs to obtain and fulfill the service obligations to our clients, can vary from quarter to quarter as a result of the timing of contract-effective dates. On the other hand, salaries and employee benefits, rent, depreciation and amortization expenses generally tend to be more uniform throughout the year. The timing of acquisitions, recognition of books of business gains and losses also impact the trends in our quarterly operating results.

Brokerage Segment

The brokerage segment accounted for 86% of our revenues in 2024. Our brokerage segment operates through a network of more than 580 sales and service offices located throughout the U.S. and approximately 350 sales and service offices in approximately

60 countries, most of which are in the Australia, Canada, New Zealand and the U.K. Most of these offices are fully staffed with sales and service personnel. We offer client service capabilities in approximately 130 countries around the world through our direct operations as well as through a network of correspondent brokers and consultants.

Domestic Retail Insurance Brokerage Operations

Our retail insurance brokerage operations accounted for 73% of our brokerage segment revenues in 2024. Our retail brokerage operations place nearly all lines of commercial property/casualty and health and welfare insurance coverage. Significant lines of insurance coverage and consultant capabilities are as follows:

Aviation	Disability	General Liability	Products Liability
Casualty	Earthquake	Health & Welfare	Professional Liability
Claims Advocacy	Errors & Omissions	Healthcare Analytics	Property
Commercial Auto	Exchange Solutions	Human Resources	Retirement
Compensation	Executive Benefits	Institutional Investment	Surety Bond
Cyber Liability	Fiduciary Services	Loss Control	Voluntary Benefits
Dental	Fine Arts	Marine	Wind
Directors & Officers Liability	Fire	Medical	Workers' Compensation

Our retail brokerage operations are organized and operate within certain key niche/practice groups, which account for approximately 79% of our retail brokerage revenues. These specialized teams target areas of business and/or industries in which we have developed a depth of expertise and a large client base. Significant niche/practice groups we serve are as follows:

Affinity	Equity Advisors	Life Sciences	Real Estate/Hospitality
Automotive	Financial Institutions	Manufacturing	Religious
Aviation	Food/Agribusiness	Marine	Restaurant
Construction	Global Risks	Nonprofit	Retail and Services
Energy	Healthcare	Personal	Technology & Communications
Entertainment	Higher/K12 Education	Private Client	Trade Credit/Political Risk
Environmental	Law Firms	Public Sector	Transportation

Our specialized focus on these niche/practice groups allows for highly-focused marketing efforts and facilitates the development of value-added products and services specific to those industries. We believe that our detailed understanding and broad client contacts within these niche/practice groups provide us with a competitive advantage.

We anticipate that our retail brokerage operations' greatest revenue growth over the next several years will continue to come from:

- Our niche/practice groups and middle-market accounts;
- Cross-selling other brokerage products to existing clients;
- Mergers and acquisitions; and
- Developing and managing alternative market mechanisms such as captives, rent-a-captives and deductible plans/self-insurance.

International and Other Brokerage Related Operations

We operate as a retail commercial property and casualty broker throughout 45 locations in Australia, 42 locations in Canada and 37 locations in New Zealand. In the U.K., we operate as a retail broker from approximately 100 locations. We also have specialty, wholesale, underwriting and reinsurance intermediary operations in London for clients to access Lloyd's of London and other international underwriting enterprises, and a program operation offering customized risk management products and services to U.K. public entities. See the discussion below regarding our "Global Reinsurance Brokerage Operations."

In Bermuda, we act principally as a wholesale broker for clients looking to access Bermuda-based underwriting enterprises and we also provide management and administrative services for captive insurance entities.

We also have strategic brokerage alliances with a variety of independent brokers in countries where we do not have a local office presence. Between our direct operations and this global network of correspondent insurance brokers and consultants, we are able to serve our clients' coverage and service needs in approximately 130 countries around the world.

Global Reinsurance Brokerage Operations

Our reinsurance brokerage operations (which we refer to as Gallagher Re) accounted for 13% of our brokerage segment revenues in 2024. Gallagher Re operates from more than 60 offices across 26 countries, with specialist expertise, underpinned by a portfolio of analytics capabilities including catastrophe modeling, dynamic financial analysis, rating agency analysis and capital modeling. Our reinsurance brokers assist underwriting enterprises, such as insurance companies and managing general underwriters, to secure protection or reinsurance from another insurance company for a specific risk or class of risks, including negotiating rates and terms and while sourcing the best-suited contracts available on the market. Additionally, through Gallagher Securities, Gallagher Re provides capital markets services, including acting as underwriter, with respect to insurance-linked securities, weather derivatives, capital raising and selected merger and acquisition advisory activities. We anticipate growing Gallagher Re by increasing the number of underwriting enterprise clients, deepening our relationships with current underwriting enterprise clients, developing new products, further building out our facultative capabilities, and through mergers and acquisitions.

Wholesale Insurance Brokerage Operations

Our wholesale insurance brokerage operations accounted for 14% of our brokerage segment revenues in 2024. Our wholesale brokers assist our retail brokers and other non-affiliated brokers in the placement of specialized and hard-to-place insurance. These brokers operate through approximately 162 offices primarily located across the U.S., Bermuda and through our approved Lloyd's of London brokerage operation. More than 75% of our wholesale brokerage revenues comes from non-affiliated brokerage clients.

In certain cases we act as a brokerage wholesaler, and in other cases we act as a managing general agent or managing general underwriter, distributing specialized insurance coverages for underwriting enterprises. Managing general agents and managing general underwriters are agents authorized by an underwriting enterprise to manage all or a part of its business in a specific geographic territory. Activities they perform on behalf of the underwriting enterprise may include marketing, underwriting (although we do not assume any underwriting risk), issuing policies, collecting premiums, appointing and supervising other agents, paying claims and negotiating reinsurance.

We believe our growth prospects for our wholesale brokerage operations depend on increasing the number of broker-clients, developing new managing general agency and underwriter programs, and through mergers and acquisitions.

Captive Underwriting Enterprises

We have ownership interests in several underwriting enterprises based in the U.S., Bermuda, Gibraltar, Guernsey and Isle of Man that primarily operate segregated account "rent-a-captive" facilities. These "rent-a-captive" facilities enable our clients to receive the benefits of participating in a captive underwriting enterprise without incurring certain disadvantages of ownership. In Malta and Ireland, we act as managers of underwriting enterprises.

We also have a wholly owned underwriting enterprise subsidiary based in the U.S. that cedes all of its insurance risk of loss to reinsurers or captives under facultative and quota-share treaty reinsurance agreements.

Risk Management Segment

Our risk management segment accounted for 14% of our revenues in 2024. Approximately 61% of our risk management segment's revenues are from workers' compensation-related claims, 34% are from general and commercial auto liability-related claims and 5% are from property-related claims in 2024.

Risk management services are primarily marketed on an independent basis from our brokerage operations, to Fortune 1000 companies, larger middle-market companies, nonprofit organizations, public sector entities, and underwriting enterprises, such as insurance carriers and captives. We manage our third party claims adjusting operations through a network of more than 40 offices located throughout Australia, Canada, New Zealand, the U.K. and the U.S. Most of these offices are fully staffed with claims adjusters and other service personnel. Our adjusters and service personnel act solely on behalf and under the instruction of our clients.

While this segment complements our brokerage offerings, approximately 94% of our risk management segment's revenues come from clients not affiliated with our brokerage operations, such as underwriting enterprises and clients of other insurance brokers.

We expect that the risk management segment's most significant growth prospects through the next several years will come from:

- Program business and the outsourcing of portions of underwriting enterprise claims departments;
- Increased levels of business with Fortune 1000 companies;
- Larger middle-market companies and captives; and
- Mergers and acquisitions.

Corporate Segment

The corporate segment reports the financial information related to our debt, external acquisition-related expenses, other corporate costs and the impact of foreign currency remeasurement. As a result, the timing of acquisitions impact the trends in our quarterly operating results.

Competition

Brokerage Segment

The insurance and reinsurance brokerage and consulting businesses are highly competitive and there are many organizations and individuals throughout the world who actively compete with us in every area of our business. Additionally, we also face competition from insurance and reinsurance carriers that market, distribute and service a portion of their products directly, and in some cases from banks, consulting and accounting firms, and technology companies that can provide alternative risk management products or services.

We believe that the primary factors determining our competitive advantage are the quality of the services we render, the personalized attention we provide, the individual and corporate expertise providing the actual service to the client, the data analytics and technology capabilities we have built and the overall cost efficiencies we create for our clients. We provide sophisticated data analysis and other data and benchmarking insights through a product offering we refer to as Gallagher Drive to help our clients make insurance decisions. Through our SmartMarket platform, we also provide insurance carriers with individualized preference setting and risk identification capabilities, as well as performance data and metrics. We believe these capabilities provide a growing competitive advantage with respect to many of the smaller organizations with which we compete.

Risk Management Segment

Our risk management business competes with a number of companies varying in size and scope, including global independent third party claims administrators, regional third party claims administrators, insurance owned claims administrators and legal firms in certain jurisdictions. We believe that the primary factors determining our competitive position are our ability to deliver better outcomes, reputation for outstanding service, cost-efficient service, our data analytics capabilities and financial strength.

Business Combinations

We completed approximately 750 acquisitions from January 1, 2002 through December 31, 2024. The majority of these acquisitions have been smaller regional or local brokerages, agencies, or employee benefit consulting operations with a middle or small client focus and/or significant expertise in one of our niche/practice groups. The total purchase price for individual acquisitions has typically ranged from $1.0 million to $100.0 million. During 2024, we also completed several acquisitions that were larger than our usual tuck-in acquisitions, namely the acquisitions of RIBV Holdings, LLC and Redington, within our brokerage segment.

Through these acquisitions, we seek to expand our talent pool, enhance our geographic presence and service capabilities, or further diversify our business mix. We also focus on identifying:

- A corporate culture that matches our sales-oriented and ethics-based culture;
- A profitable, growing business whose ability to compete would be enhanced by gaining access to our greater resources; and
- Clearly defined financial criteria.

See Note 3 to our 2024 consolidated financial statements for a summary of our 2024 acquisitions, the amount and form of the consideration paid and the dates of acquisitions.

Clients

Our client base is highly diversified and includes commercial, industrial, public sector, religious and nonprofit entities, as well as underwriting enterprises in our reinsurance operations and risk management segment. In 2024, our largest single client represented approximately 1% and our ten largest clients together represented approximately 3%, respectively, of our combined brokerage and risk management segment revenues.

Human Capital

As of December 31, 2024, we had approximately 56,000 employees, with approximately 43% in the U.S. and 57% outside of the U.S. Approximately 75% of our employees work in our brokerage segment and 18% in our risk management segment. Our remaining employees work in our corporate segment, primarily at our headquarters and at Gallagher Centers of Excellence in India. In 2024, our total compensation expense was $5,501.4 million for the brokerage segment and $882.4 million for the risk management segment, representing 55% and 61%, respectively, of brokerage and risk management segment revenues. Additional information regarding compensation expense, both on a reported and an adjusted basis can be found elsewhere in this report under Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations.

Talent Development and Retention

While many of our new employees come to us through mergers and acquisitions and traditional hiring, "growing our own" has long been a key part of our human capital strategy. The Gallagher North American Sales Internship Program has been a key part of our talent development strategy for nearly 60 years. During that time, our program has grown globally and we employed approximately 500 interns in the summer of 2024. We provide our interns with professional development and on-the-job sales training that gives them the opportunity to cultivate expertise and accelerate their full-time sales career growth.

We invest in our employees and aim to offer competitive compensation and benefits packages. We acknowledge the changing work landscape and promote hybrid work arrangements, aiming to provide our employees with flexibility and work-life balance. Further, we conduct periodic global engagement surveys that have had increasingly strong participation and positive results.

Employee Learning and Development

We have programs around the world that offer learning and development opportunities to our employees. For example, the Achieve and Gallagher Career Associate Programs are career development programs available in North America that combine formal training, with experiential learning to provide participants the knowledge needed to be successful as client service and sales professionals, respectively. Similarly, we offer development programs outside the U.S., for example in Australia, Canada, India, New Zealand and the U.K. In addition, we provide on-demand access to over 35,000 globally accessible business skills training modules across 18 languages.

Inclusion and Diversity

We aim to foster an environment that values and leverages the diverse talents, perspectives and ideas of all employees so they can reach their fullest potential. As of December 31, 2024, approximately 58% of our employees were women, including 48% of managers and 40% of producers. In the U.S., approximately 27% of our employees were racially/ethnically diverse, including 18% of managers and 21% of producers.

Regulation

Many of our activities throughout the world, such as our insurance brokerage, securities broker-dealer and investment advisory services, are subject to supervision and regulations promulgated by regulatory or self-regulatory bodies such as the SEC, the NYSE, the U.S. Department of Justice (DOJ), the IRS, the Federal Trade Commission (FTC) the Financial Industry Regulatory Authority (FINRA) and the Financial Crimes Enforcement Network in the U.S., the Financial Conduct Authority in the U.K., the Australian Securities and Investments Commission in Australia and insurance regulators in nearly every jurisdiction in which we operate. Our retirement-related consulting and investment advisory services are subject to pension law and financial regulation in many countries. Our activities are also subject to a variety of other laws, rules and regulations addressing, among others, licensing, cybersecurity, data privacy, AI, wage-and-hour standards, employment and labor relations, competition, anti-corruption, currency, the conduct of business, reserves and the amount of local investment with respect to our operations in certain countries. As we continue to implement new technology and AI initiatives across our business we also expect to be subject to additional regulations related to the use of such new technologies.

The global nature of our operations increases the complexity and cost of compliance with laws and regulations, including increased staffing needs, the development of new policies, procedures and internal controls and providing training to employees in multiple locations, adding to our cost of doing business. Many of these laws and regulations may have differing or conflicting legal standards across jurisdictions, increasing further the complexity and cost of compliance. In emerging markets and other jurisdictions with less developed legal systems, local laws and regulations may not be established with sufficiently clear and reliable guidance to provide us with adequate assurance that we are aware of all necessary licenses to operate our business, that we are operating our business in a compliant manner, or that our rights are otherwise protected. In addition, major political and legal developments in jurisdictions in which we do business may lead to new regulatory costs and challenges. For example, China adopted a "blocking" statute similar to that of the European Union (EU) requiring compliance with certain Chinese laws if they conflict with U.S. laws. Rising global tensions and protectionism may also lead other countries to adopt similar blocking statutes, which could make it more difficult and costly for us to expand our operations globally.

In addition, as regulators and investors continue to focus on climate change and other sustainability issues, we are exposed to the risk of frameworks and regulations being adopted that require significant effort to comply with and which are ill-adapted to our operations, particularly with respect to our larger-than usual acquisitions that may have their own sustainability programs and may have complied with sustainability regulations in the past in a way that may differ substantially from our sustainability program and strategy. For example, in 2023, pursuant to the Corporate Sustainability Reporting Directive (CSRD, which we expect will result in disclosure obligations in future years for us and some of our EU subsidiaries, the first set of EU sustainability reporting standards (which we refer to as ESRS) was developed by the European Financial Reporting Advisory Group (which we refer to as EFRAG) and adopted by the EU. EFRAG will continue to issue sector-specific and non-EU applicable ESRS in the coming years, with such standards to be tailored to EU policy positions which may be different or contradictory with those applicable in other jurisdictions such as the International Sustainability Standards Board standards (which we refer to as ISSB) and the Task Force on Climate-Related Financial Disclosures (which we refer to as TCFD) framework. In the U.K., our business is subject to a number of disclosure obligations under different sustainability frameworks, such as the TCFD. Australia enacted mandatory disclosures based on the ISSB standards in 2024, and other jurisdictions, such as Canada and New Zealand, have announced that they plan to implement ISSB-based disclosures. There is further uncertainty in this space as the SEC's new climate change disclosure requirements enacted in 2024 are currently being challenged in legal proceedings and are expected to be struck down, while, the State of California has enacted disclosure rules, which we expect will require us, among other things, to publish our consolidated carbon emissions. Compliance with such differing and uncertain rules and frameworks requires, significant effort and could divert management's attention and resources.

Regulations promulgated by the U.S. Treasury Department pursuant to the Foreign Account Tax Compliance Act (which we refer to as FATCA) require us to take various measures relating to non-U.S. funds, transactions and accounts.

Available Information

Our executive offices are located at 2850 Golf Road, Rolling Meadows, Illinois 60008-4050, and our telephone number is (630) 773-3800. Our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Exchange Act, are available free of charge on our website at http://investor.ajg.com/sec-filings as soon as reasonably practicable after electronically filing or furnishing such material to the SEC. The SEC also maintains a website (www.sec.gov) that includes our reports, proxy statements and other information. Unless expressly noted, the information on our website, including our investor relations website, or any other website is not incorporated by reference in this Form 10-K and should not be considered part of this Form 10-K or any other filing we make with the SEC.

Item 1A. Risk Factors.

Risk Factor Summary

Risks Relating to the Acquisition of AssuredPartners

- There can be no assurance that the Transaction will be completed or that we will realize the expected benefits of the Transaction.
- We may encounter integration challenges and AssuredPartners may not perform as expected.
- We have made certain assumptions relating to the Transaction and AssuredPartners which may prove to be materially inaccurate.

Risks Relating to our Business Generally

- Global economic and geopolitical events, such as fluctuations in interest and inflation rates; geo-economic fragmentation and protectionism; a recession or economic downturn; a potential U.S. government shutdown or gridlock over increasing the debt ceiling and political violence, and instability, including as a result of armed conflicts in Ukraine and the Middle East, could adversely affect our results of operations and financial condition.
- Economic conditions that result in financial difficulties for underwriting enterprises or lead to reduced risk-taking capital capacity could adversely affect our results of operations and financial condition.
- We have historically acquired large numbers of insurance brokers, benefit consulting firms and, to a lesser extent, third party claims administration and risk management firms. We may not be able to continue such an acquisition strategy in the future and there are risks associated with such acquisitions, which could adversely affect our growth and results of operations.
- We face additional risks relating to acquisitions that are larger than our usual tuck-in acquisitions, including that these acquisitions will not perform as expected and that we cannot successfully integrate complex operations.
- Damage to our reputation and culture could have a material adverse effect on our business.
- Our sustainability aspirations, goals and initiatives, and our public statements and disclosures regarding them, expose us to numerous risks.
- If we are unable to apply technology, data analytics and AI effectively in driving value for our clients through technology-based solutions or gain internal efficiencies and effective internal controls through the application of technology and related tools, our operating results, client relationships, organic and inorganic growth and compliance programs could be adversely affected.
- We are subject to risks associated with AI.
- Our success depends, in part, on our ability to attract and retain qualified talent, including our senior management team.
- Business disruptions could have a material adverse effect on our operations, damage our reputation and impact client relationships.
- Sustained increases in compensation expense and the cost of employee benefits could reduce our profitability.
- Our substantial operations outside the U.S. expose us to risks different than those we face in the U.S.
- Changes in tax laws could adversely affect us.
- We face significant competitive pressures in each of our businesses.
- Volatility or declines in premiums or other adverse trends in the insurance industry may seriously undermine our profitability.
- Contingent and supplemental revenues we receive from underwriting enterprises are less predictable than standard commission revenues, and any decrease in the amount of these forms of revenue could adversely affect our results of operations.
- We face a variety of risks in our benefit consulting operations distinct from those we face in our insurance brokerage operations.

- We face a variety of risks in our third-party claims administration operations that are distinct from those we face in our brokerage and benefit consulting operations.
- Climate risks, including the risk of an economic crisis, risks associated with the physical effects of climate change and disruptions caused by the transition to a low-carbon economy, could adversely affect our business, results of operations and financial condition.

Regulatory, Legal and Accounting Risks

- Improper disclosure of confidential, personal or proprietary information and cybersecurity attacks or other security breach of our information systems, or those of third-party vendors we rely on, could result in regulatory scrutiny, legal liability or reputational harm, and could adversely affect our business, financial condition and reputation.
- We are subject to a number of contingencies and legal proceedings which, if determined unfavorably to us, would adversely affect our financial results.
- Changes in data privacy and protection laws and regulations, or any failure to comply with such laws and regulations, could adversely affect our business and financial results.
- We could be adversely affected by violations or alleged violations of laws that impose requirements for the conduct of our overseas operations, including the FCPA, the U.K. Bribery Act or other anti-corruption laws, sanctions laws, and FATCA.
- We are subject to regulation worldwide. If we fail to comply with regulatory requirements or if regulations change in a way that adversely affects our operations, we may not be able to conduct our business, or we may be less profitable.
- Changes in our accounting estimates and assumptions could negatively affect our financial position and operating results.
- Limited protection of our intellectual property could harm our business and our ability to compete effectively, and we face the risk that our services or products may infringe upon the intellectual property rights of others.

Risks Relating to our Investments, Debt and Common Stock

- Our clean energy investments are subject to various risks and uncertainties.
- The IRC Section 45 operations in which we have invested and the by-products from such operations may result in environmental and product liability claims and environmental compliance costs.
- We have debt outstanding that could adversely affect our financial flexibility and subjects us to restrictions and limitations that could significantly impact our ability to operate our business.
- Credit rating downgrades would increase our financing costs and could subject us to operational risk.
- We are a holding company and, therefore, may not be able to receive dividends or other distributions in needed amounts from our subsidiaries.
- Future sales or other dilution of our equity could adversely affect the market price of our common stock.

Risks Relating to the Acquisition of AssuredPartners

There can be no assurance that the Transaction will be completed or that we will realize the expected benefits of the Transaction.

As discussed elsewhere in this Annual Report on Form 10-K, on December 7, 2024, we signed a definitive agreement to acquire AssuredPartners. Our ability to complete the Transaction may be negatively impacted by general market conditions, issues with regulatory approval in the U.S., the U.K. and Ireland and the other risks described herein. Although we currently anticipate that the Transaction, should it occur, will be accretive to earnings per share from and after its closing, this expectation is based on assumptions about our business, the operations to be acquired and preliminary estimates, which may change materially. As a result, should the Transaction occur, certain other amounts to be paid in connection with the Transaction may cause dilution to our earnings per share or decrease or delay the expected accretive effect of the Transaction and cause a decrease in the market price of our common stock. In addition, a change in one or more of these assumptions may result in a change in future earnings, which could be material.

We may encounter integration challenges and AssuredPartners may not perform as expected.

We can provide no assurance that we will be able to successfully integrate AssuredPartners or achieve the expected cost savings or revenue synergies from such integration, that AssuredPartners will perform as expected or that we will not incur unforeseen obligations or liabilities. It is possible that our experience in running AssuredPartners will require us to adjust our expectations regarding the impact of the acquisition on our operating results. In addition, integration efforts are anticipated to be complex and may divert management attention and resources, which could adversely affect our operating results.

We have made certain assumptions relating to the Transaction and AssuredPartners which may prove to be materially inaccurate.

We have made certain assumptions relating to the Transaction and AssuredPartners, which assumptions involve significant judgment and may not reflect the full range of uncertainties and unpredictable outcomes inherent in the Transaction and may be materially inaccurate. These assumptions relate to numerous matters, including:

- our ability to realize the expected benefits of the Transaction;
- projections of future revenue, EBITDAC and our earnings per share;
- our ability to maintain, develop and deepen relationships with employees, including key brokers, and customers associated with AssuredPartners;
- projections of future expenses and expense allocation relating to the Transaction and AssuredPartners;
- unknown or contingent liabilities associated with the Transaction or AssuredPartners;
- the amount of goodwill and intangibles that will result from the Transaction;
- other purchase accounting adjustments that we may record in our financial statements in connection with the Transaction;
- acquisition and integration costs, including restructuring charges and transaction costs; and
- other financial and strategic risks of the Transaction.

Risks Relating to our Business Generally

Global economic conditions and geopolitical events may impact the countries, regions or industries in which we operate and adversely affect our business results of operations and financial condition.

Global economic and geopolitical events, including fluctuations in interest, inflation and exchange rates, geo-economic fragmentation and protectionism resulting in greater restrictions on international trade and market uncertainty, tariffs, trade wars and other governmental actions affecting the flow of goods, services or currency, the armed conflicts in Ukraine and the Middle East, political crises like potential U.S. governmental shutdowns or gridlock over increasing the U.S. debt ceiling, and political violence and instability worldwide could also weigh negatively on the economy.

A recession or decline in economic activity, for these and any other reasons, could adversely impact us in future periods. For example, our clients might reduce the amount of insurance coverage, reinsurance coverage, consulting services or claims administration services they purchase due to reductions in headcount, payroll, or replacement and asset values, among other factors. Whether these reductions are caused by an overall economic downturn or declines in certain countries, regions and industries in which we operate, our commission and fee revenues, consulting revenues, or revenues from managing third-party insurance claims could be adversely impacted. Some of our clients may also experience liquidity problems or other financial difficulties due to tightening credit markets or lower levels of economic activity. If our clients file for bankruptcy, liquidate their operations, consolidate or are generally unable to meet their obligations, our revenues, ability to collect receivables and liquidity could be adversely impacted, which could have an adverse effect on our results of operations and financial condition.

While lower interest rates benefit us by reducing our cost of borrowing, they also reduce investment earnings on our cash, revenue from our premium financing operations and short-term investments of fiduciary and operating funds. In addition, lower levels of inflation may reduce our revenue growth by slowing the increase in insurable asset values.

Uncertain economic conditions have created volatility in the U.S. and other markets where we operate. A rise in the cost of labor or cost of capital, among other things, could negatively impact our operating and general and administrative expenses. We have no or limited control over such developments. If our costs grow significantly, our margins and results of operations may be materially and adversely impacted and we may not be able to achieve our strategic and financial objectives. Further, a tightening of credit or capital markets could negatively impact our business, financial condition and liquidity, including our ability to continue to access preferred sources of liquidity when needed and under similar terms, which may increase our capital costs. We could also experience losses on holdings of cash and investments due to failures of financial institutions and other counterparties. Thus, a deterioration in macroeconomic conditions could adversely affect our business, results of operations or financial condition.

Economic conditions that result in financial difficulties for underwriting enterprises or lead to reduced risk-taking capital capacity could adversely affect our results of operations and financial condition.

We have a significant amount of receivables from certain of the underwriting enterprises with which we place insurance and reinsurance. If those companies experience liquidity problems or other financial difficulties, we could encounter delays or defaults in payments owed to us, which could have a significant adverse impact on our consolidated financial condition and results of operations. The failure of an underwriting enterprise with which we place business could result in E&O claims against us by our clients. Further, the failure of E&O underwriting enterprises could make the E&O insurance we rely upon cost prohibitive or unavailable. Underwriting enterprises are also clients of our reinsurance and third-party claims administration operations and, as such, any of the negative developments for underwriting enterprises referred to above could also reduce our commission and fee revenues from such clients. Any of these developments could adversely affect our results of operations and financial condition. In addition, if underwriting enterprises merge, fail, or withdraw from offering certain lines of coverage, for example, because of large payouts related to climate or weather events or other emerging risk areas, overall risk-taking capital capacity could be negatively affected, which could reduce our ability to place certain lines of coverage, reduce demand from the insurance company clients of our reinsurance and third-party claims administration operations and, as a result, reduce our revenues and profitability.

We have historically acquired large numbers of insurance brokers, benefit consulting firms and, to a lesser extent, third party claims administration and risk management firms. We may not be able to continue such acquisition strategy in the future and there are risks associated with such acquisitions, which could adversely affect our growth and results of operations.

Our ordinary-course acquisition program has been an important part of our historical growth, particularly in our brokerage segment, and we believe that similar acquisition activity will be important to maintaining comparable growth in the future. Failure to successfully identify and complete acquisitions would likely result in slower growth. Continuing consolidation in our industry and a high level of interest in acquiring insurance brokers on the part of private equity firms, private equity-backed consolidators and newly public insurance brokers has, in some cases, made, and could in the future make, appropriate acquisition targets more difficult to identify and more expensive. Even if we are able to identify appropriate acquisition targets, we may not have sufficient capital to fund acquisitions, be able to execute transactions on favorable terms or integrate targets in a manner that allows us to realize the benefits we have historically experienced from acquisitions. When regulatory approval of acquisitions is required, our ability to complete acquisitions may be limited by an ongoing regulatory review or other issues with the relevant regulator. Our ability to finance and integrate acquisitions may also decrease if we complete a greater number of larger acquisitions than we have historically. See the risk factor below regarding larger acquisitions. See also Note 3 to our 2024 consolidated financial statements for information regarding the size of transactions in the reporting period.

Post-acquisition risks apply both to our normal-course and larger acquisitions described in the risk factor below and include poor cultural fit and risks relating to retention of personnel, retention of clients, entry into unfamiliar or complex markets or lines of business, contingencies or liabilities not covered by or in excess of escrowed or indemnified amounts (such as those arising from violations of sanctions laws or anti-corruption laws including the FCPA and U.K. Bribery Act) risks relating to ensuring compliance with licensing and regulatory requirements, tax and accounting issues, the risk that an acquisition distracts management and personnel from our existing business, and integration difficulties relating to accounting, information technology (which we refer to as IT), pay equity, or human resources, some or all of which could have an adverse effect on our results of operations and growth. The failure of acquisition targets to achieve anticipated revenue and earnings levels could result in goodwill impairment charges. Additionally, through our acquisitions, we may enter new lines of business or offer new services within existing lines of business. For example, our acquisition of Redington and My Plan Manager added U.K.-regulated investment consulting services and Australia-regulated disability plan management services to our operations. These new businesses may pose additional risks or increased regulatory burden.

We face additional risks relating to acquisitions that are larger than our usual tuck-in acquisitions described above.

We can provide no assurance that we will be able to successfully integrate the operations of acquisitions that are larger than our usual tuck-in acquisitions, such as AssuredPartners, Buck, Eastern Insurance, Cadence Insurance and My Plan Manager, that they will perform as expected, or that we will not incur unforeseen obligations or liabilities. Integration efforts relating to larger acquisitions are more complex, including with respect to technology systems, which may divert management's attention and resources and could adversely affect our operating results. In addition, we have made certain assumptions relating to these acquisitions that may be inaccurate, including as a result of the failure to realize expected benefits, higher than expected integration costs and unknown liabilities as well as general economic and business conditions. These assumptions relate to various matters, including projections of future revenues, non-GAAP measures, expenses and expense allocation; our ability to maintain, develop and deepen relationships with employees, including key brokers, and clients; the amount of goodwill and intangibles; and other unforeseen compliance, financial and strategic risks. See also “We may encounter integration challenges and AssuredPartners may not perform as expected.”

Damage to our reputation or culture could have a material adverse effect on our business.

Our reputation is one of our key assets. We advise our clients on and provide services related to a wide range of subjects and our ability to attract acquisition partners and attract and retain clients and employees is highly dependent upon perceptions of our expertise, level of service, ability to protect client information, trustworthiness, business practices, financial condition and other subjective qualities such as ethics, culture and values. We believe that our culture has been a critical component of our growth and success since our founding nearly 100 years ago and the failure to uphold our culture as we grow could negatively impact our reputation. Negative perceptions or publicity, including our association with clients or business partners with damaged reputations, as a result of actions taken by companies we acquire before the acquisition, as a result of marketing partnerships (for example, with a sports team or league), or from actual or alleged conduct by us or our employees, including corruption or bribery allegations or cybersecurity incidents, could damage our reputation. Negative publicity may be posted on social media or other Internet forums, whether or not true, and the speed and pervasiveness with which information can be disseminated through these channels, in particular social media, may magnify the risks noted above. Our success is also dependent on maintaining a good reputation with investors, regulators and the communities in which we operate. As we enter new jurisdictions and markets globally, negative reputational events (whether arising from regulatory matters or otherwise) may have a disproportionate impact in locations or markets where our employee and client presence is limited. Any negative publicity could potentially hinder our growth prospects in such locations or markets. Any of these matters could have a material adverse effect on our business, financial condition and results of operations. See below for additional risk factors regarding sustainability initiatives and disclosures.

Our sustainability-related aspirations, goals and initiatives, and our statements and disclosures regarding sustainability expose us to numerous risks.

The increased focus on sustainability has made compliance with regulations, frameworks and stakeholder expectations increasingly complex. Our business faces increased scrutiny from the investment community, clients, employees, potential acquisition targets, regulators and other stakeholders related to sustainability. This includes scrutiny regarding our goal to reach operational net zero carbon emissions (Scope 1 and Scope 2) by 2050 and our interim goal of a 50% reduction in such emissions, on a per employee basis, by 2030. We anticipate the same level of scrutiny with respect to any other goals, targets and objectives we may announce in the future, and our methodologies and timelines for pursuing them. We may also face scrutiny, including private litigation or government enforcement actions, relating to our long-standing inclusion and diversity initiatives. Heightened scrutiny, including a growing backlash against sustainability initiatives, has increased the risk that we could be perceived as, or accused of, making inaccurate or misleading statements, commonly referred to as “greenwashing” and “greenhushing,” and could harm our reputation. Similarly, our failure or perceived failure to pursue or fulfill our goals, targets and objectives, to comply with ethical, social environmental or other standards, regulations or expectations, which are continuously evolving, or to satisfy various reporting standards with respect to these matters, could have the same negative impacts, as well as expose us to government enforcement actions and private litigation. Any resulting erosion of trust and confidence or the perception among some stakeholders that we are overly focused on sustainability could make it difficult for us to attract acquisition targets or attract and retain clients, employees or investors; result in lower sustainability ratings, exclusion of our stock from sustainability-oriented indices, and reduced demand for our stock from sustainability-focused or anti-ESG investment funds; increase our cost of borrowing; or harm our relationships with regulators and the communities in which we operate. See also “We are subject to regulation worldwide. If we fail to comply with regulatory requirements or if regulations change in a way that adversely affects our operations, we may not be able to conduct our business, or we may be less profitable.”

If we are unable to apply technology and data analytics effectively in driving value for our clients through technology-based solutions or gain internal efficiencies and effective internal controls through the application of technology and related tools, our operating results, client relationships, ability to attract acquisition targets, growth and compliance programs could be adversely affected.

Our future success depends, in part, on our ability to collect and leverage data relating to our business and otherwise anticipate and respond effectively to the risks and opportunities presented by digital disruption, “big data” and data analytics, AI and other developments in technology. These may include new applications or insurance-related services based on AI (e.g., generative AI, machine learning), robotics, blockchain, or new approaches to data mining that impact the nature of how we generate revenue. We may be exposed to competitive risks related to the adoption and application of new technologies by established market participants (for example, through disintermediation) or new entrants such as technology companies, “Insurtech” start-up companies, and others. These new entrants are focused on using technology and innovation in an attempt to simplify and improve the client experience, increase efficiencies, alter business models and effect other potentially disruptive changes in the industries in which we operate. We must also develop and implement technology solutions and technical expertise among our employees that anticipate and keep pace with rapid and continuing changes in technology, industry standards, client preferences and internal control standards. We may not be successful in anticipating or responding to these developments on a timely and cost-effective basis and our ideas may not be accepted in the marketplace. Additionally, the effort to gain technological expertise, make use of data analytics, and develop new technologies in our business requires us to incur significant expenses. Investments in technology systems and data analytics capabilities may not deliver the benefits or perform as expected, or may be replaced or become obsolete more quickly than expected, which could result in operational difficulties or additional costs. If we cannot offer new technologies or data analytics solutions as quickly as our competitors, or if our competitors develop more cost-effective technologies, data analytics solutions or other product offerings, we could experience a material adverse effect on our operating results, client relationships, ability to attract acquisition targets, growth, and compliance programs.

In some cases, we depend on key third-party vendors and partners to provide technology and other support for our strategic initiatives. If these third parties fail to perform their obligations or cease to work with us, our ability to execute on our strategic initiatives could be adversely affected. See also "We are subject to risks associated with AI."

We are subject to risks associated with AI.

We use AI in our business, including with respect to services provided to our clients. We have internal policies and controls governing the development, procurement, deployment and use of AI by our employees designed to align with globally recognized AI principles, maintain trust with clients and protect the company from cybersecurity threats, breaches of data privacy and intellectual property, E&O liability and regulatory enforcement risk; however, our employees could violate these policies and they or external threat actors could circumvent our controls and expose us to such risks. Furthermore, our exposure to these risks may increase if our vendors, suppliers, or other third-party providers employ AI in relation to the products or services they provide to us, as we have limited control over such use in third-party products or services. These risks include, among others, the input of confidential information, including material non-public information, in contravention of our policies or contractual restrictions to which any of the foregoing are subject, or in violation of applicable laws or regulations, including those relating to data protection and AI. This could result in such information becoming part of a dataset that is accessible by other third-party AI applications and users.

Additionally, AI heavily relies on the collection and analysis of extensive data sets. Due to the impracticality of incorporating all relevant data into the models used by AI, it is inevitable that data sets within these models will contain inaccuracies and errors, and potential biases. This could potentially render such models inadequate or flawed, negatively impacting the effectiveness of the technology or our services. We are exposed to the risks associated with these inaccuracies, errors and biases, along with the adverse impacts that such flawed models could have on our business and operations. Furthermore, governance and ethical issues relating to the use of AI may also result in reputational harm and liability.

AI and its applications are developing rapidly. The use of this technology by clients or underwriting enterprises may impact the way our business operates, and its use by our competitors and new market entrants with competing services derived from their AI capabilities may give them a competitive advantage. We cannot predict the effect of these changes at this time, for example, they may decrease the demand for our services or negatively affect our assumptions regarding the competitive landscape of our business. Further, the rapid development of these technologies may require significant efforts to upskill or reskill existing employees. Consequently, it is difficult to predict all risks associated with this new technology, which may eventually impact our business, results of operations, or financial condition. See also "Changes in data privacy and protection laws and regulations, or any failure to comply with such laws and regulations, could adversely affect our business and financial results."

Our success depends, in part, on our ability to attract and retain qualified talent, including our senior management team.

We depend upon members of our senior management team, who possess extensive knowledge and a deep understanding of our business and strategy. We could be adversely affected if we fail to successfully execute our succession plans for these leaders, including our chief executive officer, and if our succession plans are not well-received by our employees, trading partners, investors and other stakeholders. We could also be adversely affected if we fail to attract and retain talent and foster a diverse and inclusive workplace throughout our organization. Competition for talent is intense in many areas of our business, particularly in our claims management business, IT and in rapidly developing fields such as AI and data engineering. Furthermore, the increased availability of remote working arrangements has expanded the pool of companies that compete with us for talent. As competition for skilled professionals remains intense, employers are implementing new offerings to attract talent, including but not limited to increasing compensation, enhancing health and wellness solutions, and providing remote work options. We may have to devote significant resources to attract and retain talent, which could negatively affect our business, operating results and financial condition.

In addition, our industry has experienced competition for brokers and in the past we have lost key brokers and groups of brokers, along with their clients, business relationships and intellectual property directly to our competition. We enter into agreements with many of our brokers and significant client-facing employees and all of our executive officers, which prohibit them from disclosing confidential information and/or soliciting our clients, prospects and employees upon their termination of employment. The confidentiality and non-solicitation provisions of such agreements terminate in the event of a hostile change in control, as defined in the agreements. Although we pursue legal actions for alleged breaches of such agreements, theft of trade secrets, breaches of fiduciary duties, intellectual property infringement and related causes of action, such legal actions may not be effective in preventing such breaches, theft or infringement. In certain cases, our competitors have solicited employees in violation of their employment agreements as a matter of standard business practice, apparently determining that the cost of defending litigation is outweighed by the benefits of acquiring our employees in this manner. Certain states like Minnesota, North Dakota and Oklahoma have implemented rules that would prevent employers from entering into non-competes with employees, while California has broadened the scope of its longstanding restrictions on non-competes and the Federal Trade Commission (FTC) has continued defending its non-compete ban in federal courts. Even though the FTC ban is unlikely to take effect, if more states adopt similar rules or if we fail to adequately address any of the issues referred to above, we could experience a material adverse effect on our business, operating results and financial condition.

Business disruptions could have a material adverse effect on our operations, damage our reputation and impact client relationships.

Our ability to conduct business may be adversely affected by a disruption in the infrastructure that supports our business. This includes infrastructure controlled by third-party vendors and suppliers. Such disruptions could be caused by various factors, such as cybersecurity incidents, security breaches, human error, capacity constraints, hardware failures or defects, natural disasters, climate and weather events, pandemics, fires, power outages, telecommunication failures, break-ins, sabotage, intentional acts of vandalism, acts of terrorism, civil disruption, political violence and unrest, military actions or war. While we have disaster recovery procedures in place, they may not be effective. Additionally, insurance covering such disruptions may not continue to be available at reasonable prices and may not address all potential losses or compensate us for the possible loss of clients or increase in claims and lawsuits directed against us. Further, because we do not control infrastructure owned by third parties, we cannot guarantee that such parties have effective recovery procedures, or sufficient funds or insurance to recover any damages, losses or other liabilities that we may incur due to business interruptions caused by disruptions to their infrastructure.

The risk of business disruption is more pronounced in certain geographic areas where a significant portion of our business is concentrated. For example, we have substantial operations in India that provide important client support and other services for our global organization. To date, the dispute between India and Pakistan involving the Kashmir region, rising tensions between India and China, incidents of terrorism in India, the potential for civil unrest and general geopolitical uncertainties have not adversely affected our operations in India. However, such factors could potentially affect our operations there in the future. If our access to these services is disrupted, our client relationships could be harmed, our liability for E&O could increase, and our reputation could be damaged, causing our business, operating results and financial condition to be adversely affected.

Sustained increases in compensation expense and the cost of employee benefits could reduce our profitability.

Compensation expense and the cost of employees' medical and other benefits, substantially affects our profitability. In the past, we have occasionally experienced significant increases in these costs as a result of macro-economic factors beyond our control, including wage inflation and increases in health care costs. Our compensation expense ratio in 2024 as a percent of total revenue remained the same as in 2023 at 56.4%. Although we have actively sought to control increases in compensation expense and the cost of employee benefits, we can make no assurance that we will succeed in limiting future cost increases, and continued upward pressure in these costs could reduce our profitability.

Our substantial operations outside the U.S. expose us to risks different than those we face in the U.S.

In 2024, we generated approximately 36% of our combined brokerage and risk management revenues outside the U.S. Our business outside the U.S. presents operational, regulatory, economic and other risks that are different from, or greater than, the risks we face doing comparable business in the U.S. These include, among others, risks relating to:

- Maintaining awareness of and complying with a wide variety of labor practices and foreign laws, including those relating to labor and employment, data privacy requirements, AI regulations, prohibitions on corrupt payments to government officials, export and import duties, environmental policies, sustainability disclosures, as well as laws and regulations applicable to U.S. business operations abroad;
- Our employees, our agents, or our affiliated entities, or their respective officers, directors, employees and agents, may take actions in violation of any local laws, regulations or policies, for which we might be held responsible. Actual or alleged violations could result in substantial fines, sanctions, civil or criminal penalties, debarment from government contracts, curtailment of operations in certain jurisdictions, competitive or reputational harm, litigation

or regulatory action and other consequences that might adversely affect our results of operations, financial condition or strategic objectives;

- We expect relations with work councils and trade unions in these countries will continue to be satisfactory, however, work stoppages could occur and we may not be successful in negotiating new collective bargaining agreements. In addition, collective bargaining negotiations may (1) result in significant increases in the cost of labor, (2) divert management's attention away from operating the business or (3) break down and result in the disruption of operations. See also "Regulatory, Legal and Accounting Risks";
- We own interests in firms where we do not exercise management control (such as Casanueva Perez S.A.P.I. de C.V. in Mexico and Renomia, A.S. in the Czech Republic) and are therefore unable to direct or manage the business to realize the anticipated benefits, including mitigation of risks, that could be achieved through full ownership;
- The potential costs, difficulties and risks associated with local regulations across the globe, including the risk of personal liability for directors and officers (for example, in the U.K.) and "piercing the corporate veil" risks under the corporate law regimes of certain countries;
- Difficulties in staffing and managing foreign operations. For example, we are growing our Latin America operations through acquisitions of local family-owned insurance brokerage firms. If we lose a local key employee, hiring and retaining talent locally or finding an internal candidate qualified to transfer to such location could be difficult;
- Less flexible employee relationships, which in certain circumstances have limited our ability to prohibit employees from competing with us after they are no longer employed with us or recover damages, and made it more difficult and expensive to terminate their employment;
- Certain of our non-U.S. subsidiaries receive revenues or incur obligations in currencies that differ from their functional currencies. We must also translate the financial results of our non-U.S. subsidiaries into U.S. dollars. Although we have used foreign currency hedging strategies in the past and currently have some in place, such risks cannot be eliminated entirely, and significant changes in exchange rates may adversely affect our results of operations;
- Conflicting regulations in the countries in which we do business;
- Political and economic instability (including risks relating to undeveloped or evolving legal systems, unstable governments, acts of terrorism, military actions and armed conflicts, including between Russia and Ukraine and in the Middle East). See also "Global economic conditions and geopolitical events may impact the countries, regions or industries in which we operate and adversely affect our business, results of operations and financial condition";
- Coordinating our communications, policies and logistics across geographic distances, multiple time zones and in different languages, including during times of crisis management;
- Risks relating to our post-Brexit plan to address the loss of passporting rights between the U.K. and the European Economic Area (which we refer to as EEA) with respect to insurance brokerage services. The plan we implemented in 2020 involved transferring the EEA clients of our U.K.-based regulated entities to a Swedish subsidiary authorized in the EEA, and providing some services through a U.K. branch of such subsidiary. Although this "reverse branch" model is typical of other brokers of a similar size, EEA regulators continue to assess their approach to this model, including as a result of, among other developments, the supervisory statement issued by the European Insurance and Occupational Pensions Authority (EIOPA) in February 2023. While we are continuously assessing the impact of these developments, it is difficult to predict such impact on our current plan;
- Unfavorable audits and exposure to additional liabilities relating to various non-income taxes (such as payroll, sales, use, value-added, net worth, property and goods and services taxes) in non-U.S. jurisdictions. In addition, our future effective tax rates could be unfavorably affected by changes in tax rates, discriminatory or confiscatory taxation, changes in the valuation of our deferred tax assets or liabilities, changes in tax laws or their interpretation and the financial results of our non-U.S. subsidiaries. See also "Changes in tax laws could adversely affect us";
- Legal or political constraints on our ability to maintain or increase prices;
- Cash balances held in foreign banks and institutions where governments have not specifically enacted formal guarantee programs;
- Epidemics or pandemics at a regional or global level;
- Lost business or other financial harm due to protectionism in the U.S. and in countries around the world, including adverse trade policies, tariffs, trade wars and other governmental actions affecting the flow of goods, services or

currency, and governmental restrictions on the transfer of funds to us from our operations outside the U.S.; for example, the practice of using off-shore labor has come under increased scrutiny in the U.S. and governmental authorities or insurance carriers could seek to impose financial costs or restrictions on the use of off-shore centers of excellence such as the ones we operate in India and other international jurisdictions (see also "Business disruptions could have a material adverse effect on our operations, damage our reputation and impact client relationships"); and

- Increased tensions between countries such as the U.S., China and Russia and related trade and military policies of the U.S. government that may cause retaliation or countermeasures from other countries or regions, could further develop in ways that exacerbate the risks described above, or introduce new risks for our non-U.S. operations, such as increasing the potential that sanctions, tariffs, global mobility restrictions or other related measures may impact our business.

If any of these risks materialize, our results of operations and financial condition could be adversely affected.

Changes in tax laws could adversely affect us.

We operate in various jurisdictions and are subject to changes in applicable tax laws, treaties, or regulations in those jurisdictions. A material change in the tax laws, treaties, or regulations, or their interpretation, of any jurisdiction with which we do business, or in which we have significant operations, could adversely affect us. For example, the OECD continues to issue reports and recommendations as part of its Base Erosion and Profit Shifting project (which we refer to as BEPS) and in 2021, it announced that 136 countries and tax jurisdictions agreed to implement a new Pillar 2 approach to international taxation. Pillar 1 exempts regulated financial institutions and we believe we qualify for such exemption. Pillar 2 will establish a global minimum tax rate of 15%, such that multinational enterprises with an effective tax rate in a jurisdiction below this minimum rate will need to pay additional tax, which could be collected by the parent company's tax authorities if that parent country adopts Pillar 2 or by those in other countries, depending on whether and how each country implements the OECD's approach in its tax treaties and domestic tax legislation. The first detailed draft rules under that approach were published in December 2021. The new approach came into effect in 2023 in certain jurisdictions, and different countries have implemented the necessary rules in different ways, through their individual agreement to tax treaty changes and through changes to their own domestic tax laws. Many countries in which we do business have adopted, or are expected to adopt, these rules which will change various aspects of the existing framework under which our tax obligations are determined. For example, the U.K., the majority of the EU, Canada, Australia and New Zealand have now adopted nearly all aspects of these rules with limited variation from the OECD model rules. Other jurisdictions in which we do business are also reacting to these efforts; for example, Bermuda enacted a corporate tax regime for the first time in 2023, which has become effective starting 2025. We anticipate further significant developments across several jurisdictions in which we operate in 2025 and 2026. Depending on how the jurisdictions in which we operate, and those in which we and our subsidiaries are based, choose to implement the OECD's approach in their tax treaties and domestic tax laws, particularly if the U.S. does not adopt Pillar 2, we could be adversely affected due to our income being taxed at higher effective rates, once these new rules come into force.

We face significant competitive pressures in each of our businesses.

The insurance brokerage, reinsurance brokerage and employee benefit consulting businesses are highly competitive and many insurance brokerage, reinsurance brokerage and employee benefit consulting organizations actively compete with us in one or more areas of our business around the world. Two of the firms we compete with in the global brokerage and risk management markets have larger revenues than ours. In addition, many other smaller firms that operate nationally or that are strong in a particular country, region or locality may have, in that country, region or locality, an office with revenues as large as or larger than those of our corresponding local office. Our third party claims administration operation also faces significant competition from stand-alone firms as well as divisions of larger firms. Over the past decade or more, private equity sponsors have invested heavily in the insurance brokerage and third party claims administration industries, creating new competitors and strengthening existing ones. Across all of our operations, Insurtech and technology-based start-ups are entering the business. In most cases, these businesses complement or enhance our offerings, but in some cases, they compete with us.

We believe that the primary factors determining our competitive position with other organizations in our industry are the quality of the services we render, our data analytics capabilities, the personalized attention we provide, the individual and corporate expertise of the brokers and consultants providing the actual service to the client, and our ability to help our clients manage their overall risk exposure and insurance or reinsurance costs. Losing business to competitors offering similar services or products at a lower cost or having other competitive advantages would adversely affect our business.

Consolidation among our existing competitors could create additional competitive pressure on us as such firms grow their market share, take advantage of strategic and operational synergies and develop lower cost structures. In addition, any increase in competition due to new legislative or industry developments could adversely affect us.

These developments include:

- Increased capital-raising by underwriting enterprises, which could result in new risk-taking capital in the industry, which in turn may lead to lower insurance premiums and commissions;
- Underwriting enterprises selling insurance directly to insureds without the involvement of a broker or other intermediary;
- Changes in our business compensation model as a result of regulatory developments;
- Federal and state governments establishing programs to provide health insurance (such as a single-payer system) or, in certain cases, property insurance in catastrophe-prone areas or other alternative market types of coverage, that compete with, or completely replace, insurance products currently offered by underwriting enterprises;
- Sustainability regulations in the U.S. and around the world, particularly those promoting the transition to a low-carbon economy, which could create new competitive pressures around climate resilience consulting services and innovative insurance solutions;
- Continued consolidation in the financial services industry, leading to large financial services institutions offering a wider variety of services including insurance brokerage and risk management services;
- Increased competition from new market participants such as banks, accounting firms, consulting firms and Internet or other technology firms offering risk management or insurance brokerage services, or new distribution channels for insurance such as payroll firms and professional employer organizations; and
- Third party capital providers entering the insurance and reinsurance risk transfer market offering products and capital directly to our clients. Their presence in the market has increased the competitive pressures that we face.

New competition as a result of these or other legislative or industry developments could cause the demand for our products and services to decrease, which could in turn adversely affect our results of operations and financial condition.

Volatility or declines in premiums or other adverse trends in the insurance industry may seriously undermine our profitability.

We derive much of our revenue from commissions and fees for our brokerage services. We do not determine the premiums on which our commissions are generally based. Moreover, premiums are cyclical in nature and may vary widely based on market conditions. Because of market cycles for insurance and reinsurance product pricing, which we cannot predict or control, our brokerage revenues and profitability can be volatile or remain depressed for significant periods of time.

Underwriting enterprises may seek to minimize their expenses by reducing the commission rates payable to agents or brokers such as us. The reduction of these commission rates, along with general volatility and/or declines in premiums, may significantly affect our profitability. Because we do not determine the timing or extent of premium pricing changes, it is difficult to forecast our commission revenues precisely, including whether they will significantly decline. As a result, we may have to adjust our budgets for future acquisitions, capital expenditures, dividend payments, debt repayments and other expenditures to account for unexpected changes in revenues, and any decreases in premium rates may adversely affect the results of our operations.

In addition, there have been and may continue to be various trends in the insurance and reinsurance markets toward alternative insurance markets including, among other things, greater levels of self-insurance, captives, rent-a-captives, risk retention groups and non-insurance capital markets-based solutions to traditional insurance. While historically we have been able to participate in certain of these activities on behalf of our clients and obtain fee revenue for such services, there can be no assurance that we will realize revenues and profitability as favorable as those realized from our traditional brokerage activities. Our ability to generate premium based commission revenue may also be challenged by the growing desire of some clients to compensate brokers based upon flat fees rather than a percentage of premium. This could negatively impact us because fees are generally not indexed for inflation and might not increase with premiums as commissions do or with the level of service provided.

Contingent and supplemental revenues we receive from underwriting enterprises are less predictable than standard commission revenues, and any decrease in the amount of these forms of revenue could adversely affect our results of operations.

A meaningful portion of our revenues consists of contingent and supplemental revenues from underwriting enterprises. Contingent revenues are paid after the insurance contract period, generally in the first or second quarter, based on the growth and/or profitability of business we placed with an underwriting enterprise during the prior year. On the other hand, supplemental revenues are paid up front, on an annual or quarterly basis, generally based on our historical premium volumes with the underwriting enterprise and additional capabilities or services we bring to the engagement. While underwriting enterprises generally maintain supplemental revenues in the current year at a pre-determined rate, that rate can change in future years as described above. If, due to the current economic environment or for any other reason, we are unable to meet an underwriting enterprise's particular profitability, volume or growth thresholds, as the case may be, or such companies increase their estimate of loss reserves (over which we have no control), actual contingent revenues or supplemental revenues could be less than anticipated, which could adversely affect our results of operations. In the case of contingent revenues, under revenue recognition accounting standards, this could lead to the reversal of revenues in future periods that were recognized in prior periods.

We face a variety of risks in our benefit consulting operations distinct from those we face in our insurance brokerage operations.

Our benefit consulting operations face a variety of risks distinct from those faced by our brokerage operations. The portion of our revenue derived from consulting engagements and special project work is more vulnerable to reduction, postponement, cancellation or non-renewal during an economic downturn than traditional insurance brokerage commissions. For instance, we experienced a decline in such revenue during the economic downturn triggered by the COVID-19 pandemic. In the event of a future recession or economic downturn, we could again experience deterioration in these sources of revenue. A portion of our benefit consulting operation revenue is tied to assets invested by our clients, and when investment returns are adversely affected that portion of our revenue is negatively impacted. Certain areas within our retirement consulting practice may attract a higher level of regulatory scrutiny due to regulators' historical interest in such matters, including pension-related products and investment advisory and broker-dealer services. In addition, we have made significant investments in product and knowledge development to assist clients as they navigate the complex regulatory requirements relating to employer-sponsored healthcare. New laws or regulations reducing employer-sponsored health insurance, by limiting or eliminating tax-advantaged employer-sponsored benefits or otherwise, could impact clients' demand for our services. If we are unable to adapt our services to changes in the legal and regulatory landscape around employer-sponsored benefits, our results of operations could be adversely impacted.

We closed the acquisition of Buck in second quarter 2023 and Redington in fourth quarter 2024. Buck is the largest acquisition in the history of our benefit consulting operations and represents a material portion of its revenue. As such, the integration of Buck into our existing operations requires a more significant effort and involves additional risks compared to our typical acquisitions. Redington is an FCA-regulated investment consulting firm focused on pension funds, wealth managers and institutional investors with a large footprint in the U.K., which may expose us to greater liability than our typical acquisitions. See also "We face additional risks relating to acquisitions that are larger than our usual tuck-in acquisitions" described above.

We face a variety of risks in our third-party claims administration operations that are distinct from those we face in our brokerage and benefit consulting operations.

Our third party claims administration operations face a variety of risks distinct from those faced by the rest of our business, including the risks that:

- Epidemics and pandemics that reduce in-person business activity have a greater negative impact because they result in a reduction in the number of claims processed, as experienced during the years 2020, 2021, and the beginning of 2022. If a new epidemic or pandemic were to emerge, these operations could face similar negative impacts in the future;
- RISX-FACS®, our proprietary risk management information system, on which our ability to provide clients with insurance claim settlement and administration services is highly dependent, becomes inoperable for some reason. In addition, we are increasing our use of cloud storage and cloud computing application services supported, upgraded and maintained by third-party vendors. A disruption affecting RISX-FACS®, third-party cloud services or any other

infrastructure supporting our business, including key client relationship management software, could have a material adverse effect on our operations, cause reputational harm and damage our employee and client relationships;

- The favorable trend among both underwriting enterprises and self-insured entities toward outsourcing various types of claims administration and risk management services will reverse or slow causing our revenues or revenue growth to decline;
- Concentration of large amounts of revenue with certain clients results in greater exposure to the potential negative effects of lost business due to changes in management at such clients or changes in state government policies, in the case of our government-entity clients, or for other reasons;
- Contracting terms will become less favorable or the margins on our services will decrease due to increased competition, regulatory constraints or other developments;
- We do not satisfy regulatory requirements related to third party administrators or that regulatory developments impose additional burdens, costs or business restrictions that make our business less profitable; for example, regulations relating to security, cybersecurity, AI and data privacy as we manage a large amount of highly sensitive and confidential information including personally identifiable information, protected health information and financial information;
- Volatility in our case volumes, which are dependent upon a number of factors and difficult to forecast accurately, could impact our revenues;
- Wage inflation, difficulty attracting and retaining talent, and rising technology costs, may impact our ability to remain competitive in the marketplace and profitably fulfill our existing contracts (other than those that provide cost-plus or other margin protection);
- We may be unable to develop further efficiencies in our claims-handling business and may be unable to obtain or retain certain clients if we fail to make adequate improvements in technology or operations; and
- Underwriting enterprises or certain large self-insured entities may create in-house servicing capabilities, including as a result of the adoption of AI, that compete with our third party administration and other administration, servicing and risk management products, and we could face additional competition from potential new entrants into the global claims management services market. See also "We are subject to risks associated with AI."

If any of these risks materialize, our results of operations and financial condition could be adversely affected.

Climate risks, including the risk of an economic crisis, risks associated with the physical effects of climate change and disruptions caused by the transition to a low-carbon economy, could adversely affect our business, results of operations and financial condition.

Climate change has been widely identified by investors and regulators as a systemic risk to the global economy. The U.S. Federal Reserve has warned that a gradual change in investor sentiment regarding climate risk introduces the possibility of abrupt tipping points or significant swings in sentiment, which could create unpredictable follow-on effects in financial markets. If this occurred, not only would our business be negatively impacted by the general economic decline, but a drop in the stock market affecting our stock price could negatively impact our ability to grow through mergers and acquisitions financed using our common stock.

The transition to a low-carbon economy could harm specific industries or sectors central to the traditional energy economy in ways that could impact our business. Our clients in such industries could go out of business or have reduced needs for insurance-related or consulting services, which could adversely impact our commission revenues, consulting revenues or revenues from managing third-party insurance claims. Negative publicity arising from our association with clients in disfavored businesses or industries, or the perception that we are not sufficiently focused on climate risks or on reducing our own carbon emissions, as well as resulting from the potential conflict with anti-ESG initiatives from the U.S. federal or state governments and other stakeholders, could damage our reputation with investors, clients, employees and regulators. In addition, the transition to a low-carbon economy is giving rise to the need for innovative insurance, reinsurance and risk management solutions for entirely new industries and companies, as well as advice and services to bolster climate resilience for existing companies. If we fail to innovate and provide valuable services to our clients in response to these changes, we could lose market share to our competitors or new market entrants that do.

We do not generally assume net underwriting risk, other than with respect to de minimis amounts necessary to provide minimum or regulatory capital, and briefly, in connection with our catastrophe bond business, and thus do not generally experience direct material financial implications related to extreme weather events. In addition, we are a professional services firm with people as our most important asset and limited physical operations. However, in cases where underwriting enterprises fail or face significant payouts related to extreme natural, climate or weather events leading them to withdraw from offering certain lines of coverage, as observed in places such as California, Louisiana, and Florida, such withdrawal negatively impacts the overall capacity for risk-taking capital. If this reduction is substantial, it could limit our ability to secure certain lines of coverage for our clients, ultimately reducing our revenues and profitability. Underwriting enterprises are also clients of Gallagher Re, so any of the negative developments for underwriting enterprises referred to above could also reduce our commission revenues from such clients.

Regulatory, Legal and Accounting Risks

Improper disclosure of confidential, personal or proprietary information and cybersecurity attacks or other security breach of our information systems, or those of third-party vendors we rely on, could result in regulatory scrutiny, legal liability or reputational harm, and could adversely affect our business, financial condition and reputation.

We collect, use, store, transmit and otherwise process, confidential, personal and proprietary information relating to our Company, acquisition targets, our employees and our clients. This information includes personally identifiable information, protected health information, financial information, mergers and acquisitions information and intellectual property.

We maintain policies, procedures and technical safeguards designed to protect the security and privacy of confidential, personal and proprietary information. Nonetheless, we cannot eliminate the risk of human error, malfeasance or highly sophisticated cyber-attacks, which are heightened as a result of the armed conflicts in Ukraine and in the Middle East or other cybersecurity incidents. In addition, our increased reliance on technologies that support remote and hybrid work and our employees' more frequent use of personal devices and non-standard business processing as well as the increasing prevalence of sophisticated cyber-attacks using AI, such as "deep fakes," may increase the risk of cybersecurity or data breaches from circumvention of security systems, denial-of-service attacks or other cyber-attacks, hacking, "phishing" attacks (including digital or telephonic impersonation), computer viruses, ransomware, malware, malicious or destructive code, employee or insider error, malfeasance, social engineering, physical breaches or other actions. It is possible that our preventive, detective, containment or remedial security controls, employee training and other aspects of our cybersecurity safeguards are not effective.

We have and continue to invest in technology security initiatives, policies, resources and employee training. The cost and operational consequences of implementing, maintaining and enhancing appropriate technical measures is high. Given the continuously evolving cyber threat landscape, it will become increasingly difficult to detect, defend against and remediate cybersecurity incidents and data breaches. If we are unable to effectively maintain and enhance our system safeguards in line with evolving cyber threats, including in connection with the integration of acquisitions, we may incur unexpected costs, including litigation costs, regulatory enforcement action, loss of clients, reputational damage, and certain of our systems may become more vulnerable to unauthorized access.

We rely on IT and third party vendors some of which have direct access to our systems, to support our business activities, including our secure processing of personal, confidential, sensitive, proprietary and other types of information. Despite ongoing efforts to improve our and our vendors' ability to protect and defend against cyber-attacks, we may not be able to protect all of our data. From time to time, cybersecurity incidents and data breaches of certain systems on which we rely have occurred, such as computer viruses, unauthorized parties gaining access to our information technology systems, and privacy incidents, such as loss or inadvertent transmission of data, although to date we have not been materially impacted by such events. In the future, breaches of any third-party or internal systems may result from circumvention of security systems, denial-of-service, hacking, "phishing", computer viruses, ransomware, malware, or other cyber-attacks, employee or insider error, malfeasance, social engineering, physical breaches or other actions. Furthermore, the risk from threat actors has increased due to the rapid development of AI capabilities.

We are an acquisitive organization. The process of integrating information systems of businesses we acquire is complex and exposes us to additional risk as we might not adequately identify weaknesses in the targets' information systems or information handling, privacy and security policies and protocols, which could expose us to unexpected liabilities or make our own systems and data more vulnerable to employee or insider error, malfeasance or cybersecurity incidents. These risks may be exacerbated in connection with the integration of AssuredPartners. Any future, material cybersecurity or data incident, may cause us to experience unauthorized access, exfiltration, manipulation, corruption, loss or disclosure of our proprietary, client, employee, or other data, reputational harm, the inability to render services due to system outages or other business disruptions, loss of clients and revenue, regulatory action and scrutiny, sanctions or other statutory penalties, litigation, liability for failure to safeguard clients' information, increases in cybersecurity costs or financial losses. Any of the foregoing may be exacerbated by a delay or failure to detect a cybersecurity incident or the full extent of such incident. In addition, disclosure or media reports of actual or perceived security vulnerabilities to our systems or those of our third-party service providers, even if no breach has been attempted or occurred, could lead to reputational harm, loss of customers and revenue, or increased regulatory actions oversight and scrutiny.

Such incidents could result in confidential, personal or proprietary information being lost or stolen, used to perpetuate fraud, maliciously made public, surreptitiously modified, or rendered inaccessible for a period of time. We cannot ensure that any limitations of liability provisions in our agreements with clients, vendors and other third parties with which we do business would be enforceable or adequate or would otherwise protect us from any liability with respect to claims arising from a cybersecurity, data or similar incident.

During a cybersecurity incident, we might have to take our systems offline, which could interfere with services to our clients or damage our reputation. While we endeavor to design and implement technologies, policies and procedures to identify such incidents as quickly as possible, any response would take substantial time, and there may be extensive delays before we obtain full and reliable information. During such time we would not necessarily know the extent of the harm or how best to remediate it, and certain errors or actions could be repeated or compounded before they are discovered and remediated, all of which may further increase the costs and consequences of such incident. Any of these losses may not be insured against or be fully covered by insurance we maintain. Further, we cannot ensure that our and our third-party vendors' existing insurance coverage will continue to be available on acceptable terms or at all. Certain regulations and contractual obligations require us to inform regulators or affected persons in the event of a breach of confidential, personal or proprietary information on our or our third-party vendors' systems, which we may need to deliver before we fully understand the impact of such breach resulting in damage to our reputation and our relationship with regulators and clients.

In addition, the competition for talent is high in the cybersecurity and privacy space, and we may not be able to hire, develop or retain suitable talent that we need to be capable of minimizing, identifying, mitigating or remediating these risks.

With respect to our commercial arrangements with third party vendors, we have processes designed to require third party IT outsourcing, offsite storage and other vendors to agree to maintain certain standards with respect to their storage, protection and transfer of confidential, personal and proprietary information. However, we have limited control over their security, privacy and data governance practices so there can be no assurance that we can prevent, mitigate, or remediate a potential failure of those standards and we remain at risk of a cyber or data incident due to the intentional or unintentional non-compliance by a vendor's employee or agent, the breakdown of a vendor's processes, or a cybersecurity incident involving vendor's information systems. We cannot ensure that any provisions in our agreements with these vendors would be enforceable or adequate or would otherwise protect us from any liability in connection with these incidents.

Any of the foregoing may have a material adverse effect on our business, financial condition and reputation.

We are subject to a number of contingencies and legal proceedings which, if determined unfavorably to us, would adversely affect our financial results.

We are or have been subject to numerous claims, tax assessments, lawsuits and proceedings that arise in the ordinary course of business. Such claims, lawsuits and other proceedings include claims for damages based on allegations that our employees or sub-agents improperly failed to procure coverage, report claims on behalf of clients, provide underwriting enterprises with complete and accurate information relating to the risks being insured, or provide clients with appropriate consulting, advisory, pension and claims handling services. There is the risk that our employees or sub-agents may fail to appropriately apply funds that we hold for our clients on a fiduciary basis. Certain of our benefits and retirement consultants provide investment advisory or decision-making services to clients. Additionally, Gallagher Re operates a securities business. If our clients experience investment losses, our reputation could be damaged and our financial results could be negatively affected as a result of claims asserted against us and lost business. Where appropriate, we have established provisions against these matters that we believe are adequate in light of current information and legal advice, and we adjust such provisions from time to time based on current material developments. The damages claimed in such matters are or may be substantial, including, in many instances, claims for punitive, treble or other extraordinary damages. It is possible that, if the outcomes of these contingencies and legal proceedings were not favorable to us, it could materially adversely affect our future financial results. In addition, our results of operations, financial condition or liquidity may be adversely affected if, in the future, our insurance coverage proves to be inadequate or unavailable or we experience an increase in liabilities for which we self-insure. We have purchased E&O insurance and other insurance to provide protection against losses that arise in such matters. Accruals for these items, net of insurance receivables, when applicable, have been provided to the extent that losses are deemed probable and are reasonably estimable. These accruals and receivables are adjusted from time to time as current developments warrant.

As more fully described in Note 15 to our 2024 consolidated financial statements, we are a defendant in various legal actions incidental to our business, including but not limited to matters related to employment practices, alleged breaches of non-compete or other restrictive covenants, theft of trade secrets, breaches of fiduciary duties, and related causes of action. We are also periodically the subject of inquiries and investigations by regulatory and taxing authorities into various matters related to our business. For example, our micro-captive advisory services business has been under investigation by the IRS since 2013. We currently believe that the ultimate outcome of these proceedings, individually and in the aggregate, will not materially harm our financial position, results of operations or cash flows. However, legal proceedings and government investigations are subject to inherent uncertainties, and unfavorable rulings or other adverse events could occur, including the payment of substantial monetary damages or an injunction or other order prohibiting us from selling one or more products at all or in particular ways, precluding particular business practices or requiring other remedies, which may result in a material adverse impact on our business, results of operations or financial position. In addition, regardless of any unfavorable ruling, any such matter could expose us to negative publicity, reputational damage, harm to our client or employee relationships, or diversion of personnel and management resources, which could adversely affect our ability to recruit quality brokers and other significant employees to our business, and otherwise adversely affect our results of operations.

Changes in data privacy and protection laws and regulations, or any failure to comply with such laws and regulations, could adversely affect our business and financial results.

We are subject to a variety of continuously evolving and developing laws and regulations globally regarding privacy, data protection, and data security, including those related to the collection, storage, handling, use, disclosure, cross-border transfer, destruction, and security of personal data. These laws apply to transfers of personal information among our affiliates, as well as to transactions we enter into with third party vendors and clients. Significant uncertainty exists as privacy and data protection laws evolve. Such laws are complex and may be interpreted and applied differently from country to country and state to state, and may create inconsistent or conflicting requirements. Some of these laws provide rights to individuals to access, correct, and delete their personal information and to obtain copies at the expense of the business entities that process their data. Some of these laws carry heavy penalties for violations, e.g., fines of up to 4% of worldwide revenue under the U.K. Data Protection Act and the EU General Data Protection Regulation (GDPR) and up to $7,500 per intentional violation under the California Consumer Privacy Act (CCPA). In the U.S., there is pending federal legislation and a number of states have proposed and some have implemented their own comprehensive data privacy bills similar to the GDPR and CCPA, with some of those laws already in effect, and others coming into effect through 2026. Despite recent privacy frameworks developed between the U.S., the U.K. and the EU, there remains a high level of uncertainty concerning the flow of personal information between these jurisdictions, which may impair our ability to offer existing and new services and increase our costs and compliance burden.

India and other countries where we have operations outside the U.S. have proposed or have enacted sweeping data protection laws, and in some cases we are subject to sector and personal data localization laws that may require that data or personal data stay within their borders, such as India's IRDIA (Maintenance of Insurance Records) Regulation, 2015.

In addition, in the U.S., legislators are continuing to enact comprehensive cybersecurity laws. For example, we are subject to the New York State Department of Financial Services Cybersecurity Regulation for Financial Services Companies, which were substantively amended in 2023. We also expect to be subject to a variety of laws and regulations governing AI, such as the EU AI Act that was enacted in 2024 and will gradually enter into force during the next three years. These laws and regulations are still evolving, and while we are assessing how regulators may apply existing consumer protection, data protection and other similar laws to AI, there is uncertainty regarding the scope of new laws and how existing laws will apply. Due to this uncertainty, we may face challenges complying with existing and new laws, and our policies and governance frameworks may not be successful in mitigating these risks. See also “We are subject to risks associated with AI.”

Adhering to the increased obligations imposed by various new and emerging laws as well as the terms of our privacy notices and contractual obligations to third parties causes us to incur substantial expense in connection with developing, implementing, and securing our systems and effectively implementing data privacy governance policies for the lawful processing of personal data. Such increased obligations also result in the allocation of additional resources towards new privacy compliance processes and enhanced technologies, further contributing to our IT and compliance costs. We have implemented privacy policies detailing how we collect, use, disclose, transfer across borders, retain, and otherwise process personal information but our employees, third-party vendors or other third parties we work with may not fully adhere to such policies. Such non-compliance could lead to enforcement actions or investigations if our practices are deemed deceptive, unfair, or misrepresentative of our actual practices. In addition, enforcement actions and investigations by regulatory authorities related to data security incidents and privacy violations generally continue to increase. The enactment of more restrictive laws, rules, regulations, or future enforcement actions or investigations could impact us through increased costs or restrictions on our business and could result in regulatory penalties and significant legal liability.

We could be adversely affected by violations or alleged violations of laws that impose requirements for the conduct of our overseas operations, including the FCPA, the U.K. Bribery Act or other anti-corruption laws, sanctions laws and FATCA.

In countries outside the U.S., a risk exists that our employees or third parties acting on our behalf, including correspondent brokers, consultants, introducers, partners or agents, could engage in business practices prohibited by applicable laws and regulations, including anti-bribery and anti-corruption laws, and sanctions laws such as those administered by the U.S. Department of the Treasury's Office of Foreign Assets Control, the UK HM Treasury or promulgated by the European Commission. Anti-bribery and anti-corruption laws, such as the FCPA and the U.K. Bribery Act, generally prohibit companies from making improper payments to foreign officials and require companies to keep accurate books and records and maintain appropriate internal controls. Trade and financial sanctions laws generally restrict the ability to engage in trade with, or provide goods or services, to designated governments or other parties, or may require freezing of such parties' assets. We operate in some parts of the world that have experienced governmental corruption. In such parts of the world, in certain circumstances, local customs and practice might not be consistent with the requirements of anti-bribery and anti-corruption laws. Similarly, some of these countries do not implement sanctions laws and may not restrict trade with parties designated as sanctions targets under U.S., U.K. or EU laws.

Our policies mandate strict compliance with such laws and we devote substantial resources to programs designed to ensure compliance, including investigating business practices and taking steps to address the risk that our employees, third party representatives, partners or agents will engage in business practices that are prohibited by our policies and/or such laws and regulations.

We offer client service capabilities in many countries around the world through a network of third-party representatives acting on our behalf such as correspondent brokers and consultants. In certain limited instances, we also work with third-party introducers that provide services for certain clients. There is a risk that our third party representatives engage in business practices that are prohibited by our internal policies or violate applicable laws and regulations, such as the FCPA and the U.K. Anti-Bribery Act.

Violations by us or our third party representatives could result in significant internal investigation costs and legal fees, civil and criminal penalties, including prohibitions on the conduct of our business, and reputational damage if we violate sanctions laws of the U.S., the EU, the U.K. or other jurisdictions in which we operate. In addition, FATCA requires certain of our subsidiaries, affiliates and other entities to obtain valid FATCA documentation from payees prior to remitting certain payments to such payees and our failure to do so properly could result in penalties.

We are subject to regulation worldwide. If we fail to comply with regulatory requirements or if regulations change in a way that adversely affects our operations, we may not be able to conduct our business, or we may be less profitable.

Many of our activities throughout the world, especially regulated businesses such as our insurance brokerage, securities broker-dealer and investment advisory services, are subject to supervision and regulations promulgated by regulatory or self-regulatory bodies such as the SEC, the NYSE, the DOJ, the IRS, the Financial Crimes Enforcement Network, the FTC and FINRA in the U.S., the Financial Conduct Authority in the U.K., the Australian Securities and Investments Commission in Australia and insurance regulators in nearly every jurisdiction in which we operate. Our retirement-related consulting and investment advisory services are subject to pension law and financial regulation in many countries. Our activities are also subject to a variety of other laws, rules and regulations addressing licensing, cybersecurity, data privacy, AI, wage-and-hour standards, employment and labor relations, competition, anti-corruption, currency, the conduct of business, reserves and the amount of local investment with respect to our operations in certain countries. For example, the DOJ revised its Corporate Criminal Enforcement Policies and Practices to include a section on the use of personal devices and third-party messaging applications, indicating that their use poses significant risk to companies and suggesting that it intends to investigate seriously whether companies have ensured that data from these sources is preserved for investigations. The DOJ also updated its guidance on corporate compliance programs to include AI risk management. These and other forms of regulatory action could reduce our profitability or growth by increasing the costs of compliance, increasing the risk of costly enforcement actions, restricting the products or services we sell, the markets we enter, the methods by which we sell our products and services, or the prices we can charge for our services and the form of compensation we can accept from our clients, underwriting enterprises and third parties. As our operations grow around the world, it is increasingly difficult to monitor and enforce regulatory compliance across the organization. A compliance failure by even one of our smallest branches could lead to a loss of reputation in the local market, and litigation and/or disciplinary actions that may include compensating clients for loss, the imposition of penalties, and/or the loss of our authorization to operate. In all such cases, we would also likely incur significant internal investigation costs and legal fees.

The global nature of our operations increases the complexity and cost of compliance with laws and regulations, including increased staffing needs, the development of new policies, procedures and internal controls and providing training to employees in multiple locations, adding to our cost of doing business. Many of these laws and regulations may have differing or conflicting legal standards across jurisdictions, increasing further the complexity and cost of compliance. In emerging markets and other jurisdictions with less developed legal systems, local laws and regulations may not be established with sufficiently clear and reliable guidance to provide us with adequate assurance that we are aware of all necessary licenses to operate our business, that we are operating our business in a compliant manner, or that our rights are otherwise protected. In addition, major political and legal developments in jurisdictions in which we do business may lead to new regulatory costs and challenges. For example, China adopted a “blocking” statute similar to that of the EU requiring compliance with certain Chinese laws if they conflict with U.S. laws. Rising global tensions and protectionism may also lead other countries to adopt similar blocking statutes, which could make it more difficult and costly for us to expand our operations globally.

Changes in legislation or regulations and actions by regulators, including changes in administration and enforcement policies, or the failure of state and local governments to follow through on agreed-upon state and local tax credits or other tax related incentives, could adversely affect our results of operations or require operational changes that could result in lost revenues or higher costs or hinder our ability to operate our business.

For example, the method by which insurance brokers are compensated has received substantial scrutiny in the past because of the potential for conflicts of interest. The potential for conflicts of interest arises when a broker is compensated by two parties in connection with the same or similar transactions. The vast majority of the compensation we receive for our work as insurance and reinsurance brokers is in the form of retail commissions and fees. We receive additional revenue from underwriting enterprises, separate from retail commissions and fees, including, among other things, contingent and supplemental revenues and payments for consulting and analytics services we provide them. Future changes in the regulatory environment may impact our ability to collect these revenues. Adverse regulatory, legal or other developments regarding these revenues could have a material adverse effect on our business, results of operations or financial condition, expose us to negative publicity and reputational damage and harm our relationships with clients, underwriting enterprises or other business partners.

In addition, as regulators and investors increasingly focus on climate change and other sustainability issues, we are exposed to the risk of frameworks and regulations being adopted that require significant effort to comply with, and re ill-adapted to our operations, particularly with respect to our larger-than usual acquisitions that may have their own sustainability programs and may have complied with sustainability regulations in the past in a way that may differ substantially from our sustainability program and strategy. For example, in 2023, pursuant to the CSRD, which we expect will result in disclosure obligations in future years for us and some of our EU subsidiaries, the first set of ESRS was developed by the EFRAG and adopted by the EU. EFRAG will continue to issue sector-specific and non-EU applicable ESRS in the coming years, with such standards to be tailored to EU policy positions which may be different or contradictory with those applicable in other jurisdictions such as the ISSB) and the TCFD framework. In the U.K., our business is subject to a number of disclosure obligations under different sustainability frameworks, such as the TCFD. Australia enacted mandatory disclosures based on the ISSB standards in 2024, and other jurisdictions, such as Canada and New Zealand, have announced that they plan to implement ISSB-based disclosures. There is further uncertainty in this space as the SEC’s new climate change disclosure requirements enacted in 2024 are currently being challenged in legal proceedings and are expected to be struck down, while the state of California has enacted disclosure rules, which we expect will require us, among other things, to publish our consolidated carbon emissions. Compliance with such differing and uncertain rules and frameworks requires significant effort and could divert management’s attention and resources, which could adversely affect our operating results.

Changes in our accounting estimates and assumptions could negatively affect our financial position and operating results.

We prepare our financial statements in accordance with U.S. generally accepted accounting principles (which we refer to as GAAP). These accounting principles require us to make estimates and assumptions that affect the reported amounts of assets and liabilities, and the disclosure of contingent assets and liabilities at the date of our consolidated financial statements. We are also required to make certain judgments and estimates that affect the disclosed and recorded amounts of revenues and expenses related to revenue recognition and deferred costs - see Note 4 to our 2024 consolidated financial statements. We periodically evaluate our estimates and assumptions, including those relating to the valuation of goodwill and other intangible assets, investments, income taxes, revenue recognition, deferred costs, stock-based compensation, claims handling obligations, retirement plans, litigation and contingencies. We base our estimates on historical experience and various assumptions that we believe to be reasonable based on specific circumstances. Such estimates and assumptions could change in the future as more information becomes known, which could impact the amounts reported and disclosed in our consolidated financial statements.

Further, in 2022, the U.S. enacted the Inflation Reduction Act (which we refer to as the IRA) which, among other things, implements a corporate book minimum tax and an excise tax on stock buy backs. While guidance is still being issued and the new administration may enact significant amendments to the IRA, our current understanding of the IRA suggests that we will not face significant impacts. As additional guidance relating to the IRA and upcoming amendments are released, our estimates related to the IRA may change. Additionally, changes in accounting standards (see Note 2 to our 2024 consolidated financial statements) could increase costs to the organization and could have an adverse impact on our future financial position and results of operations.

Limited protection of our intellectual property could harm our business and our ability to compete effectively, and we face the risk that our services or products may infringe upon the intellectual property rights of others.

We cannot guarantee that trade secret, trademark and copyright law protections, or our internal policies and procedures regarding our management of intellectual property, are adequate to deter misappropriation of our intellectual property. Existing laws of some countries in which we provide services or products may offer only limited protection of our intellectual property rights. Also, we may be unable to detect the unauthorized use of our intellectual property and take the necessary steps to enforce our rights, which may have a material adverse impact on our business, financial condition or results of operations. We cannot be sure that our services and products, or the products of others that we offer to our clients, do not infringe on the intellectual property rights of third parties, and we may have infringement claims asserted against us or our clients. These claims may harm our reputation, result in financial liability, consume financial resources to pursue or defend, and prevent us from offering some services or products. In addition, these claims, whether with or without merit, could be expensive, take significant time and divert management's focus and resources from business operations. Successful challenges against us could require us to modify or discontinue our use of technology or business processes where such use is found to infringe or violate the rights of others, or require us to purchase licenses from third parties, any of which could adversely affect our business, financial condition and operating results.

Risks Relating to our Investments, Debt and Common Stock

Our clean energy investments are subject to various risks and uncertainties.

We generated tax credits under IRC Section 45 from 2009 to 2021. As of December 31, 2024, we had generated a total of $1,706.1 million in IRC Section 45 tax credits, of which approximately $1,003.9 million have been used to offset U.S. federal tax liabilities and $702.2 million remain unused and available to offset future U.S. federal tax liabilities.

Our ability to use tax credits under IRC Section 45 depends upon the operations in which we invested having satisfied the conditions set forth in IRC Section 45. These include, among others, the "placed-in-service" condition and requirements relating to qualified emissions reductions, coal sales to unrelated parties and at least one of the operations' owners qualifying as a "producer" of refined coal. While we have received some degree of confirmation from the IRS relating to our ability to claim these tax credits, the IRS could ultimately determine that the operations did not satisfy the conditions set forth in IRC Section 45. The IRS audited a number of these operations. Such audits were either closed with no adjustments or, in one instance, the relevant partnership defended its position in court and prevailed. The ongoing implementation of Pillar 2 in the U.S. and around the world could also negatively impact our ability to use these tax credits in the timeframe and manner that would be beneficial to us. Similarly, the law permitting us to claim IRC Section 29 tax credits (related to our prior synthetic coal operations) expired on December 31, 2007. At December 31, 2024, we had exposure with respect to $108.0 million of previously earned tax credits under IRC Section 29. We believe our claim for IRC Section 29 tax credits in 2007 and prior years was in accordance with IRC Section 29 and four private letter rulings previously obtained by IRC Section 29 related limited liability companies in which we had an interest. We understand these private letter rulings were consistent with those issued to other taxpayers and we have received no indication from the IRS that it will seek to revoke or modify them. In addition, the IRS audited certain of the IRC Section 29 facilities without requiring any changes.

There is a risk that foreign laws will not protect the intellectual property associated with The Chem-Mod™ Solution to the same extent as U.S. laws, leaving us vulnerable to companies outside the U.S. who may attempt to copy such intellectual property. In addition, other companies may make claims of intellectual property infringement with respect to The Chem-Mod™ Solution.

Litigation is inherently uncertain and it is not possible for us to predict the ultimate outcome of any future claims against us by other parties.

The IRC Section 45 operations in which we have invested and the by-products from such operations may result in environmental and product liability claims and environmental compliance costs.

The construction and operation of the IRC Section 45 operations were subject to federal, state and local laws, regulations and potential liabilities arising under or relating to the protection or preservation of the environment, natural resources and human health and safety. Some environmental laws, without regard to fault or the legality of a party's conduct, impose liability on certain entities that are considered to have contributed to, or are otherwise responsible for, the release or threatened release of hazardous substances into the environment. One party may, under certain circumstances, be required to bear more than its share or the entire share of investigation and cleanup costs at a site if payments or participation cannot be obtained from other responsible parties. By having used The Chem-Mod™ Solution at locations owned and operated by others, we and our partners may be exposed to the risk of being held liable for environmental damage from releases of hazardous substances we may have had little, if any, involvement in creating. Such risk remains even after production ceases at an operation to the extent the environmental damage can be traced to the types of chemicals or compounds used or operations conducted in connection with The Chem-Mod™ Solution. Increasing attention to global climate change has resulted in an increased possibility of regulatory attention and private litigation. For example, claims have been made against certain energy companies alleging that greenhouse gas emissions constitute a public nuisance. In addition to the possibility of being named in such actions, we and our partners could face the risk of environmental and product liability claims related to concrete incorporating fly ash produced using The Chem-Mod™ Solution. No assurances can be given that contractual arrangements and precautions taken to provide for assumption of these risks by facility owners or operators, or other end users, will result in that facility owner or operator, or other end user, accepting full responsibility for any environmental or product liability claim. Nor can we or our partners be certain that facility owners or operators, or other end users, fully complied with all applicable laws and regulations, and this could result in environmental or product liability claims. It is also common for private claims by third parties alleging contamination to also include claims for personal injury, property damage, nuisance, diminution of property value, or similar claims. Furthermore, many environmental, health and safety laws authorize citizen suits, permitting third parties to make claims for violations of laws or permits. Our insurance may not cover all environmental risk and costs or may not provide sufficient coverage in the event of an environmental or product liability claim, and defense of such claims can be costly, even when such defense prevails. If significant uninsured losses arise from environmental or product liability claims, or if the costs of environmental compliance increase for any reason, our results of operations and financial condition could be adversely affected.

We have debt outstanding that could adversely affect our financial flexibility and subjects us to restrictions and limitations that could significantly impact our ability to operate our business.

As of December 31, 2024, we had total consolidated debt outstanding of approximately $13.3 billion. The level of debt outstanding each period could adversely affect our financial flexibility. We also bear risk at the time our debt matures. Our ability to make interest and principal payments, to refinance our debt obligations and to fund our acquisition program and planned capital expenditures will depend on our ability to generate cash from operations. This, to a certain extent, is subject to general economic, financial, competitive, legislative, regulatory and other factors that are beyond our control, such as an environment of rising interest rates. Interest payments under our senior revolving credit facility are based on a floating rate which exposes us to the risk of a changing or unknown rate environment. Our indebtedness will also reduce the ability to use that cash for other purposes, including working capital, dividends to stockholders, acquisitions, capital expenditures, share repurchases, and general corporate purposes. If we cannot service our indebtedness, we may have to take actions such as selling assets, issuing additional equity or reducing or delaying capital expenditures, strategic acquisitions, and investments, any of which could impede the implementation of our business strategy or prevent us from entering into transactions that would otherwise benefit our business. Additionally, we may not be able to effect such actions, if necessary, or refinance any of our indebtedness on commercially reasonable terms, or at all.

The agreements governing our debt include covenants that, among other things, restrict our ability to dispose of assets, incur additional debt, engage in certain asset sales, mergers, acquisitions or similar transactions, create liens on assets, engage in certain transactions with affiliates, change our business or make investments, and require us to comply with certain financial and legal covenants. The restrictions in the agreements governing our debt may prevent us from taking actions that we believe would be in the best interest of our business and our stockholders and may make it difficult for us to execute our business strategy successfully or effectively compete with companies that are not similarly restricted. We may also incur future debt obligations that might subject us to additional or more restrictive covenants that could affect our financial and operational flexibility, including our ability to pay dividends. We cannot make any assurances that we will be able to refinance our debt or obtain additional financing on terms acceptable to us, or at all. A failure to comply with the restrictions under the agreements governing our debt could result in a default under the financing obligations or could require us to obtain waivers from our lenders for failure to comply with these restrictions. The occurrence of a default that remains uncured or the inability to secure a necessary consent or waiver could cause our obligations with respect to our debt to be accelerated and have a material adverse effect on our financial condition and results of operations.

Our reinsurance securities business serves from time to time as the underwriter and initial purchaser of securities (such as catastrophe bonds) issued by our reinsurance company clients. This involves us, acting as an intermediary, to use our capital on hand and short-term borrowings to cover the purchase price of the securities. We place the securities with investors and use the funds we receive from them to repay our obligations. Risks specific to these short-term borrowings include counterparty risk (which is the risk that arises due to uncertainty about a counterparty's ability to meet its obligations) with respect to the investors. Non-performance by any of our counterparties in these transactions for financial or other reasons could potentially expose us to material losses.

Credit rating downgrades would increase our financing costs and could subject us to operational risk.

If we need to raise capital in the future (for example, in order to maintain adequate liquidity, fund maturing debt obligations or finance acquisitions or other initiatives), credit rating downgrades would increase our financing costs, and could limit our access to financing sources. We would also face the risk of a credit rating downgrade if we do not retire or refinance the debt to levels acceptable to the credit rating agencies in a timely manner. Further, a downgrade to a rating below investment-grade could result in greater operational risks through increased operating costs and increased competitive pressures.

We are a holding company and, therefore, may not be able to receive dividends or other distributions in needed amounts from our subsidiaries.

We are organized as a holding company, a legal entity separate and distinct from our operating subsidiaries. As a holding company without significant operations of our own, we are dependent upon dividends and other payments from our operating subsidiaries to meet our obligations for paying principal and interest on outstanding debt obligations, for paying dividends to stockholders, repurchasing our common stock and for corporate expenses. In the event our operating subsidiaries are unable to pay sufficient dividends and other payments to us, we may not be able to service our debt, pay our obligations, pay dividends on or repurchase our common stock.

Further, we derive a meaningful portion of our revenue and operating profit from operating subsidiaries located outside the U.S. Since the majority of financing obligations as well as dividends to stockholders are paid from the U.S., it is important to be able to access the cash generated by our operating subsidiaries located outside the U.S. in the event we are unable to meet these U.S. based cash requirements.

Funds from our operating subsidiaries outside the U.S. may be repatriated to the U.S. via stockholder distributions and intercompany financings, where necessary. A number of factors may arise that could limit our ability to repatriate funds or make repatriation cost prohibitive, including, but not limited to the imposition of currency controls and other government restrictions on repatriation in the jurisdictions in which our subsidiaries operate, fluctuations in foreign exchange rates, the imposition of withholding and other taxes on such payments and our ability to repatriate earnings in a tax-efficient manner.

In the event we are unable to generate or repatriate cash from our operating subsidiaries for any of the reasons discussed above, our overall liquidity could deteriorate and our ability to finance our obligations, including to pay dividends on or repurchase our common stock, could be adversely affected.

Future sales or other dilution of our equity could adversely affect the market price of our common stock.

An important way we grow our business is through acquisitions. One method of acquiring companies or otherwise funding our corporate activities is through the issuance of additional equity securities. The issuance of any additional shares of common or of preferred stock or convertible securities could be substantially dilutive to holders of our common stock. Moreover, to the extent that we issue restricted stock units, performance stock units, options or warrants to purchase shares of our common stock in the future and those options or warrants are exercised or as the restricted stock units or performance stock units vest, our stockholders will experience further dilution. In March 2024, we established an "at the market" equity offering program (which we refer to as an ATM program) pursuant to which we may offer and sell up to 3,000,000 shares of our common stock. We have refreshed our ATM program in the past and expect to refresh our ATM program periodically. Sales under our ATM program will result in additional dilution for our stockholders. Holders of our common stock have no preemptive rights that entitle holders to purchase their pro rata share of any offering of shares of any class or series and, therefore, such sales or offerings could result in increased dilution to our stockholders. The market price of our common stock could decline as a result of sales of shares of our common stock or the perception that such sales could occur.

Item 1B. Unresolved Staff Comments.

Not applicable.

Item 1C. Cybersecurity.

We have implemented a cybersecurity program to assess, identify, and manage risks from cybersecurity threats that could adversely and materially affect the confidentiality, integrity, and availability of our information and information systems. We maintain administrative, technical, and physical safeguards designed to protect the security and privacy of confidential, personal and proprietary information. Our cybersecurity program is aligned with notable control frameworks such as the NIST CSF (National Institute of Standards and Technology Cybersecurity Framework) and ISO (International Organization for Standardization) 27001.

Our cybersecurity program leverages people, processes, and technology to identify and respond to cybersecurity threats. We have a global incident response capability supported by our Security Operations Center (which we refer to as SOC) team, a managed security service provider (MSSP) and our global Cybersecurity Incident Response Team (which we refer to as CSIRT), which provides threat detection and incident response.

We maintain a global cybersecurity incident response plan and related playbooks, for execution by the SOC team and CSIRT, in coordination with internal and external stakeholders, as applicable. Significant incidents are escalated to a cross-departmental team to assess materiality based on qualitative and quantitative factors. This team consists of executives representing core business functions, including, among others, information technology, legal, finance, accounting, data protection and business divisions, in consultation with third-party advisors, as applicable. We undertake periodic leadership tabletop exercises and periodic adversarial (“red team”) exercises simulating incident response under common risk scenarios. As an acquisitive organization, we have also established a program to increase our visibility into the cybersecurity environment of acquisition targets prior to closing.

We have established a dedicated vendor assessment team, which employs systems and processes designed to oversee, identify, and reduce the potential impact of a security incident at a third-party vendor, service provider or customer or that otherwise implicates the third-party technology and systems we use. We also require cybersecurity insurance coverage for vendors whose services or products may present a cybersecurity risk.

We continuously test and assess our cybersecurity posture, including through annual third-party risk assessments performed by reputable assessors, consultants and auditors. A global FAIR (Factor Analysis of Information Risk) assessment is conducted at least annually to update our cybersecurity risks and corresponding mitigations.

Our employees complete training on data security and our policies when they join us and annually thereafter. We review the content of our mandatory training annually, and provide access to a comprehensive set of supplemental training.

Our Chief Information Security Officer (CISO), working together with our Chief Information Officer (CIO), oversees a team of employees dedicated to cybersecurity. Our CISO receives ongoing updates from the cybersecurity team regarding the prevention, detection, mitigation, and remediation of cybersecurity incidents and regularly reports to the CIO. Our CISO is an active member of our management-level enterprise risk management committee, which has broad oversight of the company’s enterprise risks, including cybersecurity risks. In addition, our CIO and CISO both attend regular meetings of the executive officer team, including our Chief Executive Officer, Chief Financial Officer, General Counsel and other senior executive officers, dedicated to compliance and risk, and report on cybersecurity matters as appropriate. Our Board of Directors has delegated primary responsibility for the oversight of cybersecurity matters to its Risk and Compliance Committee; however, the full board reviews significant cybersecurity matters as appropriate. Our CIO and CISO report on cybersecurity and information security at each quarterly meeting of the Risk and Compliance Committee.

Our CIO has more than 30 years of experience, including from his prior business and technology leadership roles at Aegon N.V., Citigroup, Inc. and JP Morgan Chase & Company. Our CISO has more than 20 years of cybersecurity experience. Prior to joining us, he was Senior Vice President, Chief Information Security Officer at Brighthouse Financial. Before then, he served as Technology Vice President & Chief Information Security Officer for GE Healthcare. He started his career at Allstate Insurance Company. He also holds security, privacy and risk certifications, including Certified Information Systems Auditor, Certified Information Security Manager and Certified Information Systems Security Professional.

We, including our third-party vendors, have experienced cybersecurity incidents and threats and may continue to experience them in the future. Based on the information available as of the date of this Annual Report on Form 10-K, we believe that during the last three fiscal years risks from cybersecurity threats, including as a result of previous cybersecurity incidents, have not materially affected us, including our business strategy, results of operations or financial condition, and as of the date of this

Annual Report on Form 10-K, the Company is not aware of any material risks from cybersecurity threats that are reasonably likely to do so. However, we cannot eliminate all risks from cybersecurity threats or provide assurances that the Company will not be materially affected by such risks in the future. Due to evolving cybersecurity threats, we may not be able to protect all information systems and, as an acquisitive organization, integrating information systems as we acquire new businesses may expose us to unexpected liabilities or increase our vulnerability. There can be no guarantee that our policies, programs and controls, and those of our third-party vendors, including those described in this section, will be sufficient to protect our information, information systems or other property. Additional information on cybersecurity risks we face is discussed in Item 1A of Part I, "Risk Factors," which should be read in conjunction with the foregoing information.

Item 2. Properties.

The executive offices of our corporate segment and certain subsidiary and branch facilities of our brokerage and risk management segments are located at 2850 Golf Road, Rolling Meadows, Illinois, where we own approximately 360,000 square feet of space, and can accommodate 2,000 employees at peak capacity.

Elsewhere, we generally operate in leased premises related to the facilities of our brokerage and risk management operations. We prefer to lease office space rather than own real estate related to the branch facilities of our brokerage and risk management segments. Certain of our office space leases have options permitting renewals for additional periods. In addition to minimum fixed rentals, a number of our leases contain annual escalation clauses generally related to increases in an inflation index. See Notes 13 and 15 to our 2024 consolidated financial statements for information with respect to our lease commitments as of December 31, 2024.

Item 3. Legal Proceedings.

Please see the information set forth in Note 15 to our consolidated financial statements, included herein, under "Litigation, Regulatory and Taxation Matters."

Item 4. Mine Safety Disclosures.

Not applicable.

Information About Our Executive Officers

Set forth below are the names, ages, positions and business backgrounds of our executive officers as of the date hereof:

Name	Age	Position and Year First Elected
J. Patrick Gallagher, Jr.	72	Chairman since 2006, Chief Executive Officer since 1995, President 1990 - 2024
Thomas J. Gallagher	66	President since 2024, President of our Global Property/Casualty Brokerage Operations 2017 - 2024, Chairman of our International Brokerage Operation 2010 - 2016
Patrick M. Gallagher	45	Executive Vice President, Chief Operating Officer since 2024, Corporate Vice President and President of Property/Casualty Brokerage Operation in the Americas 2021 - 2024, Chairman, Canada and Caribbean and CEO of Latin America 2019 - 2021, President, Midwest Region of Property/Casualty Brokerage Operation 2016 - 2019
Walter D. Bay	62	Corporate Vice President, General Counsel, Secretary since 2007
Mark H. Bloom	60	Corporate Vice President and Global Chief Information Officer since 2022. Global Chief Information Officer at Aegon N.V., 2016 - 2021
Douglas K. Howell	63	Corporate Vice President, Chief Financial Officer since 2003
Scott R. Hudson	63	Corporate Vice President and President of our Risk Management Operations since 2010
Vishal Jain	63	Corporate Vice President since 2016, Chief Service Officer since 2014
Christopher E. Mead	57	Corporate Vice President, Chief Marketing Officer since 2017
Michael R. Pesch	53	Corporate Vice President, Chief Executive Officer, Global Brokerage – Americas since 2024, Chief Executive Officer – U.S. Retail Brokerage 2016 - 2024
Susan E. Pietrucha	58	Corporate Vice President, Chief Human Resource Officer since 2007
William F. Ziebell	62	President of our Employee Benefit and Consulting Brokerage Operations since 2017, Corporate Vice President since 2011, regional leader in our Employee Benefit and Consulting Brokerage Operations 2004 - 2016

With the exception of Mr. Bloom, we have employed each such person principally in management capacities for more than the past five years. All executive officers are appointed annually and serve at the discretion of our board of directors.

Part II

Item 5. Market for the Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities.

Our common stock is listed on the New York Stock Exchange, trading under the symbol "AJG."

As of January 31, 2025, there were approximately 2,000 holders of record of our common stock.

(c) Issuer Purchases of Equity Securities

The following table shows the purchases of our common stock made by or on behalf of us or any "affiliated purchaser" (as such term is defined in Rule 10b-18(a)(3) under the Securities Exchange Act of 1934, as amended) of us for each fiscal month in the three-month period ended December 31, 2024:

Period	Total Number of Shares Purchased (1)	Average Price Paid per Share (2)	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs (3)	Maximum Dollar Value of Shares that May Yet be Purchased Under the Plans or Programs (3) (4)
October 1 through October 31, 2024	3,964	$ 286.33	—	$ 1,500
November 1 through November 30, 2024	19,965	290.37	—	1,500
December 1 through December 31, 2024	36,335	283.71	—	1,500
Total	60,264	286.09	—	

(1) Amounts in this column include shares of our common stock purchased by the trustees of trusts established under our Deferred Equity Participation Plan (which we refer to as the DEPP), our Deferred Cash Participation Plan (which we refer to as the DCPP) and our Supplemental Savings and Thrift Plan (which we refer to as the Supplemental Plan), respectively. These plans are considered to be unfunded for purposes of federal tax law since the assets of these trusts are available to our creditors in the event of our financial insolvency. The DEPP is an unfunded, non-qualified deferred compensation plan that generally provides for awards to certain of our key executives that do not vest and/or distribute until participants reach age 62 (or the one-year anniversary of the date of grant for participants over the age of 61). Under sub-plans of the DEPP for certain production staff, the plan generally provides for vesting and/or distributions no sooner than five years from the date of awards, although certain awards vest and/or distribute after the earlier of fifteen years or the participant reaching age 65. See Note 10 to our 2024 consolidated financial statements for more information regarding the DEPP. The DCPP is an unfunded, non-qualified deferred compensation plan for certain key employees, other than executive officers, that generally provides for vesting and/or distributions no sooner than five years from the date of awards. Under the terms of the DEPP and the DCPP, we may contribute cash to the trust and instruct the trustee to acquire a specified number of shares of our common stock on the open market or in privately negotiated transactions. For the fourth quarter of 2024, we instructed the trustee for the DEPP and the DCPP to reinvest dividends on shares of our common stock held by these trusts and to purchase our common stock using cash that we contributed to the DCPP related to 2024 awards under the DCPP. The Supplemental Plan is an unfunded, non-qualified deferred compensation plan that allows certain highly compensated employees to defer compensation, including match amounts by the Company, on a before-tax basis or after-tax basis. Under the terms of the Supplemental Plan, all amounts credited to an employee's account may be deemed invested, at the employee's election, in a number of investment options that include various mutual funds, an annuity product and a fund representing our common stock. When an employee elects to have some or all of the amounts credited to the employee's account under the Supplemental Plan deemed to be invested in the fund representing our common stock, the trustee of the trust for the Supplemental Plan purchases shares of our common stock in a number sufficient to ensure that the trust holds a number of shares of our common stock with a value equal to the amounts deemed invested in the fund representing our common stock. This is to ensure that at the time when an employee becomes entitled to a distribution under the terms of the Supplemental Plan, any amounts deemed to be invested in the fund representing our common stock are distributed in the form of shares of our common stock held by the trust. We established the trusts for the DEPP, the DCPP and the Supplemental Plan to assist us in discharging our deferred compensation obligations under these plans. All assets of these trusts, including any shares of our common stock purchased by the trustees, remain, at all times, assets of the Company, subject to the claims of our creditors in the event of our financial insolvency. The terms of the DEPP, the DCPP and the Supplemental Plan do not provide for a specified limit on the number of shares of common stock that may be purchased by the respective trustees of the trusts.

(2) The average price paid per share is calculated on a settlement basis and does not include commissions.

(3) Effective July 28, 2021, the board of directors approved a common stock repurchase plan of up to $1.5 billion of common stock. Repurchases of common stock may be effected from time to time through open market purchases, trading plans established in accordance with the U.S. Securities and Exchange Commission's rules, accelerated stock repurchases, private transactions or other means, depending on satisfactory market conditions, applicable legal requirements and other factors. The repurchase plan has no expiration date and we are under no commitment or obligation to repurchase any particular amount of our common stock under the plan. At our discretion, we may suspend the repurchase plan at any time.

(4) Dollar values stated in millions.

Item 6. [Reserved].

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations.

Introduction

The following discussion and analysis should be read in conjunction with our consolidated financial statements and the related notes included in Item 8 of this annual report. In addition, please see "Information Regarding Non-GAAP Measures and Other" beginning on page 40 for a reconciliation of the non-GAAP measures for adjusted total revenues, organic commission, fee and supplemental revenues and adjusted EBITDAC to the comparable GAAP measures, as well as other important information regarding these measures.

We are engaged in providing insurance brokerage, reinsurance brokerage, consulting services, and third-party property/casualty claims settlement and administration services to entities and individuals around the world. We believe that one of our major strengths is our ability to deliver comprehensively structured insurance and risk management services to our clients. Our brokers, agents and administrators act as intermediaries between underwriting enterprises and our clients and we do not assume net underwriting risks. We are headquartered in Rolling Meadows, Illinois, and provide brokerage, risk management and consulting services in approximately 130 countries around the world through our owned operations and a network of correspondent brokers and consultants and third-party property/casualty claims settlement and administration services through a network of offices located throughout Australia, Canada, New Zealand, the U.K. and the U.S. In 2024, we expanded, and expect to continue to expand, our international operations through both acquisitions and organic growth. We generate approximately 64% of our revenues for the combined brokerage and risk management segments domestically, with the remaining 36% generated internationally, primarily in Australia, Canada, New Zealand and the U.K. (based on 2024 revenues). We have three reportable segments: brokerage, risk management and corporate. Brokerage and risk management contributed approximately 86% and 14%, respectively, to 2024 revenues. Our major sources of operating revenues are commissions, fees and supplemental and contingent revenues from brokerage operations and fees from risk management operations. Interest income, premium finance revenues and other income is generated from invested cash and fiduciary funds and revenue from premium financing.

Prior Year Discussion of Results and Comparisons

For information on fiscal 2023 results and similar comparisons, see "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" of our Form 10-K for the fiscal year ended December 31, 2023.

Summary of Financial Results - Year Ended December 31,

See the reconciliations of non-GAAP measures on page 38.

	Year 2024		Year 2023		Change	
	Reported GAAP	Adjusted Non-GAAP	Reported GAAP	Adjusted Non-GAAP	Reported GAAP	Adjusted Non-GAAP
			(In millions, except per share data)			
Brokerage Segment						
Revenues	$ 9,933.8	$ 9,883.6	$ 8,637.2	$ 8,631.1	15 %	15 %
Organic revenues		$ 8,860.6		$ 8,244.7		7.5 %
Net earnings	$ 1,685.7		$ 1,169.4		44 %	
Net earnings margin	17.0 %		13.5 %		+343 bpts	
Adjusted EBITDAC		$ 3,475.1		$ 2,952.8		18 %
Adjusted EBITDAC margin		35.2 %		34.2 %		+95 bpts
Diluted net earnings per share	$ 7.46	$ 10.84	$ 5.30	$ 9.33	41 %	16 %
Risk Management Segment						
Revenues before reimbursements	$ 1,450.5	$ 1,450.4	$ 1,287.6	$ 1,286.2	13 %	13 %
Organic revenues		$ 1,355.8		$ 1,254.2		8.1 %
Net earnings	$ 174.5		$ 154.0		13 %	
Net earnings margin (before reimbursements)	12.0 %		12.0 %		+7 bpts	
Adjusted EBITDAC		$ 299.7		$ 257.4		16 %
Adjusted EBITDAC margin (before reimbursements)		20.7 %		20.0 %		+65 bpts
Diluted net earnings per share	$ 0.78	$ 0.86	$ 0.70	$ 0.74	11 %	16 %
Corporate Segment						
Diluted net loss per share	$ (1.74)	$ (1.61)	$ (1.58)	$ (1.37)		
Total Company						
Diluted net earnings per share	$ 6.50	$ 10.09	$ 4.42	$ 8.70	47 %	16 %
Total Brokerage and Risk Management Segment						
Diluted net earnings per share	$ 8.24	$ 11.70	$ 6.00	$ 10.07	37 %	16 %

In our corporate segment, net after-tax (loss) earnings from our clean energy investments was $(4.4) million and $(11.5) million in 2024 and 2023, respectively. At this time, we anticipate our clean energy investments will produce after-tax losses in 2025.

The following provides information that management believes is helpful when comparing revenues before reimbursements, net earnings, EBITDAC and diluted net earnings per share for 2024 and 2023. In addition, these tables provide reconciliations to the most comparable GAAP measures for adjusted revenues, adjusted EBITDAC and adjusted diluted net earnings per share. Reconciliations of EBITDAC for the brokerage and risk management segments are provided on pages 44 and 50 of this filing.

Year Ended December 31 Reported GAAP to Adjusted Non-GAAP Reconciliation:
(In millions, except per share data)

Segment	Revenues Before Reimbursements 2024	Revenues Before Reimbursements 2023	Net Earnings (Loss) 2024	Net Earnings (Loss) 2023	EBITDAC 2024	EBITDAC 2023	Diluted Net Earnings (Loss) Per Share 2024	Diluted Net Earnings (Loss) Per Share 2023	Chg
Brokerage, as reported	$ 9,933.8	$ 8,637.2	$ 1,685.7	$ 1,169.4	$ 3,069.0	$ 2,595.8	$ 7.46	$ 5.30	41 %
Net (gains) on divestitures	(24.2)	(9.6)	(18.0)	(7.2)	(24.2)	(9.6)	(0.08)	(0.03)	
Acquisition integration	—	—	141.9	184.5	190.2	243.7	0.63	0.84	
Workforce and lease termination	—	—	88.6	48.0	118.9	63.4	0.39	0.22	
Acquisition related adjustments	(26.0)	—	63.9	278.8	121.2	69.3	0.28	1.27	
Amortization of intangible assets	—	—	485.8	392.3	—	—	2.16	1.79	
Effective income tax rate impact	—	—	—	(4.9)	—	—	—	(0.02)	
Levelized foreign currency translation	—	3.5	—	(8.3)	—	(9.8)	—	(0.04)	
Brokerage, as adjusted *	9,883.6	8,631.1	2,447.9	2,052.6	3,475.1	2,952.8	10.84	9.33	16 %
Risk Management, as reported	1,450.5	1,287.6	174.5	154.0	289.4	253.4	$ 0.78	$ 0.70	11 %
Net (gains) on divestitures	(0.1)	(0.4)	(0.1)	(0.3)	(0.1)	(0.4)	—	—	
Acquisition integration	—	—	2.1	0.7	2.9	1.0	0.01	—	
Workforce and lease termination	—	—	5.9	2.5	7.2	3.4	0.03	0.01	
Acquisition related adjustments	—	—	0.2	0.4	0.3	0.5	—	—	
Amortization of intangibles assets	—	—	9.9	5.6	—	—	0.04	0.03	
Levelized foreign currency translation	—	(1.0)	—	(0.2)	—	(0.5)	—	—	
Risk Management, as adjusted *	1,450.4	1,286.2	192.5	162.7	299.7	257.4	0.86	0.74	16 %
Corporate, as reported	16.3	1.7	(389.8)	(357.4)	(234.0)	(293.6)	$ (1.74)	$ (1.58)	
Transaction-related costs	—	—	26.3	17.7	32.2	22.6	0.12	0.08	
Legal & tax related	—	—	3.5	26.2	—	48.0	0.02	0.12	
Clean energy-related	(5.3)	—	(1.7)	10.9	(2.3)	12.0	(0.01)	0.01	
Corporate, as adjusted *	11.0	1.7	(361.7)	(302.6)	(204.1)	(211.0)	(1.61)	(1.37)	
Total Company, as reported	$ 11,400.6	$ 9,926.5	$ 1,470.4	$ 966.0	$ 3,124.4	$ 2,555.6	$ 6.50	$ 4.42	47 %
Total Company, as adjusted *	$ 11,345.0	$ 9,919.0	$ 2,278.7	$ 1,912.7	$ 3,570.7	$ 2,999.2	$ 10.09	$ 8.70	16 %
Total Brokerage and Risk Management, as reported	$ 11,384.3	$ 9,924.8	$ 1,860.2	$ 1,323.4	$ 3,358.4	$ 2,849.2	$ 8.24	$ 6.00	37 %
Total Brokerage and Risk Management, as adjusted *	$ 11,334.0	$ 9,917.3	$ 2,640.4	$ 2,215.3	$ 3,774.8	$ 3,210.2	$ 11.70	$ 10.07	16 %

* For the year ended December 31, 2024, the pretax impact of the brokerage segment adjustments totals $1,021.4 million, mostly due to non-cash period expenses related to intangible amortization and acquisition earnout payable adjustments, with a corresponding adjustment to the provision for income taxes of $259.2 million relating to these items. For the year ended December 31, 2024, the pretax impact of the risk management segment adjustments totals $25.0 million, with a corresponding adjustment to the provision for income taxes of $7.0 million relating to these items. For the year ended December 31, 2024, the pretax impact of the corporate segment adjustments totals $29.9 million, with a corresponding adjustment to the benefit for income taxes of $1.8 million relating to these items and other tax items noted on page 56. For the corporate segment, the clean energy related adjustments are described on page 56.

Reconciliation of Non-GAAP Measures - Pre-tax Earnings and Diluted Net Earnings per Share

(In millions except share and per share data)

	Earnings (Loss) Before Income Taxes	Provision (Benefit) for Income Taxes	Net Earnings (Loss)	Net Earnings (Loss) Attributable to Noncontrolling Interests	Net Earnings (Loss) Attributable to Controlling Interests	Diluted Net Earnings (Loss) per Share
Year Ended Dec 31, 2024						
Brokerage, as reported	**$ 2,259.3**	**$ 573.6**	**$ 1,685.7**	**$ 7.7**	**$ 1,678.0**	**$ 7.46**
Net (gains) on divestitures	(24.2)	(6.2)	(18.0)	—	(18.0)	(0.08)
Acquisition integration	190.2	48.3	141.9	—	141.9	0.63
Workforce and lease termination	118.9	30.3	88.6	—	88.6	0.39
Acquisition related adjustments	85.5	21.6	63.9	(3.0)	66.9	0.28
Amortization of intangible assets	651.0	165.2	485.8	—	485.8	2.16
Brokerage, as adjusted	$ 3,280.7	$ 832.8	$ 2,447.9	$ 4.7	$ 2,443.2	$ 10.84
Risk Management, as reported	**$ 237.6**	**$ 63.1**	**$ 174.5**	**$ —**	**$ 174.5**	**$ 0.78**
Net (gains) on divestitures	(0.1)	—	(0.1)	—	(0.1)	—
Acquisition integration	2.9	0.8	2.1	—	2.1	0.01
Workforce and lease termination	8.1	2.2	5.9	—	5.9	0.03
Acquisition related adjustments	0.3	0.1	0.2	—	0.2	—
Amortization of intangible assets	13.8	3.9	9.9	—	9.9	0.04
Risk Management, as adjusted	$ 262.6	$ 70.1	$ 192.5	$ —	$ 192.5	$ 0.86
Corporate, as reported	**$ (622.1)**	**$ (232.3)**	**$ (389.8)**	**$ —**	**$ (389.8)**	**$ (1.74)**
Transaction-related costs	32.2	5.9	26.3	—	26.3	0.12
Legal and tax related	—	(3.5)	3.5	—	3.5	0.02
Clean energy related	(2.3)	(0.6)	(1.7)	—	(1.7)	(0.01)
Corporate, as adjusted	$ (592.2)	$ (230.5)	$ (361.7)	$ —	$ (361.7)	$ (1.61)
Year Ended Dec 31, 2023						
Brokerage, as reported	**$ 1,571.0**	**$ 401.6**	**$ 1,169.4**	**$ 6.3**	**$ 1,163.1**	**$ 5.30**
Net (gains) on divestitures	(9.6)	(2.4)	(7.2)	—	(7.2)	(0.03)
Acquisition integration	243.7	59.2	184.5	—	184.5	0.84
Workforce and lease termination	63.8	15.8	48.0	—	48.0	0.22
Acquisition related adjustments	370.5	91.7	278.8	—	278.8	1.27
Amortization of intangible assets	523.6	131.3	392.3	—	392.3	1.79
Effective income tax rate impact	—	4.9	(4.9)	—	(4.9)	(0.02)
Levelized foreign currency translation	(10.9)	(2.6)	(8.3)	—	(8.3)	(0.04)
Brokerage, as adjusted	$ 2,752.1	$ 699.5	$ 2,052.6	$ 6.3	$ 2,046.3	$ 9.33
Risk Management, as reported	**$ 209.3**	**$ 55.3**	**$ 154.0**	**$ —**	**$ 154.0**	**$ 0.70**
Net (gains) on divestitures	(0.4)	(0.1)	(0.3)	—	(0.3)	—
Acquisition integration	1.0	0.3	0.7	—	0.7	—
Workforce and lease termination	3.4	0.9	2.5	—	2.5	0.01
Acquisition related adjustments	0.5	0.1	0.4	—	0.4	—
Amortization of intangible assets	7.7	2.1	5.6	—	5.6	0.03
Levelized foreign currency translation	(0.3)	(0.1)	(0.2)	—	(0.2)	—
Risk Management, as adjusted	$ 221.2	$ 58.5	$ 162.7	$ —	$ 162.7	$ 0.74
Corporate, as reported	**$ (595.2)**	**$ (237.8)**	**$ (357.4)**	**$ (9.8)**	**$ (347.6)**	**$ (1.58)**
Transaction-related costs	22.6	4.9	17.7	—	17.7	0.08
Legal and tax related	48.0	21.8	26.2	—	26.2	0.12
Clean energy related	12.0	1.1	10.9	7.6	3.3	0.01
Corporate, as adjusted	$ (512.6)	$ (210.0)	$ (302.6)	$ (2.2)	$ (300.4)	$ (1.37)

Acquisition of AssuredPartners

On December 7, 2024, we signed a definitive agreement to acquire all of the issued and outstanding stock of Dolphin Topco, Inc., the holding company of AssuredPartners, Inc., a Delaware corporation (together with its subsidiaries, "AssuredPartners") for gross consideration of $13.45 billion. The transaction is subject to customary regulatory approval, standard closing conditions and is expected to close during first quarter 2025. AssuredPartners is a leading U.S. insurance broker with client capabilities across commercial property/casualty, specialty, employee benefits and personal lines with operations in the U.K. and Ireland. We expect to fund the transaction using $8.5 billion of cash raised in our December 11, 2024 follow-on common stock offering and $5.0 billion of cash borrowed in our December 19, 2024 senior notes issuance (which we refer to, together with the follow-on common stock offering, as the AssuredPartners Financing). On January 7, 2025, we received an additional $1.28 billion of cash due to the exercise by the underwriters of the overallotment provision related to the follow-on common stock offering.

Insurance Market Overview

Fluctuations in premiums charged by property/casualty underwriting enterprises have a direct and potentially material impact on the insurance brokerage industry. Commission revenues are generally based on a percentage of the premiums paid by insureds and normally follow premium levels. Insurance premiums are cyclical in nature and may vary widely based on market conditions. Various factors, including competition for market share among underwriting enterprises, increased underwriting capacity and improved economies of scale following consolidations, can result in flat or reduced property/casualty premium rates (a "soft" market). A soft market tends to put downward pressure on commission revenues. Various countervailing factors, such as greater than anticipated loss experience, unexpected loss exposure and capital shortages, can result in increasing property/casualty premium rates (a "hard" market). A hard market tends to favorably impact commission revenues. Hard and soft markets may be broad-based or more narrowly focused across individual product lines or geographic areas. As markets harden, buyers of insurance (such as our brokerage clients), have historically tried to mitigate premium increases and the higher commissions these premiums generate, including by raising their deductibles and/or reducing the overall amount of insurance coverage they purchase. As the market softens, or costs decrease, these trends have historically reversed. During a hard market, buyers may switch to negotiated fee in lieu of commission arrangements to compensate us for placing their risks, or may consider the alternative insurance market, which includes self-insurance, captives, rent-a-captives, risk retention groups and capital market solutions to transfer risk. Our brokerage units are very active in these markets as well. While increased use by insureds of these alternative markets historically has reduced commission revenue to us, such trends generally have been accompanied by new sales and renewal increases in the areas of risk management, claims management, captive insurance and self-insurance services and related growth in fee revenue. Inflation tends to increase the levels of insured values and risk exposures, resulting in higher overall premiums and higher commissions. However, the impact of hard and soft market fluctuations has historically had a greater impact on changes in premium rates, and therefore on our revenues, than inflationary pressures.

We use the Council of Insurance Agents & Brokers (which we refer to as the CIAB) insurance pricing quarterly survey as an indicator of the insurance rate environment. The CIAB represents the leading domestic and international insurance brokers, who write approximately 85% of the commercial property/casualty premiums in the U.S. The fourth quarter 2024 survey had not been published as of the filing date of this report. The first three 2024 quarterly surveys indicated that U.S. commercial property/casualty rates increased by 7.7%, 5.2%, and 5.1% on average, for the first, second and third quarters of 2024, respectively. We expect a similar trend to be noted when the CIAB fourth quarter 2024 survey report is issued, which would indicate overall continued price firming and hardening in most lines of business.

We believe increases in property/casualty rates will continue throughout 2025 due to rising loss costs, increased frequency of natural catastrophe and weather related losses, prior year reserve volatility and social inflation. We estimate global insured natural catastrophe losses were approximately $150 billion during 2024, and first quarter 2025 insured losses are likely to be elevated due to the California wildfires and, may cause insurance and/or reinsurance carriers to increase property pricing upon renewal. Additionally, if loss trends deteriorate over the coming quarters, or if profitability concerns on casualty lines increase, it could lead to a more difficult rate and conditions environment in certain lines. The combination of increasing insurable values (due to inflation, including wage inflation), a tight labor market and low unemployment is likely contributing to increases in client insured exposures. Additionally, we expect that our history of strong new business generation, solid retentions and enhanced value-added services for our carrier partners should all result in further organic growth opportunities around the world. Overall, we believe that in a positive rate environment with increasing exposures, our professionals can demonstrate their expertise and high-quality, value-added capabilities by strengthening our clients' insurance portfolios and delivering insurance and risk management solutions within our clients' budget. Based on our experience, insurance and reinsurance carriers appear to be making rational pricing decisions and are providing adequate capacity in the market for nearly all lines of coverage.

Business Combinations and Dispositions

See Note 3 to our 2024 consolidated financial statements for a discussion of our 2024 business combinations.

Results of Operations

Information Regarding Non-GAAP Measures and Other

In the discussion and analysis of our results of operations that follows, in addition to reporting financial results in accordance with GAAP, we provide information regarding EBITDAC, EBITDAC margin, adjusted EBITDAC, adjusted EBITDAC margin, diluted net earnings per share, as adjusted (adjusted EPS), adjusted revenue, adjusted compensation and operating expenses, adjusted compensation expense ratio, adjusted operating expense ratio and organic revenue. These measures are not in accordance with, or an alternative to, the GAAP information provided in this report. We believe that these presentations provide useful information to management, analysts and investors regarding financial and business trends relating to our results of operations and financial condition or because they provide investors with measures that our chief operating decision maker uses when reviewing the Company's performance. See further below for definitions and additional reasons each of these measures is useful to investors. 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. For example, our organic revenue is calculated differently than some of our industry peers. The non-GAAP information we provide should be used in addition to, but not as a substitute for, the GAAP information provided. We make determinations regarding certain elements of executive officer incentive compensation, performance share awards and annual cash incentive awards, partly on the basis of measures related to adjusted EBITDAC.

Adjusted Non-GAAP presentation - We believe that the adjusted non-GAAP presentation of our 2024 and 2023 information, presented on the following pages, provides stockholders and other interested persons with useful information regarding certain financial metrics that may assist such persons in analyzing our operating results as they develop a future earnings outlook for us. The after-tax amounts related to the adjustments were computed using the normalized effective tax rate for each respective period.

- **Adjusted measures** - We define these measures as revenues (for the brokerage segment), revenues before reimbursements (for the risk management segment), net earnings, compensation expense and operating expense, respectively, each adjusted to exclude the following, as applicable:
    - Net gains (losses) on divestitures, which are primarily net proceeds received related to sales of books of business and other divestiture transactions, such as the disposal of a business through sale or closure.
    - Acquisition integration costs, which include costs related to certain large acquisitions (including the acquisitions of the Willis Towers Watson plc treaty reinsurance brokerage operations (which we refer to as Willis Re), Buck, Cadence Insurance, Eastern Insurance and My Plan Manager), outside the scope of our usual tuck-in strategy, not expected to occur on an ongoing basis in the future once we fully assimilate the applicable acquisition. These costs are typically associated with redundant workforce, compensation expense related to amortization of certain retention bonus arrangements, extra lease space, duplicate services and external costs incurred to assimilate the acquisition into our IT related systems.
    - Transaction-related costs, which are associated with completed, future and terminated acquisitions. Costs primarily relate to the acquisitions of Willis Re, Buck, Cadence Insurance, Eastern Insurance and My Plan Manager and the pending acquisition of AssuredPartners. These include costs related to regulatory filings, legal and accounting services, insurance and incentive compensation.
    - Workforce related charges, which primarily include severance costs (either accrued or paid) related to employee terminations and other costs associated with redundant workforce.
    - Lease termination related charges, which primarily include costs related to terminations of real estate leases and abandonment of leased space.
    - Acquisition related adjustments principally relate to changes in estimated acquisition earnout payables adjustments and acquisition related compensation charges. In addition, from time to time may include changes in balance sheet estimates arising from conforming accounting principles, purchase-related true-ups and other balance sheet adjustments made after the closing date; the net impact on the results for first quarter 2024 was approximately $26 million of revenues and approximately $28 million of compensation expense.
    - Amortization of intangible assets which reflects the amortization of customer/expiration lists, non-compete agreements, trade names and other intangible assets acquired through our merger and acquisition strategy, the

impact to amortization expense of acquisition valuation adjustments to these assets as well as non-cash impairment charges.

  - The impact of foreign currency translation, as applicable. The amounts excluded with respect to foreign currency translation are calculated by applying current year foreign exchange rates to the same period in the prior year.
  - Effective income tax rate impact, which levelizes the prior year for the change in current year tax rates.
  - Legal and tax related, which represents the impact of (a) adjustments in 2024 and 2023 related to costs associated with legal and tax matters as well as costs associated with the impact of tax items associated with 2022 tax returns filed in October 2023, (b) adjustments in 2023 related to additional U.K. income tax expense related to the non-deductibility of acquisition-related adjustments made in the quarter and costs associated with legal and tax matters.

- **Adjusted ratios** - Adjusted compensation expense and adjusted operating expense, respectively, each divided by adjusted revenues.

Non-GAAP Earnings Measures

We believe that the presentation of EBITDAC, EBITDAC margin, adjusted EBITDAC, adjusted EBITDAC margin, adjusted EPS and adjusted net earnings for the brokerage and risk management segment, each as defined below, provides a meaningful representation of our operating performance. Adjusted EPS is a performance measure and should not be used as a measure of our liquidity. We also consider EBITDAC and EBITDAC margin as ways to measure financial performance on an ongoing basis. In addition, adjusted EBITDAC, adjusted EBITDAC margin and adjusted EPS for the brokerage and risk management segments are presented to improve the comparability of our results between periods by eliminating the impact of the items that have a high degree of variability.

- **EBITDAC and EBITDAC Margin** - EBITDAC is net earnings before interest, income taxes, depreciation, amortization and the change in estimated acquisition earnout payables and EBITDAC margin is EBITDAC divided by total revenues (for the brokerage segment) and revenues before reimbursements (for the risk management segment). These measures for the brokerage and risk management segments provide a meaningful representation of our operating performance for the overall business and provide a meaningful way to measure our financial performance on an ongoing basis.
- **Adjusted EBITDAC and Adjusted EBITDAC Margin** - Adjusted EBITDAC is EBITDAC adjusted to exclude net gains on divestitures, acquisition integration costs, workforce related charges, lease termination related charges, acquisition related adjustments, transaction related costs, legal and tax related costs, and the period-over-period impact of foreign currency translation, as applicable and Adjusted EBITDAC margin is Adjusted EBITDAC divided by total adjusted revenues (defined above). These measures for the brokerage and risk management segments provide a meaningful representation of our operating performance, and are also presented to improve the comparability of our results between periods by eliminating the impact of the items that have a high degree of variability.
- **Adjusted EPS and Adjusted Net Earnings** - Adjusted net earnings have been adjusted to exclude the after-tax impact of net gains on divestitures, acquisition integration costs, the impact of foreign currency translation, workforce related charges, lease termination related charges, acquisition related adjustments, transaction related costs, amortization of intangible assets, legal and tax related costs and effective income tax rate impact, as applicable. Adjusted EPS is Adjusted Net Earnings divided by diluted weighted average shares outstanding. This measure provides a meaningful representation of our operating performance (and as such should not be used as a measure of our liquidity), and for the overall business is also presented to improve the comparability of our results between periods by eliminating the impact of the items that have a high degree of variability.

Organic Revenues (a non-GAAP measure) - For the brokerage segment, organic change in base commission and fee revenues, supplemental revenues and contingent revenues excludes the first twelve months of such revenues generated from acquisitions and such revenues related to divested operations which include disposals of a business through sale or closure, run-off of a business and the restructuring and/or repricing of programs and products in each year presented. These revenues are excluded from organic revenues in order to help interested persons analyze the revenue growth associated with the operations that were a part of our business in both the current and prior year. In addition, organic change in base commission and fee revenues, supplemental revenues and contingent revenues exclude the period-over-period impact of foreign currency translation to improve the comparability of our results between periods. For the risk management segment, organic change in fee revenues excludes the first twelve months of such revenues generated from acquisitions and such revenues related to divested operations in each year presented. In addition, change in organic growth in fee revenues excludes the period-over-period impact of foreign currency translation to improve the comparability of our results between periods.

These revenue items are excluded from organic revenues in order to determine a comparable, but non-GAAP, measurement of revenue growth that is associated with the revenue sources that are expected to continue in the current year and beyond as well as eliminating the impact of the items that have a high degree of variability. We have historically viewed organic revenue growth as an important indicator when assessing and evaluating the performance of our brokerage and risk management segments. We also believe that using this non-GAAP measure allows readers of our financial statements to measure, analyze and compare the growth from our brokerage and risk management segments in a meaningful and consistent manner.

Reconciliation of Non-GAAP Information Presented to GAAP Measures - This report includes tabular reconciliations to the most comparable GAAP measures, as follows: for EBITDAC (on pages 44 and 50), for adjusted revenues, adjusted EBITDAC and adjusted diluted net earnings per share (on page 37), for organic revenue measures (on pages 45 and 50), respectively, for the brokerage and risk management segments, for adjusted compensation and operating expenses and adjusted EBITDAC margin (on page 46), respectively, for the brokerage segment and (on page 51) for the risk management segment.

Brokerage

The brokerage segment accounted for 86% of our revenue in 2024. Our brokerage segment is primarily comprised of retail, wholesale and reinsurance brokerage operations. Our brokerage segment generates revenues by:

(i) Identifying, negotiating and placing all forms of insurance coverage, as well as providing data analytics, risk-shifting, risk-sharing and risk-mitigation consulting services, principally related to property/casualty, life, health, welfare and disability insurance. We also provide these services through, or in conjunction with, other unrelated agents and brokers, consultants and management advisors;

(ii) Identifying, negotiating and placing all forms of reinsurance coverage, as well as providing capital markets services, including acting as underwriter, with respect to insurance linked securities, weather derivatives, capital raising and selected merger and acquisition advisory activities;

(iii) Acting as an agent or broker for multiple underwriting enterprises by providing services such as sales, marketing, selecting, negotiating, underwriting, servicing and placing insurance coverage on their behalf;

(iv) Providing consulting services related to health and welfare benefits, voluntary benefits, executive benefits, compensation, retirement planning, institutional investment and fiduciary, actuarial, compliance, private insurance exchange, human resources technology, communications and benefits administration; and

(v) Providing management and administrative services to captives, pools, risk-retention groups, healthcare exchanges, small underwriting enterprises, such as accounting, claims and loss processing assistance, feasibility studies, actuarial studies, data analytics and other administrative services.

The primary source of revenues for our brokerage services is commissions from underwriting enterprises, based on a percentage of premiums paid by our clients, or fees received from clients based on an agreed level of service usually in lieu of commissions. Commissions are fixed at the contract effective date and generally are based on a percentage of premiums for insurance coverage or employee headcount for employer sponsored benefit plans. Commissions depend upon a large number of factors, including the type of risk being placed, the particular underwriting enterprise's demand, the expected loss experience of the particular risk of coverage, and historical benchmarks surrounding the level of effort necessary for us to place and service the insurance contract. Rather than being tied to the amount of premiums, fees are most often based on an expected level of effort to provide our services. In addition, under certain circumstances, both retail brokerage and wholesale brokerage services receive supplemental and contingent revenues. Supplemental revenue is revenue paid by an underwriting enterprise that is above the base commission paid, is determined by the underwriting enterprise and is established annually in advance of the contractual period based on historical performance criteria. Contingent revenue is revenue paid by an underwriting enterprise based on the overall profit and/or volume of the business placed with that underwriting enterprise during a particular calendar year and is determined after the contractual period.

Financial information relating to our brokerage segment results for 2024 and 2023 (in millions, except per share, percentages and workforce data):

Statement of Earnings	2024	2023	Change
Commissions	$ 6,693.8	$ 5,865.0	$ 828.8
Fees	2,192.6	1,885.0	307.6
Supplemental revenues	359.4	314.2	45.2
Contingent revenues	267.6	235.3	32.3
Interest income, premium finance revenues and other income	420.4	337.7	82.7
Total revenues	9,933.8	8,637.2	1,296.6
Compensation	5,501.4	4,769.1	732.3
Operating	1,363.4	1,272.3	91.1
Depreciation	133.1	124.4	8.7
Amortization	651.0	523.6	127.4
Change in estimated acquisition earnout payables	25.6	376.8	(351.2)
Total expenses	7,674.5	7,066.2	608.3
Earnings before income taxes	2,259.3	1,571.0	688.3
Provision for income taxes	573.6	401.6	172.0
Net earnings	1,685.7	1,169.4	516.3
Net earnings attributable to noncontrolling interests	7.7	6.3	1.4
Net earnings attributable to controlling interests	$ 1,678.0	$ 1,163.1	$ 514.9
Diluted net earnings per share	$ 7.46	$ 5.30	$ 2.16
Other Information			
Change in diluted net earnings per share	41 %	(5)%	
Growth in revenues	15 %	18 %	
Organic change in commissions and fees	7 %	9 %	
Compensation expense ratio	55 %	55 %	
Operating expense ratio	14 %	15 %	
Effective income tax rate	25 %	26 %	
Workforce at end of period (includes acquisitions)	42,091	39,337	
Identifiable assets at December 31	$ 46,439.2	$ 47,446.1	

The following provides information that management believes is helpful when comparing EBITDAC and adjusted EBITDAC for 2024 and 2023 (in millions):

		2024	2023	Change
Net earnings, as reported		$ 1,685.7	$ 1,169.4	44.2 %
Provision for income taxes		573.6	401.6	
Depreciation		133.1	124.4	
Amortization		651.0	523.6	
Change in estimated acquisition earnout payables		25.6	376.8	
EBITDAC		3,069.0	2,595.8	18.2 %
Net (gains) on divestitures		(24.2)	(9.6)	
Acquisition integration		190.2	243.7	
Workforce and lease termination related charges		118.9	63.4	
Acquisition related adjustments		121.2	69.3	
Levelized foreign currency translation		—	(9.8)	
EBITDAC, as adjusted		$ 3,475.1	$ 2,952.8	17.7 %
Net earnings margin, as reported	*	17.0 %	13.5 %	+343 bpts
EBITDAC margin, as adjusted	*	35.2 %	34.2 %	+95 bpts
Reported revenues		$ 9,933.8	$ 8,637.2	
Adjusted revenues - see page 37		$ 9,883.6	$ 8,631.1	

* 2024 adjusted EBITDAC margin would be 35.0% excluding approximately $20.0 million of interest income revenues earned on the proceeds received in December 2024 related to the AssuredPartners Financing.

Commissions and fees - The aggregate increase in base commissions and fees for 2024 was due to revenues associated with acquisitions that were made during 2024 and 2023 ($618.2 million) and organic revenue growth. Commission revenues increased 14% and fee revenues increased 16% in 2024 compared to 2023. The organic change in base commission and fee revenues was 7% in 2024 and 9% in 2023.

In our property/casualty brokerage operations, during the twelve-month period ended December 31, 2024, we saw continued strong customer retention, higher new business generation and increasing renewal premiums (premium rates and exposures). We believe these favorable trends should continue in 2025; however, if economic conditions worsen or premium rate increases slow, we could see our revenue growth moderate.

Items excluded from organic revenue computations yet impacting revenue comparisons for 2024 and 2023 include the following (in millions):

	Year Ended December 31, 2024	2023	Change
Base Commissions and Fees			
Commission and fees, as reported	$ 8,886.4	$ 7,750.0	14.7 %
Less commission and fee revenues from acquisitions	(618.2)	—	
Less divested operations	—	(57.9)	
Levelized foreign currency translation	—	5.2	
Organic base commission and fees	$ 8,268.2	$ 7,697.3	7.4 %
Supplemental revenues			
Supplemental revenues, as reported	$ 359.4	$ 314.2	14.4 %
Less supplemental revenues from acquisitions	(9.4)	—	
Levelized foreign currency translation	—	1.1	
Organic supplemental revenues	$ 350.0	$ 315.3	11.0 %
Contingent revenues			
Contingent revenues, as reported	$ 267.6	$ 235.3	13.7 %
Less contingent revenues from acquisitions	(25.2)	—	
Less divested operations	—	(3.0)	
Levelized foreign currency translation	—	(0.2)	
Organic contingent revenues	$ 242.4	$ 232.1	4.4 %
Total reported commissions, fees, supplemental revenues and contingent revenues	$ 9,513.4	$ 8,299.5	14.6 %
Less commissions, fees, supplemental revenues and contingent revenues from acquisitions	(652.8)	—	
Less divested operations	—	(60.9)	
Levelized foreign currency translation	—	6.1	
Total organic commissions, fees supplemental revenues and contingent revenues	$ 8,860.6	$ 8,244.7	7.5 %

Acquisition Activity	2024	2023
Number of acquisitions closed	46	50
Estimated annualized revenues acquired (in millions)	$ 362.6	$ 826.0

For 2024 and 2023, we issued 512,000 and 1,612,000, shares, respectively, of our common stock at the request of sellers and/or in connection with tax-free exchange acquisitions.

On December 19, 2024, we closed and funded an offering of $5,000.0 million of unsecured senior notes in five tranches. The $750.0 million aggregate principal amount of 4.60% Senior Notes is due in 2027, $750.0 million aggregate principal amount of 4.85% Senior Notes is due in 2029, $500.0 million aggregate principal amount of 5.00% Senior Notes is due in 2032, $1,500.0 million aggregate principal amount of 5.15% Senior Notes is due in 2035, $1,500.0 million aggregate principal amount 5.55% Senior Notes is due in 2055. The weighted average interest rate is 5.25% per annum after giving effect to underwriting costs and a net hedge gain. During 2024, we entered into a pre-issuance interest rate hedging transaction related to these notes. We realized a net cash gain of approximately $4.1 million on the hedging transactions that will be recognized on a pro rata basis as a decrease to our reported interest expense over ten years. We expect to use the net proceeds of this offering to fund a portion of the cash consideration payable in connection with the AssuredPartners transaction and, to the extent that any proceeds remain thereafter, or if the AssuredPartners transaction is not completed, for general corporate purposes, including other acquisitions.

On February 12, 2024, we closed and funded an offering of $1,000.0 million of unsecured senior notes in two tranches. The $500.0 million aggregate principal amount of 5.45% Senior Notes is due in 2034 and $500.0 million aggregate principal amount of 5.75% Senior Notes is due in 2054. The weighted average interest rate is 5.71% per annum after giving effect to underwriting costs and a net hedge loss. During 2023, we entered into a pre-issuance interest rate hedging transaction related to these notes. We realized a net cash loss of approximately $1.4 million on the hedging transactions that will be recognized on a pro rata basis as an increase to our reported interest expense over ten years. We used the proceeds of these offerings to fund acquisitions, earnout payments related to acquisitions and general corporate purposes.

Supplemental and contingent revenues - Reported supplemental and contingent revenues recognized in 2024 and 2023 by quarter are as follows (in millions):

	Q1	Q2	Q3	Q4	Full Year
2024					
Reported supplemental revenues	$ 93.9	$ 88.7	$ 79.1	$ 97.7	$ 359.4
Reported contingent revenues	86.0	59.8	69.3	52.5	267.6
Reported supplemental and contingent revenues	$ 179.9	$ 148.5	$ 148.4	$ 150.2	$ 627.0
2023					
Reported supplemental revenues	$ 81.6	$ 71.2	$ 70.8	$ 90.6	$ 314.2
Reported contingent revenues	71.8	54.2	53.9	55.4	235.3
Reported supplemental and contingent revenues	$ 153.4	$ 125.4	$ 124.7	$ 146.0	$ 549.5

Interest income, premium finance revenues and other income - This primarily represents interest income earned on cash, cash equivalents and fiduciary cash and revenues from premium financing, income from equity investments and net gains related to divestitures and sales of books of business.

Interest income, premium finance revenues and other income in 2024 increased compared to 2023 primarily due to increases in interest income earned on our own and fiduciary funds, including the $20.0 million interest income earned in December 2024 related to the proceeds from the AssuredPartners Financing.

The following table provides a reconciliation of brokerage segment interest income, premium finance revenues and other income, as reported in our consolidated financial statements to interest income earned on cash, cash equivalents and fiduciary cash (in millions):

	2024	2023
Interest income, premium finance revenues and other income	$ 420.4	$ 337.7
Less:		
Net (gains) on divestitures	(24.2)	(9.6)
Premium financing revenues and net earnings from equity interests	(108.6)	(106.5)
Interest income from cash, cash equivalents and fiduciary cash	$ 287.6	$ 221.6

Compensation expense - The following provides non-GAAP information that management believes is helpful when comparing 2024 and 2023 compensation expense (in millions):

	2024	2023
Compensation expense, as reported	$ 5,501.4	$ 4,769.1
Acquisition integration	(106.4)	(146.6)
Workforce related charges	(108.1)	(56.0)
Acquisition related adjustments	(147.2)	(69.3)
Levelized foreign currency translation	—	11.9
Compensation expense, as adjusted	$ 5,139.7	$ 4,509.1
Reported compensation expense ratios	55.4 %	55.2 %
Adjusted compensation expense ratios	52.0 %	52.2 %
Reported revenues	$ 9,933.8	$ 8,637.2
Adjusted revenues - see page 37	$ 9,883.6	$ 8,631.1

The $732.3 million increase in compensation expense in 2024 compared to 2023 was primarily due to compensation associated with the acquisitions completed in the twelve month period ended December 31, 2024 - $350.8 million, increases in base compensation related to the hiring of producers and other roles to service and support organic growth and higher benefit costs - $291.7 million in the aggregate, increases in acquisition earnout related adjustments - $77.9 million and workforce related charges - $52.1 million, partially offset by reduced acquisition integration costs - $40.2 million.

Operating expense - The following provides non-GAAP information that management believes is helpful when comparing 2024 and 2023 operating expense (in millions):

	2024	2023
Operating expense, as reported	$ 1,363.4	$ 1,272.3
Acquisition integration	(83.8)	(97.1)
Workforce and lease termination related charges	(10.8)	(7.4)
Levelized foreign currency translation	—	1.4
Operating expense, as adjusted	$ 1,268.8	$ 1,169.2
Reported operating expense ratios	13.7 %	14.7 %
Adjusted operating expense ratios	12.8 %	13.6 %
Reported revenues	$ 9,933.8	$ 8,637.2
Adjusted revenues - see page 37	$ 9,883.6	$ 8,631.1

The $91.1 million increase in operating expense in 2024 compared to 2023, was primarily due to expenses associated with the acquisitions completed in the twelve-month period ended December 31, 2024 - $78.9 million, underlying inflation of travel and entertainment costs and additional investments in technology - $22.1 million, increases in workforce related charges - $3.4 million, partially offset by reduced acquisition integration costs - $13.3 million.

Depreciation - The increase in depreciation expense in 2024 compared to 2023 was due primarily to the impact of purchases of furniture, equipment and leasehold improvements related to office consolidations and moves, and expenditures related to upgrading computer systems. Also contributing to the increases in depreciation expense in 2024 was the depreciation expense associated with acquisitions completed in 2024 and the latter part of 2023.

Amortization - The increase in amortization in 2024 compared to 2023 was primarily due to the impact of amortization expense of intangible assets associated with acquisitions completed in 2024 and 2023, partially offset by the impact of acquisition valuation true-ups recorded in 2024 relating to acquisitions made in 2023. Expiration lists, non-compete agreements and trade names are amortized using the straight-line method over their estimated useful lives (two to fifteen years for expiration lists, two to six years for non-compete agreements and two to fifteen years for trade names). Based on the results of impairment reviews performed on amortizable intangible assets in 2024 and 2023, we wrote off $19.4 million and $3.5 million, respectively, of amortizable intangible assets related to the brokerage segment. We review all of our intangible assets for impairment periodically (at least annually for goodwill) and whenever events or changes in business circumstances indicate that the carrying value of the assets may not be recoverable. We perform such impairment reviews at the division (i.e., reporting unit) level with respect to goodwill and at the business unit level for amortizable intangible assets. In reviewing intangible assets, if the undiscounted future cash flows were less than the carrying amount of the respective (or underlying) asset, an indicator of impairment would exist and further analysis would be required to determine whether or not a loss would need to be charged against current period earnings as a component of amortization expense. In October 2024, we performed a qualitative impairment review on carrying value of our goodwill for all of our reporting units and no indicators of impairment were noted as of December 31, 2024.

Change in estimated acquisition earnout payables - The change in the expense from the change in estimated acquisition earnout payables in 2024 compared to 2023 was due primarily to adjustments made to the estimated fair value of earnout obligations related to revised assumptions due to rising interest rates and increased market volatility and projections of future performance. During 2024 and 2023, we recognized $61.3 million and $76.1 million, respectively, of expense related to the accretion of the discount recorded for earnout obligations in connection with our acquisitions made from 2021 to 2024. During 2024 and 2023, we recognized $35.7 million of income and $300.7 million of expense, respectively, related to net adjustments in the estimated fair market values of earnout obligations in connection with revised projections of future performance for 91 and 80 acquisitions, respectively. The net adjustments in 2024 include changes made to the estimated fair value of the Willis Re acquisition earnout and reflect updated assumptions as of December 31, 2024 and are based on actual 2024 recognized revenues. The net adjustments in 2023, primarily included changes made to the estimated fair value of the Willis Re acquisition earnout and reflected updated assumptions as of December 31, 2023, including forecasted 2024 revenue projections based on January 1, 2024 reinsurance renewals.

The amounts initially recorded as earnout payables for our 2021 to 2024 acquisitions were measured at fair value as of the acquisition date and are primarily based upon the estimated future operating results of the acquired entities over a two- to three-year period subsequent to the acquisition date. The fair value of these earnout obligations is based on the present value of the expected future payments to be made to the sellers of the acquired entities in accordance with the provisions outlined in the respective purchase agreements. In determining fair value, we estimate the acquired entity's future performance using financial projections developed by management for the acquired entity and market participant assumptions that were derived for revenue growth and/or profitability. We estimate future earnout payments using the earnout formula and performance targets specified in each purchase agreement and these financial projections. Subsequent changes in the underlying financial projections or assumptions will cause the estimated earnout obligations to change and such adjustments are recorded in our consolidated statement of earnings when incurred. Increases in the earnout payable obligations will result in the recognition of expense and decreases in the earnout payable obligations will result in the recognition of income.

Provision for income taxes - The brokerage segment's effective tax rate in 2024 and 2023 was 25.4% and 25.6%, respectively. As of April 1, 2023, a U.K. corporate tax rate of 25% went into effect making the 2023 full year effective rate in the U.K. 23.5%. We anticipate reporting an effective tax rate of approximately 24.5% to 26.5% in our brokerage segment based on known changes in tax rates in future periods.

Net earnings attributable to noncontrolling interests - The amounts reported in this line for 2024 and 2023 include noncontrolling interest earnings of $7.7 million and $6.3 million, respectively.

Litigation, Regulatory and Taxation Matters - We routinely are involved in legal proceedings, claims, disputes, regulatory matters and governmental inspections or investigations arising in the ordinary course of or incidental to our business, including relating to E&O claims and those noted below in this section. We record accruals in the consolidated financial statements for pending litigation when we determine that an unfavorable outcome is probable and the amount of the loss can be reasonably estimated. For the matters we disclose that do not include an estimate of the amount of loss or range of losses, such an estimate is not possible or is immaterial, and we may be unable to estimate the possible loss or range of losses that could potentially result from the application of non-monetary remedies, unless disclosed below. We currently believe that the ultimate outcome of these proceedings, individually and in the aggregate, will not materially harm our financial position, results of operations or cash flows. However, legal proceedings and government investigations are subject to inherent uncertainties, and unfavorable rulings or other events could occur, including the payment of substantial monetary damages or an injunction or other order prohibiting us from selling one or more products at all or in particular ways, precluding particular business practices or requiring other remedies, which may result in a material adverse impact on our business, results of operations or financial position.

As previously disclosed, our IRC 831(b) (or "micro-captive") advisory services business has been under a promoter investigation by the IRS since 2013. Among other matters, the IRS is investigating whether we have been acting as a tax shelter promoter in connection with these operations. Additionally, the IRS is conducting a criminal investigation related to IRC 831(b) micro-captive underwriting enterprises. We have been advised that we are not a target of the criminal investigation. We are fully cooperating with both matters.

Risk Management

The risk management segment accounted for 14% of our revenue in 2024. Our risk management segment operations provide contract claim settlement, claim administration, loss control services and risk management consulting for commercial, nonprofit, captive and public sector entities, and various other organizations that choose to self-insure property/casualty coverages or choose to use a third-party claims management organization rather than the claim services provided by underwriting enterprises. Revenues for our risk management segment are comprised of fees generally negotiated (i) on a per-claim or per-service basis, (ii) on a cost-plus basis, or (iii) as performance-based fees. We also provide risk management consulting services that are recognized as the services are delivered.

Financial information relating to our risk management segment results for 2024 and 2023 (in millions, except per share, percentages and workforce data):

Statement of Earnings	2024	2023	Change
Fees	$ 1,414.0	$ 1,259.7	$ 154.3
Interest income and other income	36.5	27.9	8.6
Revenues before reimbursements	1,450.5	1,287.6	162.9
Reimbursements	154.3	145.4	8.9
Total revenues	1,604.8	1,433.0	171.8
Compensation	882.4	776.8	105.6
Operating	278.7	257.4	21.3
Reimbursements	154.3	145.4	8.9
Depreciation	37.6	35.9	1.7
Amortization	13.8	7.7	6.1
Change in estimated acquisition earnout payables	0.4	0.5	(0.1)
Total expenses	1,367.2	1,223.7	143.5
Earnings before income taxes	237.6	209.3	28.3
Provision for income taxes	63.1	55.3	7.8
Net earnings	174.5	154.0	20.5
Net earnings attributable to noncontrolling interests	—	—	—
Net earnings attributable to controlling interests	$ 174.5	$ 154.0	$ 20.5
Diluted earnings per share	$ 0.78	$ 0.70	$ 0.08
Other information			
Change in diluted earnings per share	11 %	30 %	
Growth in revenues (before reimbursements)	13 %	18 %	
Organic change in fees (before reimbursements)	8 %	16 %	
Compensation expense ratio (before reimbursements)	61 %	60 %	
Operating expense ratio (before reimbursements)	19 %	20 %	
Effective income tax rate	27 %	26 %	
Workforce at end of period (includes acquisitions)	10,339	9,747	
Identifiable assets at December 31	$ 1,661.7	$ 1,649.3	

The following provides non-GAAP information that management believes is helpful when comparing 2024 and 2023 EBITDAC and adjusted EBITDAC (in millions):

	2024	2023	Change
Net earnings, as reported	$ 174.5	$ 154.0	13.3 %
Provision for income taxes	63.1	55.3	
Depreciation	37.6	35.9	
Amortization	13.8	7.7	
Change in estimated acquisition earnout payables	0.4	0.5	
Total EBITDAC	289.4	253.4	14.2 %
Net (gains) on divestitures	(0.1)	(0.4)	
Acquisition integration	2.9	1.0	
Workforce and lease termination related charges	7.2	3.4	
Acquisition related adjustments	0.3	0.5	
Levelized foreign currency translation	—	(0.5)	
EBITDAC, as adjusted	$ 299.7	$ 257.4	16.4 %
Net earnings margin, before reimbursements, as reported	12.0 %	12.0 %	+7 bpts
EBITDAC margin, before reimbursements, as adjusted	20.7 %	20.0 %	+65 bpts
Reported revenues before reimbursements	$ 1,450.5	$ 1,287.6	
Adjusted revenues - before reimbursements - see page 37	$ 1,450.4	$ 1,286.2	

Fees - In 2024, our risk management operations, new core workers' compensation and general liability claims arising improved from new clients coming on board in 2024 and 2023. We believe these favorable trends should continue for 2025, however, worsening economic conditions or a reversal in the number of workers employed, could cause fewer new liability and core workers' compensation claims to arise in future quarters. Organic change in fee revenues was 8% in 2024 and 16% in 2023.

Items excluded from organic fee computations yet impacting revenue comparisons in 2024 and 2023 include the following (in millions):

	Year Ended December 31, 2024	2023	Change
Fees	$ 1,405.6	$ 1,246.1	12.8 %
International performance bonus fees	8.4	13.6	
Fees as reported	1,414.0	1,259.7	12.2 %
Less fees from acquisitions	(58.2)	—	
Less divested operations	—	(4.5)	
Levelized foreign currency translation	—	(1.0)	
Organic fees	$ 1,355.8	$ 1,254.2	8.1 %

Acquisition Activity	2024	2023
Number of acquisitions closed	2	1
Estimated annualized revenues acquired (in millions)	$ 23.9	$ 59.1

Reimbursements - Reimbursements represent amounts received from clients reimbursing us for certain third-party costs associated with providing our claims management services. In certain service partner relationships, we are considered a principal because we direct the third party, control the specified service and combine the services provided into an integrated solution. Given this principal relationship, we are required to recognize revenue on a gross basis and service partner vendor fees in the operating expense line in our consolidated statement of earnings. The increase in reimbursements in 2024 compared to 2023 was primarily due to a change in business mix that is processed internally versus using outside service partners.

Interest income and other income - Interest income and other income primarily represents interest income earned on cash, cash equivalents and fiduciary cash. Interest income and other income in 2024 increased compared to 2023 primarily due to increases in interest income from increases in interest rates earned on fiduciary cash and increased levels of fiduciary cash.

Compensation expense - The following provides non-GAAP information that management believes is helpful when comparing 2024 and 2023 compensation expense compensation expense (in millions):

	2024	2023
Compensation expense, as reported	$ 882.4	$ 776.8
Acquisition integration	(1.6)	(1.0)
Workforce and lease termination related charges	(4.4)	(2.0)
Acquisition related adjustments	(0.3)	(0.5)
Levelized foreign currency translation	—	(0.4)
Compensation expense, as adjusted	$ 876.1	$ 772.9
Reported compensation expense ratios (before reimbursements)	60.8 %	60.3 %
Adjusted compensation expense ratios (before reimbursements)	60.4 %	60.1 %
Reported revenues (before reimbursements)	$ 1,450.5	$ 1,287.6
Adjusted revenues (before reimbursements) - see page 37	$ 1,450.4	$ 1,286.2

The $105.6 million increase in compensation expense in 2024 compared to 2023 was primarily due to increases in base compensation to service and support organic growth and higher benefit costs - $73.2 million in the aggregate, compensation associated with the acquisitions completed in the twelve month period ended December 31, 2024 - $29.6 million, increases in workforce related charges - $2.4 million and acquisition integration related costs - $0.6 million, partially offset by reduced acquisition earnout related adjustments - $0.2 million.

Operating expense - The following provides non-GAAP information that management believes is helpful when comparing 2024 and 2023 operating expense operating expense (in millions):

	2024	2023
Operating expense, as reported	$ 278.7	$ 257.4
Acquisition integration	(1.3)	—
Workforce and lease termination related charges	(2.8)	(1.4)
Levelized foreign currency translation	—	(0.1)
Operating expense, as adjusted	$ 274.6	$ 255.9
Reported operating expense ratios (before reimbursements)	19.2 %	20.0 %
Adjusted operating expense ratios (before reimbursements)	18.9 %	19.9 %
Reported revenues (before reimbursements)	$ 1,450.5	$ 1,287.6
Adjusted revenues - (before reimbursements) see page 37	$ 1,450.4	$ 1,286.2

The $21.3 million increase in operating expense in 2024 compared to 2023 was primarily due to expenses associated with the acquisitions completed in the twelve month period ended December 31, 2024 - $10.3 million, additional investments in technology and business insurance - $8.3 million, increases in workforce related charges - $1.4 million and acquisition integration costs - $1.3 million.

Depreciation - Depreciation expense increased in 2024 compared to 2023, which reflects the impact of expenditures related to upgrading computer systems. partially offset by office consolidations that occurred as leases expired in 2024 (less depreciation associated with furniture, equipment and leasehold improvements). Also contributing to the increase in depreciation expense in 2024 was the depreciation expense associated with the acquisitions completed in 2024 and the latter part of 2023.

Amortization - Amortization expense increased in 2024 compared to 2023. The increase in amortization in 2024 compared to 2023 was primarily due to the impact of amortization expense of intangible assets associated with the acquisitions completed in 2024 and the later part of 2023 (My Plan Manager was completed in December 2023). Based on the results of impairment reviews performed on amortizable intangible assets during 2024 and 2023, there were no impairments of amortizable assets related to the risk management segment.

Change in estimated acquisition earnout payables - The change in estimated acquisition earnout payables in 2024 and 2023, primarily relates to accretion of discount in 2024 and 2023 relates to the estimated fair value of the earnout obligations. During 2024 and 2023, we recognized $0.4 million and $0.5 million, respectively, of expense related to the accretion of the discount recorded for earnout obligations in connection with our 2021 to 2024 acquisitions, respectively. During 2024 and 2023, there were no net adjustments in the estimated fair value of earnout obligations related to projections of future performance for acquisitions.

Provision for income taxes - We allocate the provision for income taxes to the risk management segment using local statutory rates. As of April 1, 2023, a U.K. corporate tax rate of 25% went into effect, making the 2023 full year effective rate 23.5%. The risk management segment's effective tax rate in 2024 and 2023 was 26.6% and 26.4%, respectively. We anticipate reporting an effective tax rate on adjusted results of approximately 25% to 27% in our risk management segment based on known changes in tax rates in future periods.

Corporate

The corporate segment reports the financial information related to our debt, external acquisition-related expenses, other corporate costs and the impact of foreign currency remeasurement. See Note 7 to our 2024 consolidated financial statements for a summary of our debt at December 31, 2024 and 2023.

Financial information relating to our corporate segment results for 2024 and 2023 (in millions, except per share and percentages):

Statement of Earnings	2024	2023	Change
Other income	$ 16.3	$ 1.7	$ 14.6
Total revenues	16.3	1.7	14.6
Compensation	138.5	135.3	3.2
Operating	111.8	160.0	(48.2)
Interest	381.3	296.7	84.6
Depreciation	6.8	4.9	1.9
Total expenses	638.4	596.9	41.5
Loss before income taxes	(622.1)	(595.2)	(26.9)
Benefit for income taxes	(232.3)	(237.8)	5.5
Net loss	(389.8)	(357.4)	(32.4)
Net loss attributable to noncontrolling interests	—	(9.8)	9.8
Net loss attributable to controlling interests	$ (389.8)	$ (347.6)	$ (42.2)
Diluted net loss per share	$ (1.74)	$ (1.58)	$ (0.16)
Identifiable assets at December 31	$ 16,154.3	$ 2,520.4	
EBITDAC			
Net loss	$ (389.8)	$ (357.4)	$ (32.4)
Benefit for income taxes	(232.3)	(237.8)	5.5
Interest	381.3	296.7	84.6
Depreciation	6.8	4.9	1.9
EBITDAC	$ (234.0)	$ (293.6)	$ 59.6

Revenues - Revenues in the corporate segment consist of other income related to the run-off of clean energy and legacy investments, and in 2024, some interest income related to the proceeds from the AssuredPartners financing.

Compensation expense - Compensation expense for 2024 and 2023 includes salary, incentive compensation, and associated benefit expenses of $138.5 million and $135.3 million, respectively. The change in 2024 compensation expense compared to 2023 was primarily due to increased incentive compensation, which includes transaction-related costs as described on page 56 in note (2) and increased costs associated with stock-based compensation, partially offset by savings in base compensation.

Operating expense - Operating expense for 2024 includes banking and related fees of $3.1 million, external professional fees and other due diligence costs related to 2024 acquisitions of $38.5 million, which includes $22.8 million of transaction-related costs as described on page 56 in note (2), other corporate and clean energy related expenses, including litigation matters, technology and other professional fees of $70.1 million in aggregate, and a net unrealized foreign exchange remeasurement loss of $0.1 million.

Operating expense for 2023 includes banking and related fees of $3.1 million, external professional fees and other due diligence costs related to 2023 acquisitions of $33.8 million, which includes $17.6 million of transaction-related costs as described on page 56 in note (2), other corporate and clean energy related expenses, including litigation matters, technology and other professional fees of $113.3 million in aggregate, and a net unrealized foreign exchange remeasurement loss of $9.8 million.

Interest expense - The increase in interest expense in 2024 compared to 2023 was due to the following (in millions):

Change in interest expense related to:	**2024 / 2023**
Interest on borrowings from our Credit Agreement	$ (8.1)
Interest on the maturity of the Series H notes	(12.4)
Interest on the maturity of the Series E notes	(0.3)
Interest on the maturity of the Series N notes	(4.1)
Interest on the maturity of the Series CC notes	(1.6)
Interest on the maturity of the Series HH notes	(4.1)
Interest on the $950.0 million senior notes funded on March 2, 2023	9.2
Interest on the $1,000.0 million senior notes funded on November 2, 2023	56.4
Interest on the $1,000.0 million senior notes funded on February 15, 2024	49.8
Interest on the $5,000.0 million senior notes funded on December 19, 2024	9.2
Amortization of hedge gains	(9.4)
Net change in interest expense	$ 84.6

Depreciation - Depreciation expense in 2024 increased compared to 2023, due to capital improvements made at our corporate headquarters and Gallagher Centers of Excellence in 2024 and 2023 and to the acquisition of other corporate related fixed assets in 2024.

Net losses attributable to noncontrolling interests - The amounts reported in this line for 2024 and 2023 primarily include noncontrolling interest of zero and ($9.8) million, respectively, related to our investment in Chem-Mod LLC. As of December 31, 2024 and 2023, we held a 46.5% controlling interest in Chem-Mod LLC, which ceased operations in 2023.

Benefit for income taxes - We allocate the provision for income taxes to the brokerage and risk management segments using local statutory rates. Our consolidated effective tax rate was 21.6% and 18.5%, for 2024 and 2023, respectively. The tax rate for 2024 was lower than the statutory rate primarily due to the income tax benefit of stock-based awards. The tax rate for 2023 was lower than the statutory rate primarily due to the income tax benefit of stock-based awards, revaluation of deferred tax assets in Bermuda to the new 15% corporate tax rate as well as updates to the U.S. tax attributes associated with the U.K. loss deferral reported on the 2022 tax return. As of April 1, 2023, a U.K. corporate tax rate of 25% went into effect, making the 2023 full year effective rate in the U.K. 23.5%. There were no IRC Section 45 tax credits generated in 2024 and 2023. In 2023, we recognized an unfavorable U.K. tax impact related to earnout liability adjustments. The income tax benefit of stock based awards that vested or were settled in the years ended December 31, 2024 and 2023 was $89.4 million and $76.1 million, respectively.

Significant Future Income Tax Law Changes - Although no new significant tax legislation was enacted in 2024, several previous law and administrative changes, particularly the scheduled sunset of numerous provisions of the Tax Cuts and Jobs Act (TCJA), P.L. 115-97, at the end of this year are being reviewed. In addition, the implications of the November 2024 U.S. elections on the tax environment are still being evaluated, with possible new or renewed initiatives going forward,

On December 27, 2023, Bermuda introduced a new corporate income tax that applies to Bermuda businesses that are part of multinational enterprise groups with annual revenues of €750.0 million and greater, taking effect in January 2025. We have adjusted our Bermuda tax deferred items to account for this rate increase. In 2022, the U.S. enacted the IRA and the Creating Helpful Incentives to Produce Semiconductors (which we refer to as CHIPS) and Science Act of 2022. We do not anticipate any significant impacts from either law change. See more discussions of those provisions below.

The OECD's Pillar 2 framework became effective for tax years beginning January 1, 2024, and calls for implementing a minimum 15% effective corporate tax rate for multinational companies with global consolidated revenues of €750 million or more, regardless of the local tax rate. The OECD's Pillar 2 corporate tax has been implemented in many jurisdictions worldwide in some form, including in countries where we have significant operations, including the U.K, Canada, Australia and New Zealand. Different countries have implemented the necessary rules in different ways, through their individual agreement to tax treaty changes and through changes to their own domestic tax laws.

Depending on how the jurisdictions in which we and our subsidiaries are based, choose to implement the OECD's approach in their tax treaties and domestic tax laws, we could be adversely affected due to our income being taxed at higher effective rates, once these new rules come into force. However, there are several transitional safe harbors available to entities subject to Pillar 2 taxes that may reduce any exposure and filing requirements. As of December 31, 2024, the U.S., which generates the majority of our revenue and profit, has not enacted or proposed draft or final legislation, nor indicated any intention to implement Pillar 2 into tax law, either now or in the future.

U.S. Federal Income Tax Law Changes Items Impacting the Company Going Forward

Alternative Minimum Tax Credit - The IRA enacted a book-based Corporate Alternative Minimum Tax (which we refer to as CAMT) for years beginning after 2022. The CAMT imposes a minimum 15% cash tax on adjusted book income before general business credits. As such, we do not currently anticipate being subject to the CAMT and even if we were to find ourselves subject to it in a particular year, we do not believe there would be an impact on our earnings.

Excise Tax On Stock Buybacks - The IRA adds a 1% surtax to corporate stock repurchases effective January 2023. Our board approved a common stock repurchase program in 2021. If we were to effectuate stock repurchases under this program, the excise tax would not have a material impact on our results of operations or cash flows.

New Tax Credits for Renewable Energy - The IRA introduced new tax credits for certain renewable energy projects and onshoring certain manufacturing activities associated with those projects. While we continue to explore additional renewable energy investments, we do not currently anticipate significant benefits from these new incentive programs.

The following provides non-GAAP information that we believe is helpful when comparing 2024 and 2023 operating results for the corporate segment (in millions):

	2024			2023		
	Pretax Loss	Income Tax Benefit	Net Earnings (Loss) Attributable to Controlling Interests	Pretax Loss	Income Tax Benefit	Net Earnings (Loss) Attributable to Controlling Interests
Components of Corporate Segment, as reported						
Interest and banking costs	$ (375.5)	$ 97.7	$ (277.8)	$ (299.8)	$ 78.0	$ (221.8)
Clean energy related (1)	(5.7)	1.3	(4.4)	(15.5)	4.0	(11.5)
Acquisition costs (2)	(52.0)	9.7	(42.3)	(42.1)	6.4	(35.7)
Corporate (3) (4)	(188.9)	123.6	(65.3)	(228.0)	149.4	(78.6)
Reported Year Ended	(622.1)	232.3	(389.8)	(585.4)	237.8	(347.6)
Adjustments						
Clean energy related (1)	(2.3)	0.6	(1.7)	4.4	(1.1)	3.3
Transaction-related costs (2)	32.2	(5.9)	26.3	22.6	(4.9)	17.7
Legal and tax related (3)	—	3.5	3.5	48.0	(21.8)	26.2
Components of Corporate Segment, as adjusted						
Interest and banking costs	(375.5)	97.7	(277.8)	(299.8)	78.0	(221.8)
Clean energy related (1)	(8.0)	1.9	(6.1)	(11.1)	2.9	(8.2)
Acquisition costs	(19.8)	3.8	(16.0)	(19.5)	1.5	(18.0)
Corporate (4)	(188.9)	127.1	(61.8)	(180.0)	127.6	(52.4)
Adjusted Year Ended	$ (592.2)	$ 230.5	$ (361.7)	$ (510.4)	$ 210.0	$ (300.4)

(1) Pretax losses for the years ended December 31, 2024 and 2023 are presented net of amounts attributable to noncontrolling interests of zero and $(9.8) million, respectively. Adjustments in 2024 and 2023 include items related to the resolution of various partnership matters related to our clean energy investments.

(2) We incurred transaction-related costs, which include legal, consulting, employee compensation and other professional fees associated with completed, future and terminated acquisitions. Adjustments primarily relate to our acquisition of Willis Re, which closed in fourth quarter 2021, Buck, which closed in second quarter 2023, the acquisitions of Cadence Insurance, Eastern Insurance and My Plan Manager, all of which closed in fourth quarter 2023, and the pending acquisition of AssuredPartners.

(3) Adjustments in 2024 and 2023 include costs associated with legal and tax matters as well as the impact of tax planning items associated with 2022 tax returns filed in 2023. Adjustments in 2023 include additional U.K. income tax expense related to the non-deductibility of acquisition-related adjustments made during the year and costs associated with legal and tax matters.

(4) Corporate pretax loss includes a net unrealized foreign exchange remeasurement loss of $(0.1) million in the year ended December 31, 2024 and a net unrealized foreign exchange remeasurement loss of $(9.8) million in the year ended December 31, 2023.

Interest and banking costs and debt - Interest and banking costs includes expenses related to our debt.

Clean energy related - For 2024, this consists of operating results related to our investments in new clean energy projects.

Acquisition costs - Consists mostly of external professional fees and other due diligence costs related to acquisitions. On occasion, we enter into forward currency hedges for the purchase price of committed, but not yet funded, acquisitions with funding requirements in currencies other than the U.S. dollar. The gains or losses, if any, associated with these hedge transactions are also included.

Corporate - Consists of overhead allocations mostly related to corporate staff compensation, other corporate level activities, and net unrealized foreign exchange remeasurement. In addition, corporate includes the tax expense related to partial taxation of foreign earnings, nondeductible executive compensation and entertainment expenses, the tax benefit from vesting of employee equity awards, as well as other permanent or discrete tax items not reflected in the provision for income taxes in the brokerage and risk management segments. The income tax benefit of stock based awards that vested or were settled in the years ended December 31, 2024 and 2023 was $89.4 million and $76.1 million, respectively, and is included in the table above in the Corporate line.

Liquidity and Capital Resources

Liquidity describes the ability of a company to generate sufficient cash flows to meet the cash requirements of its business operations. The insurance brokerage and risk management industries are not capital intensive. Historically, our capital requirements have primarily included dividend payments on our common stock, repurchases of our common stock, funding of our investments, acquisitions of brokerage and risk management operations and capital expenditures, including investments being made in IT and software development projects.

On December 7, 2024, we signed a definitive agreement to acquire AssuredPartners for gross consideration of $13.45 billion. The Transaction is subject to customary regulatory approval, standard closing conditions and is expected to close during first quarter 2025. AssuredPartners is a leading U.S. insurance broker with client capabilities across commercial property/casualty, specialty, employee benefits, and personal lines and with operations in the U.K. and Ireland. We expect to fund the Transaction using $8.5 billion of cash raised in our December 11, 2024 follow-on common stock offering and $5.0 billion of cash borrowed in our December 19, 2024 senior notes. On January 7, 2025, we received an additional $1.28 billion of cash due to the exercise by the underwriters of the overallotment provision related to the follow-on common stock offering.

On December 6, 2023, we acquired all of the issued and outstanding shares of My Plan Manager for an initial gross consideration of $301.6 million. We funded the transaction using free cash flow and funds received from an unsecured senior notes offering. The acquired My Plan Manager is the leading provider of plan management services to participants in Australia's National Disability Insurance Scheme.

On November 30, 2023, we acquired all the issued and outstanding shares of Cadence Insurance for an initial gross consideration of $886.0 million. We funded the transaction using free cash flow and funds received from an unsecured senior notes offering. The acquired Cadence Insurance business offers a full suite of commercial property/casualty, employee benefits and personal lines products to clients from 34 offices spanning nine states across the Southeast, including Texas.

On October 31, 2023, we acquired the net assets of Eastern Insurance for an initial gross consideration of $515.1 million. We funded the transaction using free cash flow and funds received from an unsecured senior notes offering. The acquired Eastern Insurance business offers comprehensive commercial property/casualty and personal lines products as well as employee benefits consulting to clients throughout the Northeastern U.S.

On April 3, 2023, we acquired the partnership interests of Buck for an initial gross consideration of $620.8 million. We funded the transaction using free cash flow and funds received from an unsecured senior notes offering. The acquired Buck business is a leading provider of retirement, human resources and employee benefits consulting and administration services.

Operating Cash Flows

Historically, we have depended on our ability to generate positive cash flow from operations to meet a substantial portion of our cash requirements. We believe that our cash flows from operations and borrowings under our Credit Agreement (as defined below) will provide us with adequate resources to meet our liquidity needs in the foreseeable future. To fund acquisitions made during 2024 and 2023, we relied on a combination of net cash flows from operations, proceeds from borrowings under our Credit Agreement, proceeds from issuances of senior unsecured notes and issuance of our common stock.

Cash provided by operating activities was $2,582.9 million and $2,031.7 million for 2024 and 2023, respectively. The increase in cash provided by operating activities during 2024 compared to the same period in 2023 was primarily due to growth in our core broking and risk management operations and timing differences between periods with cash receipts and disbursements related to accounts receivables and accrued compensation and other current liabilities compared to 2023.

Total cash and cash equivalents, restricted cash and fiduciary cash at December 31, 2024 and December 31, 2023, include $15,371.6 million and $1,744.9 million, respectively, of income earning money market accounts. The increase in cash invested in money market accounts between years is primarily due to the proceeds received in December 2024 from the stock issuance ($8.5 billion) and senior notes ($5.0 billion). The dividend income on money market accounts was recorded in interest income, premium finance and other income in our consolidated statement of earnings, which increased $105.9 million during 2024 ($29.0 million of which related to the proceeds from the AssuredPartners financing) to $473.2 million for the year ended December 31, 2024 compared to $367.3 million for the year ended December 31, 2023.

During 2024 and 2023, employee matching contributions to the 401(k) plan of $86.0 million and $73.8 million, respectively, relating to 2023 and 2022 were funded using common stock.

Our cash flows from operating activities are primarily derived from our earnings from operations, as adjusted, for our non-cash expenses, which include depreciation, amortization, change in estimated acquisition earnout payables, deferred compensation, restricted stock, and stock-based and other non-cash compensation expenses. Historically, cash provided by operating activities was unfavorably impacted if the amount of IRC Section 45 tax credits generated (which is the amount we recognized for financial reporting purposes) was greater than the amount of tax credits utilized to reduce our tax cash obligations. Excess tax credits produced in 2021 and 2020 resulted in an increase to our deferred tax assets, which was a net use of cash related to operating activities. In 2023, IRC Section 45 credits were no longer generated due to the IRC Section 45 program expiring as of December 31, 2021, and therefore the IRC Section 45 credit utilization against our cash tax obligation resulted in favorable cash flow in 2023.

When assessing our overall liquidity, we believe that the focus should be on net earnings as reported in our consolidated statement of earnings, adjusted for non-cash items (i.e., EBITDAC), and cash provided by operating activities in our consolidated statement of cash flows. Consolidated EBITDAC was $3,124.4 million and $2,555.6 million for 2024 and 2023, respectively. Net earnings attributable to controlling interests were $1,462.7 million and $969.5 million for 2024 and 2023, respectively. We believe that EBITDAC items are indicators of trends in liquidity.

Defined Benefit Pension Plan

Our policy for funding our defined benefit pension plan is to contribute amounts at least sufficient to meet the minimum funding requirements under the IRC. The Employee Retirement Security Act of 1974, as amended (which we refer to as ERISA), could impose a minimum funding requirement for our plan. We were not required to make any minimum contributions to the plan for the 2024 and 2023 plan years. Funding requirements are based on the plan being frozen and the aggregate amount of our historical funding. The plan's actuaries determine contribution rates based on our funding practices and requirements. Funding amounts may be influenced by future asset performance, the level of discount rates and other variables impacting the assets and/or liabilities of the plan. In addition, amounts funded in the future, to the extent not due under regulatory requirements, may be affected by alternative uses of our cash flows, including dividends, acquisitions and common stock repurchases. During 2024 and 2023 we did not make discretionary contributions to the legacy Company defined benefit plan.

See Note 12 to our 2024 consolidated financial statements for additional information required to be disclosed relating to our defined benefit pension plan. We are required to recognize a prepaid pension asset for our overfunded defined benefit pension plan (which we refer to together as the Plan). The offsetting adjustment to the asset required to be recognized for the Plan is recorded in "Accumulated Other Comprehensive Loss," net of tax, in our consolidated balance sheet. We will recognize subsequent changes in the funded status of the Plan through the income statement and as a component of comprehensive earnings, as appropriate, in the year in which they occur. Numerous items may lead to a change in funded status of the Plan, including actual results differing from prior estimates and assumptions, as well as changes in assumptions to reflect information available at the respective measurement dates.

The net change in the funded status of the Plan in 2024 resulted in an increase in noncurrent assets in 2024 of $3.6 million. In 2024, the funded status of the Plan was favorably impacted by an increase in the discount rates used in the measurement of the pension liabilities at December 31, 2024 and other assumption changes, the net impact of which was approximately $3.7 million. In addition, the funded status was unfavorably impacted by returns on the plan's assets being lower in 2024 than anticipated by approximately $(0.1) million. The net change in the funded status of the Plan in 2023 resulted in an increase in noncurrent assets in 2023 of $12.3 million. In 2023, the funded status of the Plan was unfavorably impacted by a decrease in the discount rates used in the measurement of the pension liabilities at December 31, 2023 and other assumption changes, the net impact of which was approximately $8.6 million. In addition, the funded status was favorably impacted by returns on the plan's assets being significantly higher in 2023 than anticipated by approximately $20.9 million.

Through the acquisition of Buck, we acquired the assets and assumed the liabilities associated with three frozen defined benefit pension plans that provide postretirement benefits to their participants located in the U.S., U.K. and Canada (which we refer to as the Buck Pension Plans). The Buck Pension Plans were amended to freeze benefit plan accruals for all participants (closed to new entrants and existing participants do not accrue any additional benefits) effective December 31, 2014. Effective December 31, 2024, the U.S. Buck Pension Plan was merged into our defined benefit pension plan. In January 2025, we notified plan participants that we will fully terminate such plan. In first quarter 2025, we will initiate the wind down of the plan and we expect to complete such wind down by settling all future obligations under the plan through a combination of lump sum payments to eligible, electing participants and transferring the remaining liability through the purchase of a group annuity contract to a highly-rated third-party insurance company. We expect that the wind down will be completed in fourth quarter 2025. Based on estimates as of December 31, 2024, we anticipate recognizing a non-cash, pre-tax loss of approximately $34.2 million in fourth quarter 2025 to compensation expense in the consolidated statement of earnings that may be offset by an approximately $12.8 million adjustment to consolidated statement of comprehensive earnings, a $16.5 million write-down of a prepaid pension asset and a $4.6 million reversal of a deferred tax asset.

Investing Cash Flows

Capital Expenditures - Capital expenditures were $141.9 million and $193.6 million for 2024 and 2023, respectively. In 2024 and 2023 capital expenditures include amounts incurred related to office moves, investments made in IT and software development projects. Relating to the development of our corporate headquarters, we received property tax related credits under a tax-increment financing note from Rolling Meadows, Illinois and an Illinois state EDGE tax credit. Incentives from these two programs could total between $50.0 million and $80.0 million over a fifteen-year period. In 2025, we expect total expenditures for capital improvements to be approximately $150.0 million, (includes impact of acquisitions closed through December 31, 2024) part of which is related to expenditures on office moves and investments being made in IT and software development projects. The increase in the expected capital expenditures in 2025 compared to 2024 is primarily due to such projects.

Acquisitions - Cash paid for acquisitions, net of cash and restricted cash acquired, was $1,462.3 million and $3,041.9 million in 2024 and 2023, respectively. The decreased use of cash for acquisitions in 2024 compared to 2023 was primarily due to our acquisition of Buck, Eastern Insurance, Cadence Insurance and My Plan Manager in 2023. In addition, during 2024 and 2023 we issued 0.6 million shares ($140.8 million) and 2.5 million shares ($525.8 million), respectively, of our common stock as payment for a portion of the total consideration paid for acquisitions and earnout payments. We completed 48 and 51 acquisitions in 2024 and 2023, respectively. Annualized revenues of businesses acquired in 2024 and 2023 totaled approximately $386.5 million and $885.1 million, respectively. In 2025, we expect to use new debt, our Credit Agreement (as defined below), cash from operations and our common stock, or a combination thereof to fund all of the acquisitions we complete.

In order to maintain leverage ratios and investment grade credit ratings or if liquidity concerns arise, we may be more likely to use common stock to fund acquisitions.

Dispositions - During 2024 and 2023, we sold several books of business and recognized one-time gains of $24.3 million and $10.0 million, respectively. We received cash proceeds of $19.7 million and $9.9 million for 2024 and 2023, respectively, related to these transactions.

Financing Cash Flows

At December 31, 2024, we had $9,550.0 million of Senior Notes, $3,523.0 million of corporate-related borrowings outstanding under separate note purchase agreements entered into during the period from 2014 to 2021, there were no borrowings outstanding under our Credit Agreement, $225.2 million outstanding under our Premium Financing Debt Facility and a cash and cash equivalent balance of $14,987.3 million. See Note 7 to our 2024 consolidated financial statements for a discussion of the terms of the Senior Notes, Note purchase agreements, the Credit Agreement (as defined below) and the Premium Financing Debt Facility.

Consistent with past practice, as of December 31, 2024 we had no pre-issuance hedges open for 2024. During the three months ended December 31, 2024, we settled approximately $4.1 million of interest rate contracts hedges with a notional value of $200.0 million that will be amortized into interest expense in future periods.

The Senior Notes, Note Purchase Agreements, the Credit Agreement and the Premium Financing Debt Facility contain various financial covenants that require us to maintain specified financial ratios. We were in compliance with these covenants as of December 31, 2024.

Senior Notes - On December 19, 2024, we closed and funded an offering of $5,000.0 million of unsecured senior notes in five tranches. The $750.0 million aggregate principal amount of 4.60% Senior Notes is due in 2027, $750.0 million aggregate principal amount of 4.85% Senior Notes is due in 2029, $500.0 million aggregate principal amount of 5.00% Senior Notes is due in 2032, $1,500.0 million aggregate principal amount of 5.15% Senior Notes is due in 2035, $1,500.0 million aggregate principal amount 5.55% Senior Notes is due in 2055. The weighted average interest rate is 5.25% per annum after giving effect to underwriting costs and a net hedge gain. During 2024, we entered into a pre-issuance interest rate hedging transaction related to these notes. We realized a net cash gain of approximately $4.1 million on the hedging transactions that will be recognized on a pro rata basis as a decrease to our reported interest expense over ten years. We expect to use the net proceeds of this offering to fund a portion of the cash consideration payable in connection with the AssuredPartners transaction and, to the extent that any proceeds remain thereafter, or if the AssuredPartners transaction is not completed, for general corporate purposes including other acquisitions.

On February 12, 2024, we closed and funded an offering of $1,000.0 million of unsecured senior notes in two tranches. The $500.0 million aggregate principal amount of 5.45% Senior Notes is due in 2034 and $500.0 million aggregate principal amount of 5.75% Senior Notes is due in 2054. The weighted average interest rate is 5.71% per annum after giving effect to underwriting costs and a net hedge loss. During 2023, we entered into a pre-issuance interest rate hedging transaction related to these notes. We realized a net cash loss of approximately $1.4 million on the hedging transactions that will be recognized on a pro rata basis as an increase to our reported interest expense over ten years. We used the proceeds of these offerings to fund acquisitions, earnout payments related to acquisitions and general corporate purposes.

On November 2, 2023, we closed and funded an offering of $1,000.0 million of unsecured senior notes in two tranches. The $400.0 million aggregate principal amount of 6.50% Senior Notes are due 2034 and $600.0 million aggregate principal amount of 6.75% Senior Notes are due 2054. The weighted average interest rate is 5.97% per annum after giving effect to underwriting costs and a net hedge gain. During 2021 through 2023, we entered into a pre-issuance interest rate hedging transaction related to these notes. We realized a net cash gain of approximately $128.0 million on the hedging transactions that will be recognized on a pro rata basis as a decrease to our reported interest expense over ten years. We used the proceeds of these offerings to fund acquisitions, earnout payments related to acquisitions and general corporate purposes.

On March 2, 2023, we closed and funded an offering of $950.0 million of unsecured senior notes in two tranches. The $350.0 million aggregate principal amount of 5.50% Senior Notes are due 2033 and $600.0 million aggregate principal amount of 5.75% Senior Notes are due 2053. The weighted average interest rate is 5.05% per annum after giving effect to underwriting costs and a net hedge gain. During 2019 through 2022, we entered into a pre-issuance interest rate hedging transaction related to these notes. We realized a net cash gain of approximately $112.7 million on the hedging transactions that will be recognized on a pro rata basis as a decrease to our reported interest expense over ten years. We used the proceeds of these offerings to fund acquisitions, earnout payments related to acquisitions and general corporate purposes.

Note Purchase Agreement - During February 2024, we used operating cash to fund the $100.0 million Series HH note maturity that had a fixed rate of 4.72% that was due February 13, 2024 and the $325.0 million Series H note maturity that had a fixed rate of 4.58% that was due February 27, 2024.

During June 2023, we used operating cash to fund the $200.0 million Series N note maturity that had a fixed rate of 4.13% that was due June 24, 2023 and the prepayment of the $50.0 million Series CC note floating rate of 90 day LIBOR plus 1.40%, balloon that was originally due June 13, 2024.

During February 2023, we used operating cash to fund the $50.0 million Series E note maturity that had a fixed rate of 5.49% that was due February 10, 2023.

Credit Agreement - On June 22, 2023, we entered into the new Credit Agreement (which we refer to as the Credit Agreement) with an administrative agent and a group of other lenders. The Credit Agreement provides for a five-year unsecured revolving credit facility in the amount of $1,200.0 million (including a $75.0 million letter of credit sub-facility), which is also available in Pounds Sterling, Canadian Dollars, Australian Dollars, New Zealand Dollars, Euros, Japanese Yen and any other currencies agreed by the lenders. On November 7, 2023, we entered into the First Amendment to the Credit Agreement, pursuant to which we increased the commitments under the Credit Agreement to $1,700.0 million. The Credit Agreement permits us to designate wholly-owned subsidiaries located in certain jurisdictions as additional borrowers, the obligations of which under the Credit Agreement will be guaranteed by the Company, subject to the terms and conditions set forth in the Credit Agreement. Any subsidiary that guarantees any notes under the Company’s existing note purchase agreements is required to guarantee the obligations under the Credit Agreement. There are currently no subsidiary borrowers or guarantors under the Credit Agreement.

Loans borrowed under the Credit Agreement bear interest at a variable annual rate based on a customary benchmark rate for each available currency including Secured Overnight Financing Rate (which we refer to as SOFR) for loans in U.S. Dollars, or at our election solely for loans in U.S. Dollars, the base rate, plus in each case an applicable margin. Interest rates on base rate loans and outstanding drawings on letters of credit under the Credit Agreement will be based on the Base Rate, as defined in the Credit Agreement, plus a margin of 0.00% to 0.375%, depending on the rating of our long-term senior unsecured debt. Interest rates for SOFR loans and loans in currencies other than U.S. dollars under the Credit Agreement will be based on, as applicable, a SOFR Daily Floating Rate, Term SOFR, Alternative Currency Daily Rate or Alternative Currency Term Rate, as defined in the Credit Agreement, plus a margin of 0.775% to 1.375%, depending on the rating of our long-term senior unsecured debt. The annual facility fee related to the Credit Agreement is between 0.100% and 0.250% of the revolving credit commitment, depending on the rating of our long-term senior unsecured debt. Subject to certain conditions stated in the Credit Agreement, we may borrow, prepay and reborrow amounts under the Credit Agreement at any time during the term of the Credit Agreement. Funds borrowed under the Credit Agreement may be used for general corporate and working capital purposes of the Company and its subsidiaries.

The Credit Agreement also contains customary representations and warranties and affirmative and negative covenants, including financial covenants, as well as customary events of default, with corresponding grace periods, including, without limitation, payment defaults, cross-defaults to other agreements evidencing indebtedness and bankruptcy-related defaults. We were in compliance with these covenants as of December 31, 2024.

Concurrently, on June 22, 2023, we paid off and terminated all of our obligations under the Second Amended and Restated Multicurrency Credit Agreement, dated as of June 7, 2019.

There were no borrowings outstanding under the Credit Agreement at December 31, 2024. Due to the outstanding borrowing and letters of credit, $1,689.1 million remained available for potential borrowings under the Credit Agreement at December 31, 2024.

We use the Credit Agreement to post letters of credit and to borrow funds to supplement our operating cash flows from time to time. During 2024, we borrowed an aggregate of $1,663.2 million and repaid $1,906.9 million under our Credit Agreement. During 2023, we borrowed an aggregate of $3,795.0 million and repaid $3,610.0 million under our Credit Agreement and under the Second Amended and Restated Multicurrency Credit Agreement. Principal uses of the 2024 and 2023 borrowings under the Credit Agreement were to fund acquisitions, earnout payments related to acquisitions and general corporate purposes.

Premium Financing Debt Facility - On October 30, 2024, we entered into an amendment to our revolving loan facility (which we refer to as the Premium Financing Debt Facility) that provides funding for the three Australian (AU) and New Zealand (NZ) premium finance subsidiaries. The Premium Financing Debt Facility is comprised of: (i) Facility B is separated into AU$410.0 million and NZ$25.0 million tranches (the AU$ tranche has been decreased as of February 1, 2025 to AU$390.0 million and the NZ$ tranche will be decreased as of May 1, 2025 to NZ$10.0 million), (ii) Facility C, an AU$60.0 million equivalent multi-currency overdraft tranche and (iii) Facility D, a NZ$15.0 million equivalent multi-currency overdraft tranche.

The interest rates on Facility B are Interbank rates, which vary by tranche, duration and currency, plus a margin of 1.400% and 1.850% for the AU$ and NZ$ tranches, respectively. The interest rates on Facilities C and D are 30 day Interbank rates, plus a margin of 0.830% and 0.990% for the AU$ and NZ$ tranches, respectively. The annual fee for Facility B is 0.56% and 0.8325% for the undrawn commitments for the AU$ and NZ$ tranches, respectively. The annual fee for Facility C is 0.77% and for Facility D is 0.90% of the total commitments of the facilities.

The terms of our Premium Financing Debt Facility include various financial covenants, including covenants that require us to maintain specified financial ratios. We were in compliance with these covenants as of December 31, 2024. The Premium Financing Debt Facility also includes customary provisions for transactions of this type, including events of default, with corresponding grace periods and cross-defaults to other agreements evidencing our indebtedness. Facilities B, C and D are secured by the premium finance receivables of the Australian and New Zealand premium finance subsidiaries.

At December 31, 2024, AU$350.0 million and NZ$0.0 million of borrowings were outstanding under Facility B, AU$0.0 million of borrowings outstanding under Facility C and NZ$12.5 million of borrowings were outstanding under Facility D, which in aggregate amount to US$225.2 million of borrowings outstanding under the Premium Financing Debt Facility. Accordingly, as of December 31, 2024, AU$60.0 million and NZ$25.0 million remained available for potential borrowing under Facility B, and AU$60.0 million and NZ$2.5 million under Facilities C and D, respectively.

Dividends - Our board of directors determines our dividend policy. Our board of directors determines dividends on our common stock on a quarterly basis after considering our available cash from earnings, our anticipated cash needs and current conditions in the economy and financial markets.

In 2024, we declared $529.9 million in cash dividends on our common stock, or $2.40 per common share. On December 20, 2024, we paid a fourth quarter dividend of $0.60 per common share to shareholders of record as of December 1, 2024. On January 29, 2025, we announced a quarterly dividend for first quarter 2025 of $0.65 per common share. If the dividend is maintained at $0.65 per common share throughout 2025, this dividend level would result in an annualized net cash used by financing activities in 2025 of approximately $571.0 million (based on the outstanding shares as of December 31, 2024), or an anticipated increase in cash used of approximately $45.6 million compared to 2024. We can make no assurances regarding the amount of any future dividend payments.

Shelf Registration Statement - On February 12, 2024, we filed a shelf registration statement on Form S-3 with the SEC, registering the offer and sale from time to time, of an indeterminate amount of debt securities, guarantees, common stock, preferred stock, warrants, depositary shares, purchase contracts, or units. The availability of the potential liquidity under this shelf registration statement depends on investor demand, market conditions and other factors. We make no assurances regarding when, or if, we will issue any securities under this registration statement. On November 15, 2022, we filed a second shelf registration statement on Form S-4 with the SEC, registering 7.0 million shares of our common stock that we may offer and issue from time to time in connection with future acquisitions of other businesses, assets or securities. At December 31, 2024, 5.6 million shares remained available for issuance under this registration statement.

Common Stock Repurchases - We have in place a common stock repurchase plan approved by our board of directors in July 2021 that authorizes the repurchase of up to $1.5 billion of common stock. During the years ended December 31, 2024 and 2023, we did not repurchase shares of our common stock. The plan authorizes the repurchase of our common stock at such times and prices, as we may deem advantageous, in transactions on the open market or in privately negotiated transactions. We are under no commitment or obligation to repurchase any particular number of shares, and the plan may be suspended at any time at our discretion. Management may consider repurchasing common stock during 2025 to the extent that our available cash exceeds acquisition opportunities. Funding for share repurchases may come from a variety of sources, including cash from operations, short-term or long-term borrowings under our Credit Agreement or other sources.

Public Offering of Common Stock - On December 9, 2024, we entered into an Underwriting Agreement with Morgan Stanley & Co. LLC and BofA Securities, Inc., as representatives of the several underwriters listed thereto, pursuant to which we agreed to sell 30.4 million shares of our common stock for a public per share offering price of $280.00, for an aggregate price purchase price of $8.5 billion. The offering closed on December 11, 2024 and 30.4 million shares of our common stock were issued for net proceeds, after underwriting discounts, of $8,347.0 million. We also granted the underwriters a 30-day option to purchase up to an additional 4.6 million shares of our common stock at the same price, which was exercised in full by the underwriters on January 6, 2025. The option closed on January 7, 2025 and 4.6 million shares of our common stock were issued for net proceeds, after underwriting discounts, of $1.252.0 million of cash. We expect to use the proceeds of this offering to fund a portion of the cash consideration payable in connection with the AssuredPartners transaction and, to the extent that any proceeds remain thereafter, or if the AssuredPartners transaction is not completed, for general corporate purposes including other acquisitions.

At-the-Market Equity Program - On March 14, 2024, we entered into an Equity Distribution Agreement with Morgan Stanley & Co. LLC, pursuant to which we may offer and sell, from time to time, up to 3,000,000 shares of our common stock through Morgan Stanley as sales agent. We intend to use the net proceeds of sales under this program to fund future acquisitions from time to time or for general corporate purposes. Pursuant to the agreement, shares may be sold by means of ordinary brokers' transactions, including on the New York Stock Exchange, at market prices prevailing at the time of sale, at prices related to the prevailing market prices, or at negotiated prices, in block transactions, or as otherwise agreed upon by us and Morgan Stanley. During the quarter ended December 31, 2024, we did not sell shares of our common stock under the program.

Common Stock Issuances - Another source of liquidity to us is the issuance of our common stock pursuant to our stock option and employee stock purchase plans. Proceeds from the issuance of common stock under these plans were $162.5 million and $120.2 million in 2024 and 2023, respectively. On May 10, 2022, our stockholders approved the 2022 Long-Term Incentive Plan (which we refer to as the LTIP), which replaced our previous stockholder-approved 2017 Long-Term Incentive Plan. All of our officers, employees and non-employee directors are eligible to receive awards under the LTIP. Awards which may be granted under the LTIP include non-qualified and incentive stock options, stock appreciation rights, restricted stock units and performance units, any or all of which may be made contingent upon the achievement of performance criteria. Stock options with respect to 11.1 million shares (less any shares of restricted stock issued under the LTIP - 2.5 million shares of our common stock were available for this purpose as of December 31, 2024) were available for grant under the LTIP at December 31, 2024. Our employee stock purchase plan allows our employees to purchase our common stock at 95% of its fair market value. Proceeds from the issuance of our common stock related to these plans have contributed favorably to net cash provided by financing activities in the years ended December 31, 2024 and 2023, and we believe this favorable trend will continue in the foreseeable future.

We have a qualified contributory savings and thrift 401(k) plan covering the majority of our domestic employees. For eligible employees who have met the plan's age and service requirements to receive matching contributions, we historically have matched 100% of pre-tax and Roth elective deferrals up to a maximum of 5.0% of eligible compensation, subject to federal limits on plan contributions and not in excess of the maximum amount deductible for federal income tax purposes. Beginning with the match paid in 2021, the amount matched by the Company will be discretionary and annually determined by management. Employees must be employed and eligible for the plan on the last day of the plan year to receive a matching contribution, subject to certain exceptions enumerated in the plan document. Matching contributions are subject to a five-year graduated vesting schedule and can be funded in cash or common stock of the Company. We expensed (net of plan forfeitures) $105.4 million and $86.0 million related to the plan in 2024 and 2023, respectively. During 2023, management determined the 5.0% employer matching contributions on eligible compensation to the 401(k) plan for the 2023 plan year to be funded with our common stock, which was funded in February 2024. During 2024, management determined the 5.0% employer matching contributions on eligible compensation to the 401(k) plan for the 2024 plan year to be funded with our common stock, which is expected to be funded in February 2025.

Other Liquidity Matters

Letters of Credit and Other Guarantees

We have entered into a number of arrangements whereby our performance on certain obligations is guaranteed by a third party through the issuance of a letter of credit. We had total letters of credit outstanding of $23.0 million as of December 31, 2024 and $21.2 million at December 31, 2023. These letters of credit secure our self-insurance deductibles on our own insurance programs, allow certain of our captive operations to meet minimum statutory surplus requirements, lease security deposits and collateral related to premium and claim funds held in a fiduciary capacity. See Note 15 to our 2024 consolidated financial statements for additional discussion of these obligations and commitments.

Earnout Obligations

Substantially all of the purchase agreements related to the acquisitions we do contain provisions for potential earnout obligations. For all of our acquisitions made in the period from 2021 to 2024 that contain potential earnout obligations, such obligations are measured at fair value as of the acquisition date and are included on that basis in the recorded purchase price consideration for the respective acquisition. The amounts recorded as earnout payables are primarily based upon estimated future potential operating results of the acquired entities over a two- to three-year period subsequent to the acquisition date. The aggregate amount of the maximum earnout obligations related to these acquisitions was $1,998.2 million, of which $1,302.0 million was recorded in our consolidated balance sheet as of December 31, 2024 based on the estimated fair value of the expected future payments to be made, of which approximately $511.9 million can be settled in cash or common stock of the Company at our option and $790.1 million must be settled in cash.

Apart from commitments, guarantees, and contingencies, as disclosed herein and in Note 15 to our 2024 consolidated financial statements, we had no off-balance sheet arrangements that have, or are reasonably likely to have, a current or future material effect on our financial condition, results of operations or liquidity. Our cash flows from operations, borrowing availability and overall liquidity are subject to risks and uncertainties. See "Information Concerning Forward-Looking Statements" at the beginning of this report.

Contractual Obligations

Our contractual obligations and commitments as of December 31, 2024 are comprised of principal payments on debt, interest payments on debt, operating leases, pension benefit plan and purchase obligations.

Operating leases are primarily comprised of leased office space throughout the world. As leases expire, we do not anticipate difficulty in negotiating renewals or finding other satisfactory space if the premise becomes unavailable. In certain circumstances, we may have unused space and may seek to sublet such space to third parties, depending upon the demands for office space in the locations involved. See Note 13 to our 2024 consolidated financial statements for additional discussion of these operating lease obligations.

Defined benefit pension plan obligations include estimates of our minimum funding requirements pursuant to the Employee Retirement Income Security Act and other regulations. We may make additional discretionary contributions. See Note 12 to our 2024 consolidated financial statements for additional information required to be disclosed relating to our defined benefit pension plan.

Purchase obligations are defined as agreements to purchase goods and services that are enforceable and legally binding on us, and that specifies all significant terms, including the goods to be purchased or services to be rendered, the price at which the goods or services are to be rendered, and the timing of the transactions. Most of our purchase obligations are related to purchases of information technology services, marketing arrangements or other service contracts. We had no other cash requirements from known contractual obligations and commitments that have, or are reasonably likely to have, a current or future material effect on the Company's financial condition, results of operations, or liquidity. See Note 15 to our 2024 consolidated financial statements for additional discussion of these contractual obligations.

Outlook - We believe that we have sufficient capital and access to additional capital to meet our short- and long-term cash flow needs.

Critical Accounting Estimates

Our consolidated financial statements are prepared in accordance with U.S. GAAP, which require management to make estimates and assumptions that affect the amounts reported in our consolidated financial statements and accompanying notes. These accounting principles require us to make estimates and assumptions that affect the reported amounts of assets and liabilities and revenues and expenses, and the disclosure of contingent assets and liabilities at the date of our consolidated financial statements. We periodically evaluate our estimates and assumptions, including those relating to the valuation of goodwill and other intangible assets, right-of-use assets, investments, income taxes, revenue recognition, deferred costs, stock-based compensation, claims handling obligations, retirement plans, litigation and contingencies. We base our estimates on historical experience and various assumptions that we believe to be reasonable based on specific circumstances. Such estimates and assumptions could change in the future as more information becomes known, which could impact the amounts reported and disclosed herein. We believe the following significant accounting estimates may involve a higher degree of judgment and complexity. See Note 1 to our 2024 consolidated financial statements for other significant accounting policies. See Note 2 to our 2024 consolidated financial statements for a discussion of recently issued accounting pronouncements and their impact or potential future impact on our financial results, if determinable.

Revenue Recognition

Description

The primary source of revenues for our brokerage services is commissions from underwriting enterprises, based on a percentage of premiums paid by our clients, or fees received from clients based on an agreed level of service usually in lieu of commissions. These commissions and fees revenues are substantially recognized at a point in time on the effective date of the associated policies when control of the policy transfers to the client, as well as deferring certain revenues to reflect delivery of services over the contract period. Whether we are paid a commission or a fee, the vast majority of our services are associated with the placement of an insurance (or insurance-like) contract. Accordingly, we recognize approximately 85% of our commission and fee revenues on the effective date of the underlying insurance contract. The amount of revenue we recognize is based on our costs to provide our services up and through that effective date, including an appropriate estimate of our profit margin on a portfolio basis. Based on the proportion of additional services we provide in each period after the effective date of the insurance contract, including an appropriate estimate of our profit margin, we recognize approximately 10% of our commission and fee revenues in the first three months, and the remaining 5% thereafter.

For supplemental revenues certain underwriting enterprises may pay us additional revenues for the volume of premium placed with them and for insights into our sales pipeline, our sales capabilities or our risk selection knowledge. These amounts are in excess of the commission and fee revenues discussed above, and not all business we place with underwriting enterprises is eligible for supplemental revenues. Unlike contingent revenues, discussed below, these revenues are primarily a fixed amount or fixed percentage of premium of the underlying eligible insurance contracts. For supplemental revenue contracts based on a fixed percentage of premium, our obligation to the underwriting enterprise is substantially completed upon the effective date of the underlying insurance contract and revenue is fully earned at that time. For supplemental revenue contracts based on a fixed amount, revenue is recognized ratably over the contract period consistent with the performance of our obligations, almost always over an annual term.

For contingent revenues certain underwriting enterprises may pay us additional revenues for our sales capabilities, our risk selection knowledge, or our administrative efficiencies. These amounts are in excess of the commission or fee revenues discussed above, and not all business we place with participating underwriting enterprises is eligible for contingent revenues. Unlike supplemental revenues, also discussed above, these revenues are variable, generally based on growth, the loss experience of the underlying insurance contracts, and/or our efficiency in processing the business. We generally operate under calendar year contracts, but we do not receive these revenues from the underwriting enterprises until the following calendar year, generally in the first and second quarters, after verification of the performance indicators outlined in the contracts. Accordingly, during each reporting period, we must make our best estimate of amounts we have earned using historical averages and other factors to project such revenues.

See Revenue Recognition and Contracts with Customers in Notes 1 and 4 to our 2024 consolidated financial statements.

Judgments and Uncertainties

For commissions and fees, these periods may be different than the underlying premium payment patterns of the insurance contracts, but the vast majority of our services are fully provided within one year of the insurance contract effective date. For supplemental and contingent commissions, we base our estimates each period on a contract-by-contract basis where available. In certain cases, it is impractical to assess a very large number of smaller contingent revenue contracts, so we use a historical portfolio estimate in aggregate. Because our expectation of the ultimate contingent revenue amounts to be earned can vary from period to period, especially in contracts sensitive to loss ratios, our estimates might change significantly from quarter to quarter.

For example, in circumstances where our revenues are dependent on a full calendar year loss ratio, adverse loss experience in the fourth quarter could not only negate revenue earnings in the fourth quarter, but also trigger the need to reverse revenues previously recognized during the prior quarters. Variable consideration is recognized when we conclude, based on all the facts and information available at the reporting date, that it is probable that a significant revenue reversal will not occur in future periods.

Effect if Actual Results Differ From Assumptions
We do not believe there is a reasonable likelihood there will be a material change in the estimates or assumptions used to recognize revenue. As noted above, estimates are made based on historical experience and other factors. The vast majority of our brokerage contracts and service understandings are for a period of one year or less, and historically, the difference between actual experience compared to estimated performance has not been significant to the quarterly or annual financial statements. We have not made any material changes in the accounting methodology used to recognize revenue during the past three fiscal years.

Income Taxes

Description
We estimate total income tax expense based on statutory tax rates and tax planning opportunities available to us in various jurisdictions in which we earn income. Income tax includes an estimate for withholding taxes on earnings of foreign subsidiaries expected to be remitted to the U.S. but does not include an estimate for taxes on earnings considered to be indefinitely invested in the foreign subsidiary. Deferred income taxes are recognized for the future tax effects of temporary differences between financial and income tax reporting using tax rates in effect for the years in which the differences are expected to reverse. Valuation allowances are recorded when it is likely a tax benefit will not be realized for a deferred tax asset. We record unrecognized tax benefit liabilities for known or anticipated tax issues based on our analysis of whether, and the extent to which, additional taxes will be due. See Income Taxes in Notes 1 and 16 to our 2024 consolidated financial statements.

Judgments and Uncertainties
Changes in projected future earnings could affect the recorded valuation allowances in the future. Our calculations related to income taxes contain uncertainties due to judgment used to calculate tax liabilities in the application of complex tax regulations across the tax jurisdictions where we operate. Our analysis of unrecognized tax benefits contains uncertainties based on judgment used to apply the more likely than not recognition and measurement thresholds.

Effect if Actual Results Differ From Assumptions
Changes in tax laws and rates could affect recorded deferred tax assets and liabilities in the future. Other than those potential impacts, we do not believe there is a reasonable likelihood there will be a material change in the tax related balances or valuation allowances. However, due to the complexity of some of these uncertainties, the ultimate resolution may result in a payment that is materially different from the current estimate of the tax liabilities. To the extent we prevail in matters for which unrecognized tax benefit liabilities have been established, or are required to pay amounts in excess of our recorded unrecognized tax benefit liabilities, our effective tax rate in a given financial statement period could be materially affected. An unfavorable tax settlement would require use of our cash and generally result in an increase in our effective tax rate in the period of resolution. A favorable tax settlement would generally be recognized as a reduction in our effective tax rate in the period of resolution.

Impairment of Goodwill

Description
Goodwill is evaluated for impairment by first performing a qualitative assessment to determine whether a quantitative goodwill test is necessary. If it is determined, based on qualitative factors, the fair value of the reporting unit may be more likely than not less than its carrying amount or if significant changes to macro-economic factors related to the reporting unit have occurred that could materially impact fair value, a quantitative goodwill impairment test would be required. The quantitative test compares the fair value of a reporting unit with its carrying amount. Additionally, we can elect to forgo the qualitative assessment and perform the quantitative test. Upon performing the quantitative test, if the carrying value of the reporting unit exceeds its fair value, an impairment loss is recognized in an amount equal to that excess, not to exceed the carrying amount of goodwill. We have elected to make the first day of the fourth quarter the annual impairment assessment date for goodwill. However, we could be required to evaluate the recoverability of goodwill outside of the required annual assessment if, among other things, we experience disruptions to the business, unexpected significant declines in operating results, divestiture of a significant component of the business or a sustained decline in market capitalization.

Judgments and Uncertainties
We estimate the fair value of our reporting units considering the use of various valuation techniques, with the primary technique being an income approach (discounted cash flow method) and another technique being a market approach (guideline public

company method), which use significant unobservable inputs, or Level 3 inputs, as defined by the fair value hierarchy. We include assumptions about revenue growth, operating margins, discount rates and valuation multiples which consider our budgets, business plans, economic projections and marketplace data, and are believed to reflect market participant views which would exist in an exit transaction. Assumptions are also made for varying perpetual growth rates for periods beyond the long-term business plan period. Generally, we utilize operating margin assumptions based on future expectations, operating margins historically realized in the reporting units' industries and industry marketplace valuation multiples. See Intangible Assets in Notes 1 and 6 to our 2024 consolidated financial statements.

Our impairment analysis contains uncertainties due to uncontrollable events that could positively or negatively impact the anticipated future economic and operating conditions.

Effect if Actual Results Differ From Assumptions

We have not made material changes in the accounting methodology used to evaluate impairment of goodwill during the last three years. During fiscal 2024, 2023 and 2022, all of our material reporting units passed the impairment analysis.

Some of the inherent estimates and assumptions used in determining fair value of the reporting units and indefinite life intangible assets are outside the control of management, including interest rates, cost of capital, tax rates, market EBITDAC comparables and credit ratings. While we believe we have made reasonable estimates and assumptions to calculate the fair value of the reporting units and indefinite life intangibles, it is possible a material change could occur. If our actual results are not consistent with our estimates and assumptions used to calculate fair value, it could result in material impairments of our goodwill.

Impairment of Amortizable Intangible Assets

Description

Amortizable intangible assets are evaluated for impairment whenever events or changes in circumstances indicate the carrying value may not be recoverable. Examples include a significant adverse change in the extent or manner in which we use the asset, a change in its physical condition, or an unexpected change in financial performance.

When evaluating amortizable intangible assets for impairment, we compare the carrying value of the asset to the asset's estimated undiscounted future cash flows. An impairment is indicated if the estimated future cash flows are less than the carrying value of the asset. The impairment is the excess of the carrying value over the fair value of the asset.

We recorded impairment charges related to amortizable intangible assets of $19.4 million, $3.5 million and $2.0 million in 2024, 2023 and 2022, respectively. See Intangible Assets in Notes 1 and 6 to our 2024 consolidated financial statements.

Judgments and Uncertainties

Our impairment analysis contains uncertainties due to judgment in assumptions, including useful lives and intended use of assets, observable market valuations, forecasted revenue growth, operating margins and discount rates based on budgets, business plans, economic projections, anticipated future cash flows and marketplace data that reflects the risk inherent in future cash flows to determine fair value.

Effect if Actual Results Differ From Assumptions

We have not made any material changes in the accounting methodology used to evaluate the impairment of amortizable intangible assets during the last three fiscal years. We do not believe there is a reasonable likelihood there will be a material change in the estimates or assumptions used to calculate impairments or useful lives of amortizable intangible assets. However, if actual results are not consistent with our estimates and assumptions used to calculate estimated future cash flows, we may be exposed to impairment losses that could be material.

Earnout Obligations

Description

Substantially all of the purchase agreements related to the acquisitions we do contain provisions for potential earnout obligations. The amounts recorded as earnout payables, which are primarily based upon the terms of the purchase agreements and the estimated future operating results of the acquired entities over a two- to three-year period subsequent to the acquisition date, are measured at fair value as of the acquisition date and are included on that basis in the recorded purchase price consideration. We will record subsequent changes in these estimated earnout obligations, including the accretion of discount, in our consolidated statement of earnings when incurred.

Judgments and Uncertainties
The fair value of these earnout obligations is based on the present value of the expected future payments to be made to the sellers of the acquired entities in accordance with the provisions outlined in the respective purchase agreements, which is a Level 3 fair value measurement. In determining fair value, we estimate the acquired entity's future performance using financial projections developed by management for the acquired entity and market participant assumptions that were derived for revenue growth and/or profitability. Revenue growth rates generally ranged from 3.0% to 19.0% for our 2024 acquisitions. We estimated future payments using the earnout formula and performance targets specified in each purchase agreement and the financial projections just described. We then discounted these payments to present value using a risk-adjusted rate that takes into consideration market based rates of return that reflect the ability of the acquired entity to achieve the targets. The discount rates generally ranged from 7.1% to 9.0% for our 2024 acquisitions.

Effect if Actual Results Differ From Assumptions
While management believes those expectations and assumptions are reasonable, they are inherently uncertain. Changes in financial projections, market participant assumptions for revenue growth and/or profitability, or the risk-adjusted discount rate, would result in a change in the fair value of recorded earnout obligations. See Note 3 to our 2024 consolidated financial statements for additional discussion on our 2024 business combinations.

Business Combinations

Description
We account for acquired businesses using the acquisition method of accounting, which requires that once control of a business is obtained, 100% of the assets acquired and liabilities assumed, including amounts attributed to noncontrolling interests, be recorded at the date of acquisition at their respective fair values. Any excess of the purchase price over the estimated fair values of the net assets acquired is recorded as goodwill.

We use various models to determine the value of assets acquired and liabilities assumed such as discounted cash flow to value amortizable intangible assets.

For significant acquisitions we may use independent third-party valuation specialists to assist us in determining the fair value of assets acquired and liabilities assumed. See Note 3 to our 2024 consolidated financial statements for additional discussion on our 2024 business combinations.

Judgments and Uncertainties
Significant judgment is often required in estimating the fair value of assets acquired and liabilities assumed, particularly intangible assets. We make estimates and assumptions about projected future cash flows including sales growth, operating margins, attrition rates, and discount rates based on historical results, business plans, expected synergies, perceived risk and marketplace data considering the perspective of marketplace participants.

Determining the useful life of an intangible asset also requires judgment as different types of intangible assets will have different useful lives.

Effect if Actual Results Differ From Assumptions
While management believes those expectations and assumptions are reasonable, they are inherently uncertain. Unanticipated market or macroeconomic events and circumstances may occur, which could affect the accuracy or validity of the estimates and assumptions, which could result in subsequent impairments.

Item 7A. Quantitative and Qualitative Disclosures about Market Risk.

We are exposed to various market risks in our day to day operations. Market risk is the potential loss arising from adverse changes in market rates and prices, such as interest and foreign currency exchange rates and equity prices. The following analyses present the hypothetical loss in fair value of the financial instruments held by us at December 31, 2024 that are sensitive to changes in interest rates. The range of changes in interest rates used in the analyses reflects our view of changes that are reasonably possible over a one-year period. This discussion of market risks related to our consolidated balance sheet includes estimates of future economic environments caused by changes in market risks. The effect of actual changes in these market risk factors may differ materially from our estimates. In the ordinary course of business, we also face risks that are either nonfinancial or unquantifiable, including credit risk and legal risk. These risks are not included in the following analyses.

Our invested assets are primarily held as cash and cash equivalents, which are subject to various market risk exposures such as interest rate risk. The fair value of our portfolio of cash and cash equivalents as of December 31, 2024 approximated its carrying value due to its short-term duration. We estimated market risk as the potential decrease in fair value resulting from a hypothetical one-percentage point increase in interest rates for the instruments contained in the cash and cash equivalents investment portfolio. The resulting fair values were not materially different from their carrying values at December 31, 2024.

As of December 31, 2024, we had $13,073.0 million of borrowings outstanding under our various senior notes and note purchase agreements. The aggregate estimated fair value of these borrowings at December 31, 2024 was $12,072.7 million due to the long-term duration and fixed interest rates associated with these debt obligations. No active or observable market exists for our private placement long-term debt. Therefore, the estimated fair value of this debt is based on the income valuation approach, which is a valuation technique that converts future amounts (for example, cash flows or income and expenses) to a single current (that is, discounted) amount. The fair value measurement is determined on the basis of the value indicated by current market expectations about those future amounts. Because our debt issuances generate a measurable income stream for each lender, the income approach was deemed to be an appropriate methodology for valuing the private placement long-term debt. The methodology used calculated the original deal spread at the time of each debt issuance, which was equal to the difference between the yield of each issuance (the coupon rate) and the equivalent benchmark treasury yield at that time. The market spread as of the valuation date was calculated, which is equal to the difference between an index for investment grade insurers and the equivalent benchmark treasury yield today. An implied premium or discount to the par value of each debt issuance based on the difference between the origination deal spread and market as of the valuation date was then calculated. The index we relied on to represent investment graded insurers was the Bloomberg Valuation Services (BVAL) U.S. Insurers BBB index. This index is comprised primarily of insurance brokerage firms and was representative of the industry in which we operate. For the purpose of our analysis, the average BBB rate was assumed to be the appropriate borrowing rate for us.

We estimated market risk as the potential impact on the value of the debt recorded in our consolidated balance sheet based on a hypothetical one-percentage point change in our weighted average borrowing rate as of December 31, 2024. A one-percentage point decrease would result in an estimated fair value of $13,118.6 million, or $45.6 million more than their current carrying value. A one-percentage point increase would result in an estimated fair value of $11,169.7 million, or $1,903.3 million less than their current carrying value.

As of December 31, 2024, there were no borrowings outstanding under our Credit Agreement and $225.2 million of borrowings outstanding under our Premium Financing Debt Facility. The fair value of these borrowings approximate their carrying value due to their short-term duration and variable interest rates associated with these debt obligations. Market risk is estimated as the potential increase in fair value resulting from a hypothetical one-percentage point decrease in our weighted average short-term borrowing rate at December 31, 2024 and the resulting fair values are not materially different from their carrying value.

We are subject to foreign currency exchange rate risk primarily from one of our larger U.K. based brokerage subsidiaries that incurs expenses denominated primarily in British pounds while receiving a substantial portion of its revenues in U.S. dollars. In addition, we are subject to foreign currency exchange rate risk from our Australian, Canadian, Indian, Jamaican, New Zealand, Norwegian, Singaporean and various Caribbean and Latin American operations because we transact business in their local denominated currencies. Foreign currency gains (losses) related to this market risk are recorded in earnings before income taxes as transactions occur. Assuming a hypothetical adverse change of 10% in the average foreign currency exchange rate for 2024 (a weakening of the U.S. dollar), earnings before income taxes would have increased by approximately $64.8 million. Assuming a hypothetical favorable change of 10% in the average foreign currency exchange rate for 2024 (a strengthening of the U.S. dollar), earnings before income taxes would have decreased by approximately $55.5 million. We are also subject to foreign currency exchange rate risk associated with the translation of local currencies of our foreign subsidiaries into U.S. dollars. We manage the balance sheets of our foreign subsidiaries, where practical, such that foreign liabilities are matched with equal foreign assets, maintaining a "balanced book" which minimizes the effects of currency fluctuations. However, our consolidated financial position is exposed to foreign currency exchange risk related to intra-entity loans between our U.S. based subsidiaries and our non-U.S. based subsidiaries that are denominated in the respective local foreign currency. A transaction that is in a foreign currency is first remeasured at the entity's functional (local) currency, where applicable, (which is an adjustment to consolidated earnings) and then translated to the reporting (U.S. dollar) currency (which is an adjustment to consolidated stockholders' equity) for consolidated reporting purposes. If the transaction is already denominated in the foreign entity's functional currency, only the translation to U.S. dollar reporting is necessary. The remeasurement process required by U.S. GAAP for such foreign currency loan transactions will give rise to a consolidated unrealized foreign exchange gain or loss, which could be material, that is recorded in accumulated other comprehensive loss.

Historically, we have not entered into derivatives or other similar financial instruments for trading or speculative purposes. However, with respect to managing foreign currency exchange rate risk in India, Norway and the U.K., we have periodically purchased financial instruments to minimize our exposure to this risk. During 2024, 2023 and 2022, we had several monthly put/call options in place with an external financial institution that were designed to hedge a significant portion of our future Norway and the U.K. currency revenues through various future payment dates. In addition, during 2024, 2023 and 2022, we had several monthly put/call options in place with an external financial institution that were designed to hedge a significant portion of our Indian currency disbursements through various future payment dates. Although these hedging strategies were designed to protect us against significant India, Norway and the U.K. currency exchange rate movements, we are still exposed to some foreign currency exchange rate risk for the portion of the payments and currency exchange rate that are unhedged. All of these hedges are accounted for in accordance with ASC Topic 815, "Derivatives and Hedging", and periodically are tested for effectiveness in accordance with such guidance. In the scenario where such hedge does not pass the effectiveness test, the hedge will be re-measured at the stated point and the appropriate loss, if applicable, would be recognized. For the year ended December 31, 2024 there has been no such effect on our consolidated financial presentation. The impact of these hedging strategies was not material to our consolidated financial statements for 2024, 2023 and 2022. See Note 18 to our 2024 consolidated financial statements for the changes in fair value of these derivative instruments reflected in comprehensive earnings in 2024, 2023 and 2022.

Item 8. Financial Statements and Supplementary Data.

Arthur J. Gallagher & Co.
Consolidated Statement of Earnings
(In millions, except per share data)

	Year Ended December 31, 2024	2023	2022
Commissions	$ 6,693.8	$ 5,865.0	$ 5,187.4
Fees	3,606.6	3,144.7	2,567.7
Supplemental revenues	359.4	314.2	284.7
Contingent revenues	267.6	235.3	207.3
Interest income, premium finance revenues and other income	473.2	367.3	150.0
Revenues from clean coal activities	—	—	23.0
Revenues before reimbursements	11,400.6	9,926.5	8,420.1
Reimbursements	154.3	145.4	130.5
Total revenues	11,554.9	10,071.9	8,550.6
Compensation	6,522.3	5,681.2	4,799.8
Operating	1,753.9	1,689.7	1,330.9
Reimbursements	154.3	145.4	130.5
Cost of revenues from clean coal activities	—	—	22.9
Interest	381.3	296.7	256.9
Depreciation	177.5	165.2	144.7
Amortization	664.8	531.3	454.9
Change in estimated acquisition earnout payables	26.0	377.3	83.0
Total expenses	9,680.1	8,886.8	7,223.6
Earnings before income taxes	1,874.8	1,185.1	1,327.0
Provision for income taxes	404.4	219.1	211.0
Net earnings	1,470.4	966.0	1,116.0
Net earnings (loss) attributable to noncontrolling interests	7.7	(3.5)	1.8
Net earnings attributable to controlling interests	$ 1,462.7	$ 969.5	$ 1,114.2
Basic net earnings per share	$ 6.63	$ 4.51	$ 5.30
Diluted net earnings per share	6.50	4.42	5.19
Dividends declared per common share	2.40	2.20	2.04

See notes to consolidated financial statements.

Arthur J. Gallagher & Co.
Consolidated Statement of Comprehensive Earnings
(In millions)

	Year Ended December 31,		
	2024	2023	2022
Net earnings	$ 1,470.4	$ 966.0	$ 1,116.0
Change in pension liability, net of taxes	13.9	12.3	(12.3)
Foreign currency translation, net of taxes	(365.4)	257.8	(511.8)
Change in fair value of derivative instruments, net of taxes	(7.5)	78.2	109.8
Comprehensive earnings	1,111.4	1,314.3	701.7
Comprehensive earnings (loss) attributable to noncontrolling interests	7.8	(2.5)	1.6
Comprehensive earnings attributable to controlling interests	$ 1,103.6	$ 1,316.8	$ 700.1

See notes to consolidated financial statements.

Arthur J. Gallagher & Co.
Consolidated Balance Sheet
(In millions)

	December 31, 2024	December 31, 2023
Cash and cash equivalents	$ 14,987.3	$ 971.5
Fiduciary assets (includes fiduciary cash of $5,481.3 in 2024 and $5,571.8 in 2023)	24,712.1	26,907.9
Accounts receivable, net	3,895.9	3,786.6
Other current assets	518.0	450.1
Total current assets	44,113.3	32,116.1
Fixed assets - net	650.3	726.4
Deferred income taxes (includes tax credit carryforwards of $771.8 in 2024 and $867.4 in 2023)	959.1	1,132.3
Other noncurrent assets	1,354.4	1,131.8
Right-of-use assets	377.8	400.3
Goodwill - net	12,270.2	11,475.6
Amortizable intangible assets - net	4,530.1	4,633.3
Total assets	$ 64,255.2	$ 51,615.8
Fiduciary liabilities	$ 24,712.1	$ 26,907.9
Accrued compensation and other current liabilities	3,586.3	2,553.1
Deferred revenue - current	537.2	644.7
Premium financing debt	225.2	289.0
Corporate related borrowings - current	200.0	670.0
Total current liabilities	29,260.8	31,064.7
Corporate related borrowings - noncurrent	12,731.9	7,006.0
Deferred revenue - noncurrent	67.1	61.5
Lease liabilities - noncurrent	328.1	352.2
Other noncurrent liabilities	1,687.7	2,316.1
Total liabilities	44,075.6	40,800.5
Stockholders' equity:		
Common stock - authorized 400.0 shares; issued and outstanding 250.0 shares in 2024 and 216.7 shares in 2023	250.0	216.7
Capital in excess of par value	16,068.9	7,297.8
Retained earnings	4,985.7	4,052.9
Accumulated other comprehensive loss	(1,151.1)	(792.1)
Stockholders' equity attributable to controlling interests	20,153.5	10,775.3
Stockholders' equity attributable to noncontrolling interests	26.1	40.0
Total stockholders' equity	20,179.6	10,815.3
Total liabilities and stockholders' equity	$ 64,255.2	$ 51,615.8

See notes to consolidated financial statements.

Arthur J. Gallagher & Co.
Consolidated Statement of Cash Flows
(In millions)

	Year Ended December 31, 2024	2023	2022
Cash flows from operating activities:			
Net earnings	$ 1,470.4	$ 966.0	$ 1,116.0
Adjustments to reconcile net earnings to net cash provided by operating activities:			
Net gain on investments and other	(22.7)	(8.4)	(11.0)
Depreciation and amortization	842.3	696.5	599.6
Change in estimated acquisition earnout payables	26.0	377.3	83.0
Amortization of deferred compensation and restricted stock	117.5	105.1	85.4
Stock-based and other noncash compensation expense	41.9	31.4	24.4
Payments on acquisition earnouts in excess of original estimates	(42.4)	(68.4)	(81.7)
Provision for deferred income taxes	108.6	43.1	(209.0)
Effect of changes in foreign exchange rates	0.4	10.3	(34.0)
Net change in accounts receivable, net	(65.0)	(503.5)	(319.6)
Net change in deferred revenue	(116.1)	49.0	29.3
Net change in other current assets	(114.3)	(107.3)	(71.7)
Net change in accrued compensation and other accrued liabilities	363.3	462.9	119.0
Net change in income taxes payable	(41.8)	(77.7)	49.9
Net change in other noncurrent assets and liabilities	14.8	55.4	10.4
Net cash provided by operating activities	2,582.9	2,031.7	1,390.0
Cash flows from investing activities:			
Capital expenditures	(141.9)	(193.6)	(182.7)
Cash paid for acquisitions, net of cash and restricted cash acquired	(1,462.3)	(3,041.9)	(764.9)
Net proceeds from sales of operations/books of business	19.7	9.9	11.0
Net funding of investment transactions	6.0	5.5	1.0
Net funding of premium finance loans	(8.9)	(72.9)	(69.2)
Net cash used by investing activities	(1,587.4)	(3,293.0)	(1,004.8)
Cash flows from financing activities:			
Payments on acquisition earnouts	(142.8)	(97.8)	(106.5)
Proceeds from issuance of common stock	8,506.8	120.2	123.1
Payments to noncontrolling interests	(3.7)	(2.4)	(3.6)
Dividends paid	(525.4)	(473.6)	(429.5)
Net change in fiduciary assets and liabilities	(1.4)	1,296.5	735.4
Net borrowings on premium financing debt facility	(40.9)	41.7	25.3
Borrowings on line of credit facility	1,663.2	3,795.0	2,570.0
Repayments on line of credit facility	(1,906.9)	(3,610.0)	(2,555.0)
Net borrowings of corporate related long-term debt	5,552.6	1,634.0	(201.5)
Debt acquisition costs	(51.6)	(17.7)	2.2
Settlements on terminated interest rate swaps	2.8	188.0	52.7
Net cash provided by financing activities	13,052.7	2,873.9	212.6
Effect of changes in foreign exchange rates on cash, cash equivalents, restricted cash and fiduciary cash	(122.9)	(33.5)	(99.9)
Net increase in cash, cash equivalents, restricted cash and fiduciary cash	13,925.3	1,579.1	497.9
Cash, cash equivalents, restricted cash and fiduciary cash at beginning of year	6,543.3	4,964.2	4,466.3
Cash, cash equivalents, restricted cash and fiduciary cash at end of year	$ 20,468.6	$ 6,543.3	$ 4,964.2

See notes to consolidated financial statements.

Arthur J. Gallagher & Co.
Consolidated Statement of Stockholders' Equity
(In millions)

	Common Stock		Capital in Excess of Par Value	Retained Earnings	Accumulated Other Comprehensive Loss	Noncontrolling Interests	Total
	Shares	Amount					
Balance at December 31, 2021	208.5	$ 208.5	$ 6,143.7	$ 2,882.3	$ (726.1)	$ 51.7	$ 8,560.1
Net earnings	—	—	—	1,114.2	—	1.8	1,116.0
Net purchase of subsidiary shares from noncontrolling interests	—	—	—	—	—	(3.2)	(3.2)
Dividends paid to noncontrolling interests	—	—	—	—	—	(3.5)	(3.5)
Net change in pension asset/liability, net of taxes of $(3.0) million	—	—	—	—	(12.3)	—	(12.3)
Foreign currency translation	—	—	—	—	(511.8)	(0.2)	(512.0)
Change in fair value of derivative instruments, net of taxes of $39.3 million	—	—	—	—	109.8	—	109.8
Compensation expense related to stock option plan grants	—	—	27.9	—	—	—	27.9
Common stock issued in:							
Eighteen purchase transactions	0.9	0.9	164.6	—	—	—	165.5
Stock option plans	1.4	1.4	74.7	—	—	—	76.1
Employee stock purchase plan	0.3	0.3	47.3	—	—	—	47.6
Shares issued to benefit plans	0.5	0.5	73.9	—	—	—	74.4
Deferred compensation and restricted stock	0.3	0.3	(22.2)	—	—	—	(21.9)
Cash dividends declared on common stock	—	—	—	(434.3)	—	—	(434.3)
Balance at December 31, 2022	211.9	211.9	6,509.9	3,562.2	(1,140.4)	46.6	9,190.2
Net earnings	—	—	—	969.5	—	(3.5)	966.0
Net purchase of subsidiary shares from noncontrolling interests	—	—	—	—	—	(3.1)	(3.1)
Dividends paid to noncontrolling interests	—	—	—	—	—	(1.0)	(1.0)
Net change in pension asset/liability, net of taxes of $3.0 million	—	—	—	—	12.3	—	12.3
Foreign currency translation	—	—	—	—	257.8	1.0	258.8
Change in fair value of derivative instruments, net of taxes of $26.8 million	—	—	—	—	78.2	—	78.2
Compensation expense related to stock option plan grants	—	—	33.5	—	—	—	33.5
Common stock issued in:							
Twenty-three purchase transactions	2.5	2.5	523.3	—	—	—	525.8
Stock option plans	1.2	1.2	64.0	—	—	—	65.2
Employee stock purchase plan	0.3	0.3	54.7	—	—	—	55.0
Shares issued to benefit plans	0.4	0.4	84.2	—	—	—	84.6
Deferred compensation and restricted stock	0.4	0.4	28.2	—	—	—	28.6
Cash dividends declared on common stock	—	—	—	(478.8)	—	—	(478.8)
Balance at December 31, 2023	216.7	$ 216.7	$ 7,297.8	$ 4,052.9	$ (792.1)	$ 40.0	$ 10,815.3

See notes to consolidated financial statements.

Arthur J. Gallagher & Co.
Consolidated Statement of Stockholders' Equity (continued)
(In millions)

	Common Stock		Capital in Excess of Par Value	Retained Earnings	Accumulated Other Comprehensive Loss	Noncontrolling Interests	Total
	Shares	Amount					
Balance at December 31, 2023	216.7	$ 216.7	$ 7,297.8	$ 4,052.9	$ (792.1)	$ 40.0	$ 10,815.3
Net earnings	—	—	—	1,462.7	—	7.7	1,470.4
Net purchase of subsidiary shares from noncontrolling interests	—	—	—	—	—	(17.9)	(17.9)
Dividends paid to noncontrolling interests	—	—	—	—	—	(3.8)	(3.8)
Net change in pension asset/liability, net of taxes of $3.3 million	—	—	—	—	13.9	—	13.9
Foreign currency translation	—	—	—	—	(365.4)	0.1	(365.3)
Change in fair value of derivative instruments, net of taxes of $(2.5) million	—	—	—	—	(7.5)	—	(7.5)
Compensation expense related to stock option plan grants	—	—	47.8	—	—	—	47.8
Common stock issued in:							
Thirteen purchase transactions	0.6	0.6	140.2	—	—	—	140.8
Stock option plans	1.3	1.3	91.4	—	—	—	92.7
Employee stock purchase plan	0.3	0.3	69.5	—	—	—	69.8
Shares issued to benefit plans	0.4	0.4	98.1	—	—	—	98.5
Deferred compensation and restricted stock	0.3	0.3	10.1	—	—	—	10.4
Stock issuance from public offering	30.4	30.4	8,314.0	—	—	—	8,344.4
Cash dividends declared on common stock	—	—	—	(529.9)	—	—	(529.9)
Balance at December 31, 2024	250.0	$ 250.0	$ 16,068.9	$ 4,985.7	$ (1,151.1)	$ 26.1	$ 20,179.6

See notes to consolidated financial statements.

1. Summary of Significant Accounting Policies

Terms Used in Notes to Consolidated Financial Statements

ASC - Accounting Standards Codification.

ASU - Accounting Standards Update.

FASB - The Financial Accounting Standards Board.

GAAP - United States (U.S.) generally accepted accounting principles.

IRC - Internal Revenue Code.

IRS - Internal Revenue Service.

Topic 606 - ASU No. 2014-09, Revenue from Contracts with Customers.

Underwriting enterprises - Insurance companies, reinsurance companies and various other forms of risk-taking entities, including intermediaries of underwriting enterprises.

Nature of Operations

Arthur J. Gallagher & Co. and its subsidiaries, collectively referred to herein as we, our, us or the Company, provide insurance brokerage, consulting and third party claims settlement and administration services to both domestic and international entities. We have three reportable segments: brokerage, risk management and corporate. Our brokers, agents and administrators act as intermediaries between underwriting enterprises and our clients.

Our brokerage segment operations provide brokerage and consulting services to entities of all types, including commercial, nonprofit, public sector entities and to a lesser extent, individuals, in the areas of insurance and reinsurance placements, risk of loss management and management of employer sponsored benefit programs. Our risk management segment operations provide contract claim settlement, claim administration, loss control services and risk management consulting for commercial, nonprofit, captive and public sector entities, and various other organizations that choose to self-insure property/casualty coverages or choose to use a third-party claims management organization rather than the claim services provided by underwriting enterprises. The corporate segment reports the financial information related to our debt, external acquisition-related expenses, other corporate costs and the impact of foreign currency translation. Legacy clean energy investments consist of our investments in limited liability companies that own or have owned 35 commercial clean coal production facilities that produced refined coal using Chem-Mod LLC's proprietary technologies. We believe these operations produced refined coal that qualifies for tax credits under IRC Section 45.

We do not assume underwriting risk on a net basis, other than with respect to de minimis amounts necessary to provide minimum or regulatory capital insurance to organize captives, pools, specialized underwriters or risk-retention groups. Rather, capital necessary for covering losses is provided by underwriting enterprises.

Investment income and other revenues are primarily generated from our premium financing operations, our invested cash and restricted cash we hold on behalf of our clients, as well as clean energy investments. In addition, our share of the net earnings related to partially owned entities that are accounted for using the equity method is included in investment income.

Arthur J. Gallagher & Co., a global insurance brokerage, risk management and consulting services firm, is headquartered in Rolling Meadows, Illinois. The Company provides these services in approximately 130 countries around the world through its owned operations and a network of correspondent brokers and consultants.

Basis of Presentation

The accompanying consolidated financial statements include our accounts and all of our majority-owned subsidiaries (50% or greater ownership). Substantially all of our investments in partially owned entities in which our ownership is less than 50% are accounted for using the equity method based on the legal form of our ownership interest and the applicable ownership percentage of the entity. However, in situations where a less than 50%-owned investment has been determined to be a variable interest entity and we are deemed to be the primary beneficiary in accordance with the variable interest model of consolidation, we will consolidate the investment into our consolidated financial statements. For partially owned entities accounted for using the equity method, our share of the net earnings of these entities is included in consolidated net earnings. All material intercompany accounts and transactions have been eliminated in consolidation.

In the preparation of our consolidated financial statements as of December 31, 2024, management evaluated all material subsequent events or transactions that occurred after the balance sheet date through the date on which the financial statements were issued for potential recognition and/or disclosure in the notes therein.

Use of Estimates

The preparation of our consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. These accounting principles require us to make estimates and assumptions that affect the reported amounts of assets and liabilities and revenues and expenses, and the disclosure of contingent assets and liabilities at the date of our consolidated financial statements. We periodically evaluate our estimates and assumptions, including those relating to the valuation of goodwill and other intangible assets, right-of-use assets, investments, income taxes, revenue recognition, deferred costs, stock-based compensation, claims handling obligations, retirement plans, litigation and contingencies. We base our estimates on historical experience and various assumptions that we believe to be reasonable based on specific circumstances. Such estimates and assumptions could change in the future as more information becomes known, which could impact the amounts reported and disclosed herein.

Revenue Recognition

Our revenues are derived from commissions and fees as primarily specified in a written contract, or unwritten business understanding, with our clients or underwriting enterprises. We also recognize investment income over time from our invested assets and invested assets we hold on behalf of our clients or underwriting enterprises.

BROKERAGE SEGMENT

Our brokerage segment generates revenues by:

(i) Identifying, negotiating and placing all forms of insurance coverage, as well as providing data analytics, risk-shifting, risk-sharing and risk-mitigation consulting services, principally related to property/casualty, life, health, welfare and disability insurance. We also provide these services through, or in conjunction with, other unrelated agents and brokers, consultants and management advisors;

(ii) Identifying, negotiating and placing all forms of reinsurance coverage, as well as providing capital markets services, including acting as underwriter, with respect to insurance linked securities, weather derivatives, capital raising and selected merger and acquisition advisory activities;

(iii) Acting as an agent or broker for multiple underwriting enterprises by providing services such as sales, marketing, selecting, negotiating, underwriting, servicing and placing insurance coverage on their behalf;

(iv) Providing consulting services related to health and welfare benefits, voluntary benefits, executive benefits, compensation, retirement planning, institutional investment and fiduciary, actuarial, compliance, private insurance exchange, human resource technology, communications and benefits administration; and

(v) Providing management and administrative services to captives, pools, risk-retention groups, healthcare exchanges, small underwriting enterprises, such as accounting, claims and loss processing assistance, feasibility studies, actuarial studies, data analytics and other administrative services.

The vast majority of our brokerage contracts and service understandings are for a period of one year or less.

Commissions and fees

The primary source of revenues for our brokerage services is commissions from underwriting enterprises, based on a percentage of premiums paid by our clients, or fees received from clients based on an agreed level of service usually in lieu of commissions. These commissions and fees revenues are substantially recognized at a point in time on the effective date of the associated policies when control of the policy transfers to the client, as well as deferring certain revenues to reflect delivery of services over the contract period.

Commissions are fixed at the contract effective date and generally are based on a percentage of premiums for insurance coverage or employee headcount for employer sponsored benefit plans. Commissions depend upon a large number of factors, including the type of risk being placed, the particular underwriting enterprise's demand, the expected loss experience of the particular risk of coverage, and historical benchmarks surrounding the level of effort necessary for us to place and service the insurance contract. Rather than being tied to the amount of premiums, fees are most often based on an expected level of effort to provide our services.

Whether we are paid a commission or a fee, the vast majority of our services are associated with the placement of an insurance (or insurance-like) contract. Accordingly, we recognize approximately 85% of our commission and fee revenues on the effective date of the underlying insurance contract. The amount of revenue we recognize is based on our costs to provide our services up and through that effective date, including an appropriate estimate of our profit margin on a portfolio basis (a practical expedient as defined in Topic 606). Based on the proportion of additional services we provide in each period after the effective date of the insurance contract, including an appropriate estimate of our profit margin, we recognize approximately 10% of our commission and fee revenues in the first three months, and the remaining 5% thereafter. These periods may be different than the underlying premium payment patterns of the insurance contracts, but the vast majority of our services are fully provided within one year of the insurance contract effective date.

For consulting and advisory services, we recognize our revenue in the period in which we provide the service or advice. For management and administrative services, our revenue is recognized ratably over the contract period consistent with the performance of our obligations, mostly over an annual term.

Supplemental revenues

Certain underwriting enterprises may pay us additional revenues for the volume of premium placed with them and for insights into our sales pipeline, our sales capabilities or our risk selection knowledge. These amounts are in excess of the commission and fee revenues discussed above, and not all business we place with underwriting enterprises is eligible for supplemental revenues. Unlike contingent revenues, discussed below, these revenues are primarily a fixed amount or fixed percentage of premium of the underlying eligible insurance contracts. For supplemental revenue contracts based on a fixed percentage of premium, our obligation to the underwriting enterprise is substantially completed upon the effective date of the underlying insurance contract and revenue is fully earned at that time. For supplemental revenue contracts based on a fixed amount, revenue is recognized ratably over the contract period consistent with the performance of our obligations, almost always over an annual term. We receive these revenues on a quarterly or annual basis.

Contingent revenues

Certain underwriting enterprises may pay us additional revenues for our sales capabilities, our risk selection knowledge, or our administrative efficiencies. These amounts are in excess of the commission or fee revenues discussed above, and not all business we place with participating underwriting enterprises is eligible for contingent revenues. Unlike supplemental revenues, also discussed above, these revenues are variable, generally based on growth, the loss experience of the underlying insurance contracts, and/or our efficiency in processing the business. We generally operate under calendar year contracts, but we do not receive these revenues from the underwriting enterprises until the following calendar year, generally in the first and second quarters, after verification of the performance indicators outlined in the contracts. Accordingly, during each reporting period, we must make our best estimate of amounts we have earned using historical averages and other factors to project such revenues. We base our estimates each period on a contract-by-contract basis where available. In certain cases, it is impractical to assess a very large number of smaller contingent revenue contracts, so we use a historical portfolio estimate in aggregate (a practical expedient as defined in Topic 606). Because our expectation of the ultimate contingent revenue amounts to be earned can vary from period to period, especially in contracts sensitive to loss ratios, our estimates might change significantly from quarter to quarter. For example, in circumstances where our revenues are dependent on a full calendar year loss ratio, adverse loss experience in the fourth quarter could not only negate revenue earnings in the fourth quarter, but also trigger the need to reverse revenues previously recognized during the prior quarters. Variable consideration is recognized when we conclude, based on all the facts and information available at the reporting date, that it is probable that a significant revenue reversal will not occur in future periods.

Sub-brokerage costs

Sub-brokerage costs are excluded from our gross revenues in our determination of total revenues. Sub-brokerage costs represent commissions paid to sub-brokers related to the placement of certain business by our brokerage segment operations. We recognize this contra revenue in the same manner as the commission revenue to which it relates.

RISK MANAGEMENT SEGMENT

Revenues for our risk management segment are comprised of fees generally negotiated (i) on a per-claim or per-service basis, (ii) on a cost-plus basis, or (iii) as performance-based fees. We also provide risk management consulting services that are recognized as the services are delivered.

Per-claim or per-service fees

Where we operate under a contract with our fee established on a per-claim or per-service basis, our obligation is to process claims for a term specified within the contract. Because it is impractical to recognize our revenues on an individual claim-by-claim basis, we recognize revenue plus an appropriate estimate of our profit margin on a portfolio basis by grouping claims with similar characteristics (a practical expedient as defined in Topic 606). We apply actuarially-determined, historical-based patterns to determine our future service obligations, without applying a present value discount.

Cost-plus fees

Where we provide services and generate revenues on a cost-plus basis, we recognize revenue over the contract period consistent with the performance of our obligations.

Performance-based fees

Certain clients pay us additional fee revenues for our efficiency in managing claims or on the basis of claim outcome effectiveness. These amounts are in excess of the fee revenues discussed above. These revenues are variable, generally based on performance metrics set forth in the underlying contracts. We generally operate under multi-year contracts with fiscal year measurement periods. We do not receive these fees, if earned, until the following year after verification of the performance metrics outlined in the contracts. Each period we base our estimates on a contract-by-contract basis. We must make our best estimate of amounts we have earned using historical averages and other factors to project such revenues. Variable consideration is recognized when we conclude that it is probable that a significant revenue reversal will not occur in future periods.

Reimbursements

Reimbursements represent amounts received from clients reimbursing us for certain third-party costs associated with providing our claims management services. In certain service partner relationships, we are considered a principal because we direct the third party, control the specified service and combine the services provided into an integrated solution. Given this principal relationship, we are required to recognize revenue gross and service partner vendor fees in the operating expense in our consolidated statement of earnings.

Deferred Costs

We incur costs to provide brokerage and risk management services. Those costs are either (i) costs to obtain a contract or (ii) costs to fulfill such contract, or (iii) all other costs.

(i) Costs to obtain - we incur costs to obtain a contract with a client. Those costs would not have been incurred if the contract had not been obtained. Almost all of our costs to obtain are incurred prior to, or on, the effective date of the contract and consist primarily of incentive compensation we pay to our production employees. Our costs to obtain are expensed as incurred as described in Note 4 to these consolidated financial statements.

(ii) Costs to fulfill - we incur costs to fulfill a contract (or anticipated contract) with a client. Those costs are incurred prior to the effective date of the contract and relate to fulfilling our primary placement obligations to our clients. Our costs to fulfill prior to the effective date are capitalized and amortized on the effective date. These fulfillment activities include collecting underwriting information from our client, assessing their insurance needs and negotiating their placement with one or more underwriting enterprises. The majority of costs that we incur relate to compensation and benefits of our client service employees. Costs incurred during preplacement activities are expected to be recovered in the future. If the capitalized costs are no longer deemed to be recoverable, then they would be expensed.

(iii) Other costs that are not costs to obtain or fulfill are expensed as incurred. Examples include other operating costs such as rent, utilities, management costs, overhead costs, legal and other professional fees, technology costs, insurance related costs, communication and advertising, and travel and entertainment. Depreciation, amortization and change in estimated acquisition earnout payable are expensed as incurred.

Investment Income

Investment income primarily includes interest (including revenue from our premium financing operations) and dividend income, which is accrued as it is earned. Net gains on divestitures represent one-time gains related to sales of brokerage related businesses, which are primarily recognized on a cash received basis.

Earnings per Share

Basic net earnings per share is computed by dividing net earnings by the weighted average number of common shares outstanding during the reporting period. Diluted net earnings per share is computed by dividing net earnings by the weighted average number of common and common equivalent shares outstanding during the reporting period. Common equivalent shares include incremental shares from dilutive stock options, which are calculated from the date of grant under the treasury stock method using the average market price for the period.

Cash and Cash Equivalents

Short-term investments, consisting principally of cash and money market accounts that have average maturities of 90 days or less, are considered cash equivalents.

Fiduciary Assets and Liabilities

Fiduciary assets represent cash held and insurance and reinsurance receivables that relate to our clients and are held on their behalf. Fiduciary liabilities represent the corresponding amounts that are owed to underwriting enterprises on behalf of our clients. In our capacity as an insurance broker, we collect premiums from insureds and, after deducting our commissions and/or fees, remit these premiums to underwriting enterprises. We hold unremitted insurance premiums in a fiduciary capacity until we disburse them, and the use of such funds is restricted by laws in certain states and foreign jurisdictions in which our subsidiaries operate. Various state and foreign agencies regulate insurance brokers and provide specific requirements that limit the type of investments that may be made with such funds. Accordingly, we invest these funds in cash and U.S. Treasury fund accounts. We can earn interest income on these unremitted funds, which is included in investment income in the accompanying consolidated statement of earnings. These unremitted amounts are included in fiduciary assets in the accompanying consolidated balance sheet, with the related liability included in fiduciary liabilities. Additionally, several of our foreign subsidiaries are required by various foreign agencies to meet certain liquidity and solvency requirements. We were in compliance with these requirements at December 31, 2024. This restricted cash is included in cash and cash equivalents net in the accompanying consolidated balance sheet.

Related to our third party administration business and in certain of our brokerage operations, we are responsible for client claim funds that we hold in a fiduciary capacity. We do not earn any interest income on the funds held. These client funds have been included in fiduciary assets, along with a corresponding liability in fiduciary liabilities in the accompanying consolidated balance sheet.

Accounts Receivable

Accounts receivable, net in the accompanying consolidated balance sheet includes accrued agency billed commissions, fees, supplemental commissions, direct bill commissions and contingent commission receivables due to the Company. Accounts receivable are net of allowances for estimated policy cancellations and doubtful accounts. The allowance for estimated policy cancellations was $13.3 million and $9.9 million at December 31, 2024 and 2023, respectively, which represents a reserve for future reversals in commission and fee revenues related to the potential cancellation of client insurance policies that were in force as of each year end. The allowance for doubtful accounts was $21.8 million and $23.0 million at December 31, 2024 and

2023, respectively. We establish the allowance for estimated policy cancellations through a charge to revenues and the allowance for doubtful accounts through a charge to operating expenses. Both of these allowances are based on estimates and assumptions using historical data to project future experience. Such estimates and assumptions could change in the future as more information becomes known which could impact the amounts reported and disclosed herein. We periodically review the adequacy of these allowances and make adjustments as necessary.

Derivative Instruments

We are exposed to market risks, including changes in foreign currency exchange rates and interest rates. To manage the risk related to these exposures, we enter into various derivative instruments that reduce these risks by creating offsetting exposures. In the normal course of business, we are exposed to the impact of foreign currency fluctuations that impact our results of operations and cash flows. We utilize a foreign currency risk management program involving foreign currency derivatives that consist of several monthly put/call options designed to hedge a portion of our future foreign currency disbursements through various future payment dates. To mitigate the counterparty credit risk we only enter into contracts with major financial institutions based upon their credit ratings and other factors. These derivative instrument contracts are cash flow hedges that qualify for hedge accounting and primarily hedge against fluctuations between changes in the British pound and Indian Rupee versus the U.S. dollar. Changes in fair value of the derivative instruments are reflected in other comprehensive earnings in the accompanying consolidated balance sheet. The impact of the hedge at maturity is recognized in the income statement as a component of investment income, compensation and operating expenses depending on the nature of the hedged item. We enter into various long-term debt agreements. We use interest rate derivatives, typically swaps, to reduce our exposure to the effects of interest rate fluctuations on the forecasted interest rates for up to three years into the future. These derivative instrument contracts are periodically monitored for hedge ineffectiveness, the amount of which has not been material to the accompanying consolidated financial statements. We do not use derivatives for trading or speculative purposes.

Premium Financing

Seven subsidiaries of the brokerage segment make short-term loans (generally with terms of twelve months or less) to our clients to finance premiums. These premium financing contracts are structured to minimize potential bad debt expense to us. Such receivables are generally considered delinquent after seven days of the payment due date. In normal course, insurance policies are canceled within one month of the contractual payment due date if the payment remains delinquent. We recognize interest income as it is earned over the life of the contract using the “level-yield” method. Unearned interest related to contracts receivable is included in the receivable balance in the accompanying consolidated balance sheet. The outstanding loan receivable balance was $616.1 million and $685.7 million at December 31, 2024 and 2023, respectively.

Fixed Assets

We carry fixed assets at cost, less accumulated depreciation, in the accompanying consolidated balance sheet. We periodically review long-lived assets for impairment whenever events or changes in business circumstances indicate that the carrying value of the assets may not be recoverable. Under those circumstances, if the fair value were less than the carrying amount of the asset, we would recognize a loss for the difference. Depreciation for fixed assets is computed using the straight-line method over the following estimated useful lives:

	Useful Life
Office equipment	Three to ten years
Furniture and fixtures	Two to ten years
Computer equipment	Three to five years
Building	Fifteen to forty years
Software	Three to five years
Leasehold improvements	Shorter of the lease term or useful life of the asset

Intangible Assets

Intangible assets represent the excess of cost over the estimated fair value of net tangible assets of acquired businesses. Our primary intangible assets are classified as either goodwill, expiration lists, non-compete agreements or trade names. Expiration lists, non-compete agreements and trade names are amortized using the straight-line method over their estimated useful lives (two to fifteen years for expiration lists, two to six years for non-compete agreements and two to fifteen years for trade names), while goodwill is not subject to amortization. The establishment of goodwill, expiration lists, non-compete agreements and trade names and the determination of estimated useful lives are primarily based on valuations we receive from qualified independent appraisers. The calculations of these amounts are based on estimates and assumptions using historical and projected financial information and recognized valuation methods. Different estimates or assumptions could produce different results. We carry identifiable intangible assets at cost, less accumulated amortization, in the accompanying consolidated balance sheet.

We review all of our intangible assets for impairment periodically (at least annually for goodwill) and whenever events or changes in business circumstances indicate that the carrying value of the assets may not be recoverable. We perform such impairment reviews at the division (i.e., reporting unit) level with respect to goodwill and at the business unit level for amortizable intangible assets. While goodwill is not amortizable, it is tested for impairment at least annually in the fourth quarter, and more frequently if there are indicators of impairment or whenever business circumstances suggest that the carrying value of goodwill may not be recoverable. We may initially perform a qualitative analysis to determine if it is more likely than not that the goodwill balance is impaired. If a qualitative assessment is not performed or if a determination is made that it is not more likely than not that the fair value of the reporting unit exceeds its carrying amount, then we will perform a quantitative analysis. The fair value of each reporting unit is compared to its carrying value. If the fair value of the reporting unit is less than its carrying value, a non-cash impairment charge is recognized for the amount by which the carrying value exceeds the reporting unit's fair value with the loss not exceeding the total amount of goodwill allocated to that reporting unit. We completed our 2024 annual assessment in the fourth quarter and concluded goodwill was not impaired, as the fair value of each reporting unit exceeded its carrying value.

The carrying value of amortizable intangible assets attributable to each business or asset group is periodically reviewed by management to determine if there are events or changes in circumstances that would indicate that its carrying amount may not be recoverable. Accordingly, if there are any such changes in circumstances during the year, we assess the carrying value of the amortizable intangible assets by considering the estimated future undiscounted cash flows generated by the corresponding business or asset group. Any impairment identified through this assessment may require that the carrying value of related amortizable intangible assets be adjusted and charged against current period earnings as a component of amortization expense. Based on the results of impairment reviews in 2024, 2023 and 2022, we wrote off $19.4 million, $3.5 million and $2.0 million, respectively, of amortizable intangible assets primarily related to acquisitions (made prior to 2023) of our brokerage and risk management segments, which is included in amortization expense in the accompanying consolidated statement of earnings. The determinations of impairment indicators and fair value are based on estimates and assumptions related to the amount and timing of future cash flows and future interest rates. Such estimates and assumptions could change in the future as more information becomes known which could impact the amounts reported and disclosed herein.

Income Taxes

Our tax rate reflects the statutory tax rates applicable to our taxable earnings and tax planning in the various jurisdictions in which we operate. Significant judgment is required in determining the annual effective tax rate and in evaluating uncertain tax positions. We report a liability for unrecognized tax benefits resulting from uncertain tax positions taken or expected to be taken in our tax return. We evaluate our tax positions using a two-step process. The first step involves recognition. We determine whether it is more likely than not that a tax position will be sustained upon tax examination based solely on the technical merits of the position. The technical merits of a tax position are derived from both statutory and judicial authority (legislation and statutes, legislative intent, regulations, rulings and case law) and their applicability to the facts and circumstances of the position. If a tax position does not meet the "more likely than not" recognition threshold, we do not recognize the benefit of that position in the financial statements. The second step is measurement. A tax position that meets the "more likely than not" recognition threshold is measured to determine the amount of benefit to recognize in the financial statements. The tax position is measured as the largest amount of benefit that has a likelihood of greater than 50% of being realized upon ultimate resolution with a taxing authority.

Uncertain tax positions are measured based upon the facts and circumstances that exist at each reporting period and involve significant management judgment. Subsequent changes in judgment based upon new information may lead to changes in recognition, derecognition and measurement. Adjustments may result, for example, upon resolution of an issue with the taxing authorities, or expiration of a statute of limitations barring an assessment for an issue. We recognize interest and penalties, if any, related to unrecognized tax benefits in our provision for income taxes.

Tax law requires certain items to be included in our tax returns at different times than such items are reflected in the financial statements. As a result, the annual tax expense reflected in our consolidated statements of earnings is different than that reported in our tax returns. Some of these differences are permanent, such as expenses that are not deductible in our tax returns, and some differences are temporary and reverse over time, such as depreciation expense and amortization expense deductible for income tax purposes. Temporary differences create deferred tax assets and liabilities. Deferred tax liabilities generally represent tax expense recognized in the financial statements for which a tax payment has been deferred, or expense which has been deducted in the tax return but has not yet been recognized in the financial statements. Deferred tax assets generally represent items that can be used as a tax deduction or credit in tax returns in future years for which a benefit has already been recorded in the financial statements.

We establish or adjust valuation allowances for deferred tax assets when we estimate that it is more likely than not that future taxable income will be insufficient to fully use a deduction or credit in a specific jurisdiction. In assessing the need for the recognition of a valuation allowance for deferred tax assets, we consider whether it is more likely than not that some portion, or all, of the deferred tax assets will not be realized and adjust the valuation allowance accordingly. We evaluate all significant available positive and negative evidence as part of our analysis. Negative evidence includes the existence of losses in recent years. Positive evidence includes the forecast of future taxable income by jurisdiction, tax-planning strategies that would result in the realization of deferred tax assets and the presence of taxable income in prior carryback years. The underlying assumptions we use in forecasting future taxable income require significant judgment and take into account our recent performance. Such estimates and assumptions could change in the future as more information becomes known which could impact the amounts reported and disclosed herein. The ultimate realization of deferred tax assets depends on the generation of future taxable income during the periods in which temporary differences are deductible or creditable.

Fair Value of Financial Instruments

Fair value accounting establishes a framework for measuring fair value, which is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e., an exit price). This framework includes a fair value hierarchy that prioritizes the inputs to the valuation technique used to measure fair value.

The classification of a financial instrument within the valuation hierarchy is based upon the transparency of inputs to the valuation of an asset or liability on the measurement date. The three levels of the hierarchy in order of priority of inputs to the valuation technique are defined as follows:

- Level 1 - Valuations are based on unadjusted quoted prices in active markets for identical financial instruments;
- Level 2 - Valuations are based on quoted market prices, other than quoted prices included in Level 1, in markets that are not active or on inputs that are observable either directly or indirectly for the full term of the financial instrument; and
- Level 3 - Valuations are based on pricing or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement of the financial instrument. Such inputs may reflect management’s own assumptions about the assumptions a market participant would use in pricing the financial instrument.

The level in the fair value hierarchy within which the fair value measurement is classified is determined based on the lowest level input that is significant to the fair value measure in its entirety.

The carrying amounts of financial assets and liabilities reported in the accompanying consolidated balance sheet for cash and cash equivalents, fiduciary assets, accounts receivable, other current assets, fiduciary liabilities, accrued compensation and other accrued liabilities and deferred revenue - current, at December 31, 2024 and 2023, approximate fair value because of the short-term duration of these instruments. See Note 3 to these consolidated financial statements for the fair values related to the establishment of intangible assets and the establishment and adjustment of earnout payables. See Note 7 to these consolidated financial statements for the fair values related to borrowings outstanding at December 31, 2024 and 2023 under our debt agreements. See Note 12 to these consolidated financial statements for the fair values related to investments at December 31, 2024 and 2023 under our defined benefit pension plan.

Litigation

We are the defendant in various legal actions related to claims, lawsuits and proceedings incidental to the nature of our business. We record liabilities for loss contingencies, including legal costs (such as fees and expenses of external lawyers and other service providers) to be incurred, when it is probable that a liability has been incurred on or before the balance sheet date and the amount of the liability can be reasonably estimated. We do not discount such contingent liabilities. To the extent recovery of such losses and legal costs is probable under our insurance programs, we record estimated recoveries concurrently with the losses recognized. Significant management judgment is required to estimate the amounts of such contingent liabilities and the related insurance recoveries. In order to assess our potential liability, we analyze our litigation exposure based on available information, including consultation with outside counsel handling the defense of these matters. As these liabilities are uncertain by their nature, the recorded amounts may change due to a variety of different factors, including new developments in, or changes in approach, such as changing the settlement strategy as applicable to each matter.

Retention Bonus Arrangements

In connection with the hiring and retention of both new talent and experienced personnel, including our senior management, brokers and other key personnel, we have entered into various agreements with key employees setting up the conditions for the cash payment of certain retention bonuses. These bonuses are an incentive for these employees to remain with the Company, for a fixed period of time, to allow us to capitalize on their knowledge and experience. We have various forms of retention bonus arrangements; some are paid up front and some are paid at the end of the term, but all are contingent upon successfully completing a minimum period of employment. A retention bonus that is paid to an employee upfront that is contingent on a certain minimum period of employment, will be initially classified as a prepaid asset and amortized to compensation expense as the future services are rendered over the duration of the stay period. A retention bonus that is paid to an employee at the end of the term that is contingent on a certain minimum period of employment, will be accrued as a liability through compensation expense as the future services are rendered over the duration of the stay period. If an employee leaves prior to the required time frame to earn the retention bonus outright, then all or any portion that is ultimately unearned or refundable, and recovered by the Company if prepaid, is forfeited and reversed through compensation expense.

Stock-Based Compensation

We have several employee equity-settled and cash-settled share-based compensation plans. Equity-settled share-based payments to employees include grants of stock options, performance stock units and restricted stock units and are measured based on estimated grant date fair value. We have elected to use the Black-Scholes option pricing model to determine the fair value of stock options on the dates of grant. Performance stock units are measured on the probable outcome of the performance conditions applicable to each grant. Restricted stock units are measured based on the fair market values of the underlying stock on the dates of grant. Shares are issued on the vesting dates net of the minimum statutory tax withholding requirements, as applicable, to be paid by us on behalf of our employees. As a result, the actual number of shares issued will be fewer than the actual number of performance stock units and restricted stock units outstanding. Furthermore, we record the liability for withholding amounts to be paid by us as a reduction to additional paid-in capital when paid.

Cash-settled share-based payments to employees include awards under our Performance Unit Program and stock appreciation rights. The fair value of the amount payable to employees in respect of cash-settled share-based payments is recognized as compensation expense, with a corresponding increase in liabilities, over the vesting period. The liability is remeasured at each reporting date and at settlement date. Any changes in fair value of the liability are recognized as compensation expense.

We recognize share-based compensation expense over the requisite service period for awards expected to ultimately vest. Forfeitures are estimated on the date of grant and revised if actual or expected forfeiture activity differs from original estimates.

Employee Stock Purchase Plan

We have an employee stock purchase plan (which we refer to as the ESPP), under which the sale of 8.0 million shares of our common stock has been authorized. Eligible employees may contribute up to 15% of their compensation towards the quarterly purchase of our common stock at a purchase price equal to 95% of the lesser of the fair market value of our common stock on the first business day or the last business day of the quarterly offering period. Eligible employees may annually purchase shares of our common stock with an aggregate fair market value of up to $25,000 (measured as of the first day of each quarterly offering period of each calendar year), provided that no employee may purchase more than 2,000 shares of our common stock under the ESPP during any calendar year. At December 31, 2024, 4.7 million shares of our common stock was reserved for future issuance under the ESPP.

Defined Benefit Pension Plans

We recognize in our consolidated balance sheet, an asset for our defined benefit pension plans' overfunded status or a liability for our plans' underfunded status. We recognize changes in the funded status of our defined benefit pension plans in comprehensive earnings in the year in which the changes occur. We use December 31 as the measurement date for our plans' assets and benefit obligations. See Note 12 to these consolidated financial statements for additional information required to be disclosed related to our defined benefit pension plans.

2. Effect of New Accounting Pronouncements

Segment Reporting

In November 2023, the FASB issued ASU No. 2023-07, Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures, which requires that an entity report segment information in accordance with Topic 280, Segment Reporting. The amendment in the ASU is intended to improve reportable segment disclosure requirements primarily through enhanced disclosures about significant segment expenses. The amendments in this update are effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024. We adopted this ASU as of December 31, 2024, which affected our segment disclosures. See Note 19 to these consolidated financial statements for further detail regarding the impact of this ASU.

Income Taxes

In December 2023, the FASB issued ASU No. 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures, which requires that an entity, on an annual basis, disclose additional income tax information, primarily related to the rate reconciliation and income taxes paid. The amendment in the ASU is intended to enhance the transparency and decision usefulness of income tax disclosures. The amendments in this update are effective for annual periods beginning after December 15, 2024. We are currently evaluating the impact of the new standard on our consolidated financial statements which is expected to result in enhanced disclosures.

Climate Risk Disclosures

In March 2024, the SEC issued final climate-related disclosure rules that will require disclosure of material climate-related risks and material direct greenhouse gas emissions from operations owned or controlled (Scope 1) and/or material indirect greenhouse gas emissions from purchased energy consumed in owned or controlled operations (Scope 2). Additionally, the rules require disclosure in the notes to the financial statements of the effects of severe weather events and other natural conditions, subject to certain materiality thresholds. The disclosure requirements were scheduled to begin phasing in for annual reports and registration statements including financial information with respect to annual periods beginning in calendar year 2025. On April 4, 2024, the SEC issued an order staying the rules during the pendency of a number of legal challenges to the rules' validity. We are continuing to monitor these developments while evaluating the impact of the rules on our consolidated financial statements, which are expected to result in additional disclosures.

Disaggregation of Income Statement Expenses

In November 2024, the FASB issued ASU 2024-03, Income Statement Reporting–Comprehensive Income–Expense Disaggregation Disclosures (Subtopic 220-40), Disaggregation of Income Statement Expenses. The standard update improves the disclosures about a public business entity's expenses by requiring more detailed information about the types of expenses (including purchases of inventory, employee compensation, depreciation and amortization) included within income statement expense captions. The guidance will be effective for annual reporting periods beginning after December 15, 2026, and interim reporting periods beginning after December 15, 2027. Early adoption is permitted. The standard updates are to be applied prospectively with the option for retrospective application. We are currently evaluating the impact of adoption of the standard update on its financial statement disclosures.

3. Business Combinations

During 2024, we acquired substantially all of the ownership interests or net assets, as applicable, of the following firms in exchange for our common stock and/or cash. These acquisitions have been accounted for using the acquisition method for recording business combinations (in millions, except share data):

Name and Effective Date of Acquisition	Common Shares Issued	Common Share Value	Cash Paid	Accrued Liability	Escrow Deposited	Recorded Earnout Payable	Total Recorded Purchase Price	Maximum Potential Earnout Payable
	(000s)							
Ericson Insurance Services, LLC January 1, 2024 (EIS)	129	$ 30.1	$ 26.5	$ —	$ 3.0	$ 7.3	$ 66.9	$ 10.0
The Rowley Agency, LLC January 1, 2024 (TRA)	—	—	117.2	—	11.0	—	128.2	—
OperationsInc, LLC June 1, 2024 (OPR)	—	—	52.6	—	2.8	11.0	66.4	20.0
RIBV Holdings, LLC October 1, 2024 (RIBV)	—	—	171.4	6.5	5.1	24.3	207.3	50.0
Redington Limited October 24, 2024 (RED)	—	—	199.3	0.4	0.7	—	200.4	—
Forty-three other acquisitions completed in 2024	231	48.8	806.5	9.1	44.4	121.8	1,030.6	288.6
	360	$ 78.9	$ 1,373.5	$ 16.0	$ 67.0	$ 164.4	$ 1,699.8	$ 368.6

On December 7, 2024, we signed a definitive agreement to acquire all of the issued and outstanding stock of Dolphin Topco, Inc., the holding company of AssuredPartners, Inc., a Delaware corporation (together with its subsidiaries, "AssuredPartners") for gross consideration of $13.45 billion. The transaction is subject to customary regulatory approval, standard closing conditions and is expected to close during first quarter 2025. AssuredPartners is a leading U.S. insurance broker with client capabilities across commercial property/casualty, specialty, employee benefits and personal lines with operations in the U.K. and Ireland. We expect to fund the transaction using $8.5 billion of cash raised in our December 11, 2024 follow-on common stock offering and $5.0 billion of cash borrowed in our December 19, 2024 senior notes issuance (which we refer to, together with the follow-on common stock offering, as the AssuredPartners Financing). On January 7, 2025, we received an additional $1.28 billion of cash due to the exercise by the underwriters of the overallotment provision related to the follow-on common stock offering.

Common shares issued in connection with acquisitions are valued at closing market prices as of the effective date of the applicable acquisition or on the days when the shares are issued, if purchase consideration is deferred. We record escrow deposits that are returned to us as a result of adjustments to net assets acquired as reductions of goodwill when the escrows are settled. The maximum potential earnout payables disclosed in the foregoing table represent the maximum amount of additional consideration that could be paid pursuant to the terms of the purchase agreement for the applicable acquisition. The amounts recorded as earnout payables, which are primarily based upon the estimated future operating results of the acquired entities over a two- to three-year period subsequent to the acquisition date, are measured at fair value as of the acquisition date and are included on that basis in the recorded purchase price consideration in the foregoing table. We will record subsequent changes in these estimated earnout obligations, including the accretion of discount, in our consolidated statement of earnings when incurred.

The fair value of these earnout obligations is based on the present value of the expected future payments to be made to the sellers of the acquired entities in accordance with the provisions outlined in the respective purchase agreements, which is a Level 3 fair value measurement. In determining fair value, we estimated the acquired entity's future performance using financial projections developed by management for the acquired entity and market participant assumptions that were derived for revenue growth and/or profitability. Revenue growth rates generally ranged from 3.0% to 19.0% for our 2024 acquisitions. We estimated future payments using the earnout formula and performance targets specified in each purchase agreement and the financial projections just described. We then discounted these payments to present value using a risk-adjusted rate that takes into consideration market-based rates of return that reflect the ability of the acquired entity to achieve the targets. The discount rates generally ranged from 7.1% to 9.0% for our 2024 acquisitions. In some instances, the fair value of these earnout obligations can be based on other valuation methods including the Black-Scholes Option Pricing Method or Monte Carlo Simulation method. Changes in financial projections, market participant assumptions for revenue growth and/or profitability, or the risk-adjusted discount rate, would result in a change in the fair value of recorded earnout obligations.

During 2024, 2023 and 2022, we recognized $61.7 million, $76.6 million and $61.0 million respectively, of expense in our consolidated statement of earnings related to the accretion of the discount recorded for earnout obligations in connection with our acquisitions. In addition, during 2024, 2023 and 2022, we recognized $35.7 million of income, $300.7 million of expense and $22.0 million of expense, respectively, related to net adjustments in the estimated fair value of the liability for earnout obligations in connection with revised assumptions due to changes in interest rates volatility and other assumptions and projections of future performance for 91, 80 and 89 acquisitions, respectively. The net adjustments during 2024, include changes made to the estimated fair value of the Willis Re acquisition earnout and reflect updated assumptions as of December 31, 2024. The aggregate amount of maximum earnout obligations related to acquisitions made in 2021 and subsequent years was $1,998.2 million as of December 31, 2024, of which $1,302.0 million was recorded in the consolidated balance sheet as of that date based on the estimated fair value of the expected future payments to be made, of which approximately $511.9 million can be settled in cash or common stock at our option and $790.1 million must be settled in cash. The aggregate amount of maximum earnout obligations related to acquisitions made in 2020 and subsequent years was $2,009.8 million as of December 31, 2023, of which $1,294.2 million was recorded in the consolidated balance sheet as of that date based on the estimated fair value of the expected future payments to be made, of which approximately $564.8 million can be settled in cash or common stock at our option and $729.4 million must be settled in cash.

The following is a summary of the estimated fair values of the net assets acquired at the date of each acquisition made in 2024 (in millions):

	EIS	TRA	OPR	RIBV	RED	Forty-three Other Acquisitions	Total
Cash and cash equivalents	$ 0.1	$ 4.1	$ 0.8	$ 1.5	$ 19.9	$ 24.3	$ 50.7
Fiduciary assets	1.0	2.6	—	—	—	49.5	53.1
Other current assets	3.4	0.5	2.7	28.7	6.8	66.0	108.1
Fixed assets	—	0.4	—	2.8	2.9	5.5	11.6
Noncurrent assets	0.1	1.7	2.0	0.2	3.6	9.2	16.8
Goodwill	29.6	59.4	41.9	92.4	107.0	506.9	837.2
Expiration lists	34.2	64.1	22.1	98.7	84.2	488.2	791.5
Non-compete agreements	0.2	0.3	0.2	0.2	8.8	13.9	23.6
Trade names	0.2	—	—	0.9	—	0.8	1.9
Total assets acquired	68.8	133.1	69.7	225.4	233.2	1,164.3	1,894.5
Fiduciary liabilities	1.0	2.6	—	—	—	49.5	53.1
Current liabilities	0.8	0.6	1.1	11.9	5.9	37.3	57.6
Noncurrent liabilities	0.1	1.7	2.2	6.2	26.9	46.9	84.0
Total liabilities assumed	1.9	4.9	3.3	18.1	32.8	133.7	194.7
Total net assets acquired	$ 66.9	$ 128.2	$ 66.4	$ 207.3	$ 200.4	$ 1,030.6	$ 1,699.8

Among other things, these acquisitions allow us to expand into desirable geographic locations, further extend our presence in the retail and wholesale insurance and reinsurance brokerage markets and increase the volume of general services currently provided. The excess of the purchase price over the estimated fair value of the tangible net assets acquired at the acquisition date was allocated to goodwill, expiration lists, non-compete agreements and trade names in the amounts of $837.2 million, $791.5 million, $23.6 million and $1.9 million, respectively, within the brokerage and risk management segments.

The fair value of the tangible assets and liabilities for each applicable acquisition at the acquisition date approximated their carrying values. In general, the fair value of expiration lists was established using the excess earnings method, which is an income approach based on estimated financial projections developed by management for each acquired entity using market participant assumptions. Revenue growth and attrition rates generally ranged from 0.7% to 5.3% and 5.0% to 13.5% for our 2024 and 2023 acquisitions, respectively, for which valuations were performed in 2024. We estimate the fair value as the present value of the benefits anticipated from ownership of the subject expiration list in excess of returns required on the investment in contributory assets necessary to realize those benefits. The rate used to discount the net benefits was based on a risk-adjusted rate that takes into consideration market-based rates of return and reflects the risk of the asset relative to the acquired business. These discount rates generally ranged from 9.5% to 11.5% for our 2024 and 2023 acquisitions, for which valuations were performed in 2024. The fair value of non-compete agreements was established using the profit differential method, which is an income approach based on estimated financial projections developed by management for the acquired company using market participant assumptions and various non-compete scenarios.

Provisional estimates of fair value 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. During this period, we may use independent third-party valuation specialists to assist us in finalizing the fair value of assets acquired and liabilities assumed. Fair value adjustments, if any, are most common to the values established for amortizable intangible assets, including expiration lists, non-compete agreements, acquired software, and for earnout liabilities, with the offset to goodwill, net of any income tax effect.

Expiration lists, non-compete agreements and trade names related to our acquisitions are amortized using the straight-line method over their estimated useful lives (two to fifteen years for expiration lists, two to six years for non-compete agreements and two to fifteen years for trade names), while goodwill is not subject to amortization. We use the straight-line method to amortize these intangible assets because the pattern of their economic benefits cannot be reasonably determined with any certainty. We review all of our identifiable intangible assets for impairment periodically (at least annually) and whenever events or changes in business circumstances indicate that the carrying value of the assets may not be recoverable. In reviewing identifiable intangible assets, if the undiscounted future cash flows were less than the carrying amount of the respective (or underlying) asset, an indicator of impairment would exist and further analysis would be required to determine whether or not a loss would need to be charged against current period earnings as a component of amortization expense.

Of the $791.5 million of expiration lists, $23.6 million of non-compete agreements and $1.9 million of trade names related to the 2024 acquisitions, $239.8 million, $16.7 million and $0.5 million, respectively, is not expected to be deductible for income tax purposes. Accordingly, we recorded a deferred tax liability of $64.9 million, and a corresponding amount of goodwill, in 2024 related to the nondeductible amortizable intangible assets.

Our consolidated financial statements for the year ended December 31, 2024 include the operations of the acquired entities from their respective acquisition dates. The following is a summary of the unaudited pro forma historical results, as if these entities had been acquired at January 1, 2023 (in millions, except per share data):

	Year Ended December 31, 2024	Year Ended December 31, 2023
Total revenues	$ 11,766.9	$ 10,458.0
Net earnings attributable to controlling interests	1,457.0	963.1
Basic net earnings per share	6.61	4.47
Diluted net earnings per share	6.48	4.38

The unaudited pro forma results above have been prepared for comparative purposes only and do not purport to be indicative of the results of operations which actually would have resulted had these acquisitions occurred at January 1, 2023, nor are they necessarily indicative of future operating results. Annualized revenues of entities acquired in 2024 totaled approximately $386.5 million. Total revenues, pre-tax loss and net earnings before interest, income taxes, depreciation, amortization and the change in estimated acquisition earnout payables recorded in our consolidated statement of earnings for 2024 related to the 2024 acquisitions in the aggregate, were $169.2 million, $(18.0) million and $33.1 million, respectively.

4. Contracts with Customers

Contract Assets and Liabilities/Contract Balances

Information about unbilled receivables, contract assets and contract liabilities from contracts with customers is as follows (in millions):

	December 31, 2024	December 31, 2023
Unbilled receivables	$ 1,273.9	$ 1,093.7
Deferred contract costs	206.8	169.1
Deferred revenue	604.3	706.2

The unbilled receivables, which are included in premium and fees receivable in our consolidated balance sheet, primarily relate to our rights to consideration for work completed but not billed at the reporting date. These are transferred to the receivables when the client is billed. The deferred contract costs represent the costs we incur to fulfill a new or renewal contract with our clients prior to the effective date of the contract. These costs are expensed on the contract effective date. The deferred revenue in the consolidated balance sheet included amounts that represent the remaining performance obligations under our contracts and amounts collected related to advanced billings and deposits received from customers that may or may not ultimately be recognized as revenues in the future. Deposits received from customers could be returned to the customers based on lesser actual transactional volume than originally billed volume.

Significant changes in the deferred revenue balances, which include foreign currency translation adjustments, during the period are as follows (in millions):

	Brokerage	Risk Management	Total
Deferred revenue at December 31, 2022	$ 434.0	$ 175.3	$ 609.3
Incremental deferred revenue	386.3	106.7	493.0
Revenue recognized during the year ended December 31, 2023 included in deferred revenue at December 31, 2022	(358.4)	(103.6)	(462.0)
Net change in collected billings/deposits received from customers	18.8	(5.8)	13.0
Impact of changes in foreign exchange rates	15.2	—	15.2
Deferred revenue recognized from business acquisitions	37.7	—	37.7
Deferred revenue at December 31, 2023	533.6	172.6	706.2
Incremental deferred revenue	305.0	91.5	396.5
Revenue recognized during the year ended December 31, 2024 included in deferred revenue at December 31, 2023	(389.9)	(86.1)	(476.0)
Net change in collected billings/deposits received from customers	(40.3)	(4.3)	(44.6)
Impact of changes in foreign exchange rates	(0.3)	(0.3)	(0.6)
Deferred revenue recognized from business acquisitions	22.8	—	22.8
Deferred revenue at December 31, 2024	$ 430.9	$ 173.4	$ 604.3

Revenue recognized during 2024 in the table above included revenue from 2023 acquisitions that would not be reflected in prior years.

Remaining Performance Obligations

Remaining performance obligations represent the portion of the contract price for which work has not been performed. As of December 31, 2024, the aggregate amount of the contract price allocated to remaining performance obligations was $604.3 million.

The estimated revenue expected to be recognized in the future related to performance obligations that are unsatisfied (or partially unsatisfied) at the end of the reporting period is as follows (in millions):

	Brokerage	Risk Management	Total
2025	$ 401.1	$ 38.1	$ 439.2
2026	26.5	68.6	95.1
2027	1.8	26.4	28.2
2028	0.8	17.1	17.9
2029	0.4	8.5	8.9
Thereafter	0.3	14.7	15.0
Total	$ 430.9	$ 173.4	$ 604.3

Deferred Contract Costs

We capitalize costs incurred to fulfill contracts as “deferred contract costs” which are included in other current assets in our consolidated balance sheet. Deferred contract costs were $206.8 million and $169.1 million as of December 31, 2024 and 2023, respectively. Capitalized fulfillment costs are amortized to expense on the contract effective date. The amount of amortization of the deferred contract costs was $666.0 million and $570.8 million for the years ended December 31, 2024 and 2023, respectively.

We have applied the practical expedient to recognize the incremental costs of obtaining contracts as an expense when incurred if the amortization period of the assets that we otherwise would have recognized is one year or less for our brokerage segment. These costs are included in compensation and operating expenses in our consolidated statement of earnings.

5. Fixed Assets

Major classes of fixed assets consist of the following (in millions):

	December 31, 2024	December 31, 2023
Office equipment	$ 34.2	$ 32.9
Furniture and fixtures	151.8	154.1
Leasehold improvements	259.9	232.6
Computer equipment	362.6	353.5
Land and buildings - corporate headquarters	171.6	168.9
Software	720.7	722.9
Other	41.3	31.3
Work in process	64.2	54.1
	1,806.3	1,750.3
Accumulated depreciation	(1,156.0)	(1,023.9)
Net fixed assets	$ 650.3	$ 726.4

The amounts in work in process in the table above primarily are for capitalized expenditures incurred related to IT development projects in 2024 and 2023.

6. Intangible Assets

The carrying amount of goodwill at December 31, 2024 and 2023 allocated by domestic and foreign operations is as follows (in millions):

	Brokerage	Risk Management	Corporate	Total
At December 31, 2024				
United States	$ 6,965.6	$ 74.8	$ —	$ 7,040.4
United Kingdom	2,591.4	25.7	—	2,617.1
Canada	586.9	—	—	586.9
Australia	509.1	219.3	—	728.4
New Zealand	183.2	8.5	—	191.7
Other foreign	1,087.2	—	18.5	1,105.7
Total goodwill - net	$ 11,923.4	$ 328.3	$ 18.5	$ 12,270.2
At December 31, 2023				
United States	$ 6,304.5	$ 74.8	$ —	$ 6,379.3
United Kingdom	2,493.4	18.5	—	2,511.9
Canada	623.7	—	—	623.7
Australia	514.6	135.9	—	650.5
New Zealand	204.2	9.6	—	213.8
Other foreign	1,077.4	—	19.0	1,096.4
Total goodwill - net	$ 11,217.8	$ 238.8	$ 19.0	$ 11,475.6

The changes in the carrying amount of goodwill for 2024 and 2023 are as follows (in millions):

	Brokerage	Risk Management	Corporate	Total
Balance as of December 31, 2022	$ 9,358.1	$ 112.2	$ 19.1	$ 9,489.4
Goodwill acquired during the year	1,667.4	121.8	—	1,789.2
Goodwill adjustments related to appraisals and other acquisition adjustments	20.0	(0.1)	—	19.9
Foreign currency translation adjustments during the year	172.3	4.9	(0.1)	177.1
Balance as of December 31, 2023	11,217.8	238.8	19.0	11,475.6
Goodwill acquired during the year	829.7	7.5	—	837.2
Goodwill adjustments related to appraisals and other acquisition adjustments	98.7	101.5	—	200.2
Goodwill written-off related to sales of business	(5.8)	—	—	(5.8)
Foreign currency translation adjustments during the year	(217.0)	(19.5)	(0.5)	(237.0)
Balance as of December 31, 2024	$ 11,923.4	$ 328.3	$ 18.5	$ 12,270.2

Major classes of amortizable intangible assets consist of the following (in millions):

	December 31, 2024	December 31, 2023
Expiration lists	$ 8,763.7	$ 8,222.8
Accumulated amortization - expiration lists	(4,312.7)	(3,733.2)
	4,451.0	4,489.6
Non-compete agreements	117.7	112.2
Accumulated amortization - non-compete agreements	(85.4)	(74.9)
	32.3	37.3
Trade names	120.0	171.8
Accumulated amortization - trade names	(73.2)	(65.4)
	46.8	106.4
Net amortizable assets	$ 4,530.1	$ 4,633.3

Estimated aggregate amortization expense for each of the next five years is as follows (in millions):

2025	$ 638.9
2026	594.8
2027	556.1
2028	516.8
2029	466.7
Thereafter	1,756.8
Total	$ 4,530.1

7. Credit and Other Debt Agreements

The following is a summary of our corporate and other debt (in millions):

	December 31, 2024	December 31, 2023
Senior Notes:		
Semi-annual payments of interest, fixed rate of 4.60%, balloon due December 15, 2027	$ 750.0	$ —
Semi-annual payments of interest, fixed rate of 4.85%, balloon due December 15, 2029	750.0	—
Semi-annual payments of interest, fixed rate of 2.40%, balloon due November 9, 2031	400.0	400.0
Semi-annual payments of interest, fixed rate of 5.00%, balloon due February 15, 2032	500.0	—
Semi-annual payments of interest, fixed rate of 5.50%, balloon due March 2, 2033	350.0	350.0
Semi-annual payments of interest, fixed rate of 6.50%, balloon due February 15, 2034	400.0	400.0
Semi-annual payments of interest, fixed rate of 5.45%, balloon due July 15, 2034	500.0	—
Semi-annual payments of interest, fixed rate of 5.15%, balloon due February 15, 2035	1,500.0	—
Semi-annual payments of interest, fixed rate of 3.50%, balloon due May 20, 2051	850.0	850.0
Semi-annual payments of interest, fixed rate of 3.05%, balloon due March 9, 2052	350.0	350.0
Semi-annual payments of interest, fixed rate of 5.75%, balloon due March 2, 2053	600.0	600.0
Semi-annual payments of interest, fixed rate of 6.75%, balloon due February 15, 2054	600.0	600.0
Semi-annual payments of interest, fixed rate of 5.75%, balloon due July 15, 2054	500.0	—
Semi-annual payments of interest, fixed rate of 5.55%, balloon due February 15, 2055	1,500.0	—
Total Senior Notes	9,550.0	3,550.0
Note Purchase Agreements:		
Semi-annual payments of interest, fixed rate of 4.72%, balloon due February 13, 2024	—	100.0
Semi-annual payments of interest, fixed rate of 4.58%, balloon due February 27, 2024	—	325.0
Semi-annual payments of interest, fixed rate of 4.31%, balloon due June 24, 2025	200.0	200.0
Semi-annual payments of interest, fixed rate of 4.85%, balloon due February 13, 2026	140.0	140.0
Semi-annual payments of interest, fixed rate of 4.73%, balloon due February 27, 2026	175.0	175.0
Semi-annual payments of interest, fixed rate of 4.40%, balloon due June 2, 2026	175.0	175.0
Semi-annual payments of interest, fixed rate of 4.36%, balloon due June 24, 2026	150.0	150.0
Semi-annual payments of interest, fixed rate of 3.75%, balloon due January 30, 2027	30.0	30.0
Semi-annual payments of interest, fixed rate of 4.09%, balloon due June 27, 2027	125.0	125.0
Semi-annual payments of interest, fixed rate of 4.09%, balloon due August 2, 2027	125.0	125.0
Semi-annual payments of interest, fixed rate of 4.14%, balloon due August 4, 2027	98.0	98.0
Semi-annual payments of interest, fixed rate of 3.46%, balloon due December 1, 2027	100.0	100.0
Semi-annual payments of interest, fixed rate of 4.55%, balloon due June 2, 2028	75.0	75.0
Semi-annual payments of interest, fixed rate of 4.34%, balloon due June 13, 2028	125.0	125.0
Semi-annual payments of interest, fixed rate of 5.04%, balloon due February 13, 2029	100.0	100.0
Semi-annual payments of interest, fixed rate of 4.98%, balloon due February 27, 2029	100.0	100.0
Semi-annual payments of interest, fixed rate of 4.19%, balloon due June 27, 2029	50.0	50.0
Semi-annual payments of interest, fixed rate of 4.19%, balloon due August 2, 2029	50.0	50.0
Semi-annual payments of interest, fixed rate of 3.48%, balloon due December 2, 2029	50.0	50.0
Semi-annual payments of interest, fixed rate of 3.99%, balloon due January 30, 2030	341.0	341.0
Semi-annual payments of interest, fixed rate of 4.44%, balloon due June 13, 2030	125.0	125.0
Semi-annual payments of interest, fixed rate of 5.14%, balloon due March 13, 2031	180.0	180.0
Semi-annual payments of interest, fixed rate of 4.70%, balloon due June 2, 2031	25.0	25.0
Semi-annual payments of interest, fixed rate of 4.09%, balloon due January 30, 2032	69.0	69.0
Semi-annual payments of interest, fixed rate of 4.34%, balloon due June 27, 2032	75.0	75.0
Semi-annual payments of interest, fixed rate of 4.34%, balloon due August 2, 2032	75.0	75.0
Semi-annual payments of interest, fixed rate of 4.59%, balloon due June 13, 2033	125.0	125.0
Semi-annual payments of interest, fixed rate of 5.29%, balloon due March 13, 2034	40.0	40.0
Semi-annual payments of interest, fixed rate of 4.48%, balloon due June 12, 2034	175.0	175.0
Semi-annual payments of interest, fixed rate of 4.24%, balloon due January 30, 2035	79.0	79.0
Semi-annual payments of interest, fixed rate of 2.44%, balloon due February 10, 2036	100.0	100.0
Semi-annual payments of interest, fixed rate of 2.46%, balloon due May 5, 2036	75.0	75.0
Semi-annual payments of interest, fixed rate of 4.69%, balloon due June 13, 2038	75.0	75.0
Semi-annual payments of interest, fixed rate of 5.45%, balloon due March 13, 2039	40.0	40.0
Semi-annual payments of interest, fixed rate of 4.49%, balloon due January 30, 2040	56.0	56.0
Total Note Purchase Agreements	3,523.0	3,948.0
Credit Agreement:		
Periodic payments of interest and principal, prime or SOFR plus up to 1.075%, expires June 22, 2028	—	245.0
Premium Financing Debt Facility - expires October 31, 2026:		
Facility B		
AUD denominated tranche, interbank rates plus 1.400%	218.2	249.0
NZD denominated tranche, interbank rates plus 1.850%	—	—
Facility C and D		
AUD denominated tranche, interbank rates plus 0.830%	—	31.4
NZD denominated tranche, interbank rates plus 0.990%	7.0	8.6
Total Premium Financing Debt Facility	225.2	289.0
Total corporate and other debt	13,298.2	8,032.0
Less unamortized debt acquisition costs on Senior Notes and Note Purchase Agreements	(90.1)	(38.4)
Less unamortized discount on Bonds Payable	(51.0)	(28.6)
Net corporate and other debt	$ 13,157.1	$ 7,965.0

The Senior Notes in the table above are registered by the Company with the Securities and Exchange Commission and are not guaranteed.

Senior Notes - On December 19, 2024, we closed and funded an offering of $5,000.0 million of unsecured senior notes in five tranches. The $750.0 million aggregate principal amount of 4.60% Senior Notes is due in 2027, $750.0 million aggregate principal amount of 4.85% Senior Notes is due in 2029, $500.0 million aggregate principal amount of 5.00% Senior Notes is due in 2032, $1,500.0 million aggregate principal amount of 5.15% Senior Notes is due in 2035 and $1,500.0 million aggregate principal amount 5.55% Senior Notes is due in 2055. The weighted average interest rate is 5.25% per annum after giving effect to underwriting costs and a net hedge gain. During 2024, we entered into a pre-issuance interest rate hedging transaction related to these notes. We realized a net cash gain of approximately $4.1 million on the hedging transactions that will be recognized on a pro rata basis as a decrease to our reported interest expense over ten years. We expect to use the net proceeds of this offering to fund a portion of the cash consideration payable in connection with the AssuredPartners transaction and, to the extent that any proceeds remain thereafter, or if the AssuredPartners transaction is not completed, for general corporate purposes including other acquisitions.

On February 12, 2024, we closed and funded an offering of $1,000.0 million of unsecured senior notes in two tranches. The $500.0 million aggregate principal amount of 5.45% Senior Notes is due in 2034 and $500.0 million aggregate principal amount of 5.75% Senior Notes is due in 2054. The weighted average interest rate is 5.71% per annum after giving effect to underwriting costs and a net hedge loss. During 2023, we entered into a pre-issuance interest rate hedging transaction related to these notes. We realized a net cash loss of approximately $1.4 million on the hedging transactions that will be recognized on a pro rata basis as an increase to our reported interest expense over ten years. We used the proceeds of these offerings to fund acquisitions, earnout payments related to acquisitions and general corporate purposes.

On November 2, 2023, we closed and funded an offering of $1,000.0 million of unsecured senior notes in two tranches. The $400.0 million aggregate principal amount of 6.50% Senior Notes is due 2034 and $600.0 million aggregate principal amount of 6.75% Senior Notes is due 2054. The weighted average interest rate is 5.97% per annum after giving effect to underwriting costs and a net hedge gain. During 2021 through 2023, we entered into a pre-issuance interest rate hedging transaction related to these notes. We realized a net cash gain of approximately $128.0 million on the hedging transactions that will be recognized on a pro rata basis as a decrease to our reported interest expense over ten years. We used the proceeds of these offerings to fund acquisitions, earnout payments related to acquisitions and general corporate purposes.

On March 2, 2023, we closed and funded an offering of $950.0 million of unsecured senior notes in two tranches. The $350.0 million aggregate principal amount of 5.50% Senior Notes is due 2033 and $600.0 million aggregate principal amount of 5.75% Senior Notes is due 2053. The weighted average interest rate is 5.05% per annum after giving effect to underwriting costs and a net hedge gain. During 2019 through 2022, we entered into a pre-issuance interest rate hedging transaction related to these notes. We realized a net cash gain of approximately $112.7 million on the hedging transactions that will be recognized on a pro rata basis as a decrease to our reported interest expense over ten years. We used the proceeds of these offerings to fund acquisitions, earnout payments related to acquisitions and general corporate purposes.

Note Purchase Agreements - During February 2024, we used operating cash to fund the $100.0 million Series HH note maturity that had a fixed rate of 4.72% that was due February 13, 2024 and the $325.0 million Series H note maturity that had a fixed rate of 4.58% that was due February 27, 2024.

During June 2023, we used operating cash to fund the $200.0 million Series N note maturity that had a fixed rate of 4.13% that was due June 24, 2023 and the prepayment of the $50.0 million Series CC note floating rate of 90 day LIBOR plus 1.40%, balloon that was originally due on June 13, 2024.

During February 2023, we used operating cash to fund the $50.0 million Series E note maturity that had a fixed rate of 5.49% that was due February 10, 2023.

Under the terms of the note purchase agreements described above, we may redeem the notes at any time, in whole or in part, at 100% of the principal amount of such notes being redeemed, together with accrued and unpaid interest and a “make-whole amount”. The “make-whole amount” is derived from a net present value computation of the remaining scheduled payments of principal and interest using a discount rate based on the U.S. Treasury yield plus 0.5% and is designed to compensate the purchasers of the notes for their investment risk in the event prevailing interest rates at the time of prepayment are less favorable than the interest rates under the notes. We do not currently intend to prepay any of the notes.

The note purchase agreements described above contain customary provisions for transactions of this type, including representations and warranties regarding us and our subsidiaries and various financial covenants, including covenants that require us to maintain specified financial ratios. We were in compliance with these covenants as of December 31, 2024. The note purchase agreements also provide customary events of default, generally with corresponding grace periods, including, without limitation, payment defaults with respect to the notes, covenant defaults, cross-defaults to other agreements evidencing our or our subsidiaries' indebtedness, certain judgments against us or our subsidiaries and events of bankruptcy involving us or our material subsidiaries.

The notes issued under the note purchase agreement are senior unsecured obligations of ours and rank equal in right of payment with our Credit Agreement discussed below.

Credit Agreement - On June 22, 2023, we entered into a new Credit agreement (which we refer to as the Credit Agreement) with an administrative agent and a group of other lenders. The Credit Agreement provides for a five-year unsecured revolving credit facility in the amount of $1,200.0 million (including a $75.0 million letter of credit sub-facility), which is also available in Pounds Sterling, Canadian Dollars, Australian Dollars, New Zealand Dollars, Euros, Japanese Yen and any other currencies agreed by the lenders. On November 7, 2023, we entered into the First Amendment to the Credit Agreement, pursuant to which we increased the commitments under the Credit Agreement to $1,700.0 million. The Credit Agreement permits us to designate wholly-owned subsidiaries located in certain jurisdictions as additional borrowers, the obligations of which under the Credit Agreement will be guaranteed by the Company, subject to the terms and conditions set forth in the Credit Agreement. Any subsidiary that guarantees any notes under the Company's existing note purchase agreements is required to guarantee the obligations under the Credit Agreement. There are currently no subsidiary borrowers or guarantors under the Credit Agreement.

Loans borrowed under the Credit Agreement bear interest at a variable annual rate based on a customary benchmark rate for each available currency including Secured Overnight Financing Rate (which we refer to as SOFR) for loans in U.S. Dollars, or at our election solely for loans in U.S. Dollars, the base rate, plus in each case an applicable margin. Interest rates on base rate loans and outstanding drawings on letters of credit under the Credit Agreement will be based on the Base Rate, as defined in the Credit Agreement, plus a margin of 0.00% to 0.375%, depending on the rating of our long-term senior unsecured debt. Interest rates for SOFR loans and loans in currencies other than U.S. dollars under the Credit Agreement will be based on, as applicable, a SOFR Daily Floating Rate, Term SOFR, Alternative Currency Daily Rate or Alternative Currency Term Rate, as defined in the Credit Agreement, plus a margin of 0.775% to 1.375%, depending on the rating of our long-term senior unsecured debt. The annual facility fee related to the Credit Agreement is between 0.100% and 0.250% of the revolving credit commitment, depending on the rating of our long-term senior unsecured debt. Subject to certain conditions stated in the Credit Agreement, we may borrow, prepay and reborrow amounts under the Credit Agreement at any time during the term of the Credit Agreement. Funds borrowed under the Credit Agreement may be used for general corporate and working capital purposes of the Company and its subsidiaries.

The Credit Agreement also contains customary representations and warranties and affirmative and negative covenants, including financial covenants, as well as customary events of default, with corresponding grace periods, including without limitations, payment defaults, cross-defaults to other agreements evidencing indebtedness and bankruptcy-related defaults. We were in compliance with these covenants as of December 31, 2024.

Concurrently, on June 22, 2023, we paid off and terminated all of our obligations under the Second Amended and Restated Multicurrency Credit Agreement, dated as of June 7, 2019.

At December 31, 2024, $10.9 million of letters of credit (for which we had $12.0 million of liabilities recorded at December 31, 2024) were outstanding under the Credit Agreement. See Note 15 to these consolidated financial statements for a discussion of the letters of credit. There were no borrowings outstanding under the Credit Agreement at December 31, 2024. Accordingly, at December 31, 2024, $1,689.1 million remained available for potential borrowings.

Premium Financing Debt Facility - On October 30, 2024, we entered into an amendment to our revolving loan facility (which we refer to as the Premium Financing Debt Facility), that provides funding for the three Australian (AU) and New Zealand (NZ) premium finance subsidiaries. The Premium Financing Debt Facility is comprised of: (i) Facility B is separated into AU$410.0 million and NZ$25.0 million tranches (the AU$ tranche has been decreased as of February 1, 2025 to AU$390.0 million and the NZ$ tranche will be decreased as of May 1, 2025 to NZ$10.0 million), (ii) Facility C, an AU$60.0 million equivalent multi-currency overdraft tranche and (iii) Facility D, a NZ$15.0 million equivalent multi-currency overdraft tranche.

The interest rates on Facility B are Interbank rates, which vary by tranche, duration and currency, plus a margin of 1.400% and 1.850% for the AU$ and NZ$ tranches, respectively. The interest rates on Facilities C and D are 30 day Interbank rates, plus a margin of 0.830% and 0.990% for the AU$ and NZ$ tranches, respectively. The annual fee for Facility B is 0.56% and 0.8325% for the undrawn commitments for the AU$ and NZ$ tranches, respectively. The annual fee for Facility C is 0.77% and for Facility D is 0.90% of the total commitments of the facilities.

The terms of our Premium Financing Debt Facility include various financial covenants, including covenants that require us to maintain specified financial ratios. We were in compliance with these covenants as of December 31, 2024. The Premium Financing Debt Facility also includes customary provisions for transactions of this type, including events of default, with corresponding grace periods and cross-defaults to other agreements evidencing our indebtedness. Facilities B, C and D are secured by the premium finance receivables of the Australian and New Zealand premium finance subsidiaries.

At December 31, 2024, AU$350.0 million and NZ$0.0 million of borrowings were outstanding under Facility B, AU$0.0 million of borrowings outstanding under Facility C and NZ$12.5 million of borrowings were outstanding under Facility D, which in aggregate amount to US$225.2 million of borrowings outstanding under the Premium Financing Debt Facility. Accordingly, as of December 31, 2024, AU$60.0 million and NZ$25.0 million remained available for potential borrowing under Facility B, and AU$60.0 million and NZ$2.5 million under Facilities C and D, respectively.

See Note 15 to these consolidated financial statements for additional discussion on our contractual obligations and commitments as of December 31, 2024.

The aggregate estimated fair value of the $13,073.0 million in debt under our various senior notes and note purchase agreements at December 31, 2024 was $12,072.7 million due to the long-term duration and fixed interest rates associated with these debt obligations. No active or observable market exists for our private long-term debt. Therefore, the estimated fair value of this debt is based on the income valuation approach, which is a valuation technique that converts future amounts (for example, cash flows or income and expenses) to a single current (that is, discounted) amount. The fair value measurement is determined on the basis of the value indicated by current market expectations about those future amounts. Because our debt issuances generate a measurable income stream for each lender, the income approach was deemed to be an appropriate methodology for valuing the private placement long-term debt. The methodology used calculated the original deal spread at the time of each debt issuance, which was equal to the difference between the yield of each issuance (the coupon rate) and the equivalent benchmark treasury yield at that time. The market spread as of the valuation date was calculated, which is equal to the difference between an index for investment grade insurers and the equivalent benchmark treasury yield today. An implied premium or discount to the par value of each debt issuance based on the difference between the origination deal spread and market as of the valuation date was then calculated. The index we relied on to represent investment graded insurers was the Bloomberg Valuation Services (BVAL) U.S. Insurers BBB index. This index is comprised primarily of insurance brokerage firms and was representative of the industry in which we operate. For the purpose of our analysis, the average BBB rate was assumed to be the appropriate borrowing rate for us. The estimated fair value of the borrowings outstanding under our Credit Agreement approximate their carrying value due to their short-term duration and variable interest rates. The estimated fair value of the $225.2 million of borrowings outstanding under our Premium Financing Debt Facility approximates their carrying value due to their short-term duration and variable interest rates.

8. Earnings per Share

The following table sets forth the computation of basic and diluted net earnings per share (in millions, except per share data):

	Year Ended December 31,		
	2024	2023	2022
Net earnings attributable to controlling interests	$ 1,462.7	$ 969.5	$ 1,114.2
Weighted average number of common shares outstanding	220.5	214.9	210.3
Dilutive effect of stock options using the treasury stock method	4.5	4.4	4.4
Weighted average number of common and common equivalent shares outstanding	225.0	219.3	214.7
Basic net earnings per share	$ 6.63	$ 4.51	$ 5.30
Diluted net earnings per share	$ 6.50	$ 4.42	$ 5.19

Anti-dilutive stock-based awards of 0.9 million, 0.9 million and 2.0 million shares were outstanding at December 31, 2024, 2023 and 2022, respectively, but were excluded in the computation of the dilutive effect of stock-based awards for the year then ended. These stock-based awards were excluded from the computation because the exercise prices on these stock-based awards were greater than the average market price of our common shares during the respective period, and therefore, would be anti-dilutive to earnings per share under the treasury stock method.

9. Stock Option Plans

On May 10, 2022, our stockholders approved the Arthur J. Gallagher & Co. 2022 Long-Term Incentive Plan (which we refer to as the LTIP), which replaced our previous stockholder-approved Arthur J. Gallagher & Co. 2017 Long-Term Incentive Plan (which we refer to as the 2017 LTIP). The LTIP term began May 10, 2022 and terminates on the date of the annual meeting of stockholders in 2032, unless terminated earlier by our board of directors. All of our officers, employees and non-employee directors are eligible to receive awards under the LTIP. The compensation committee of our board of directors determines the annual number of shares delivered under the LTIP. The LTIP provides for non-qualified and incentive stock options, stock appreciation rights, restricted stock and restricted stock units, any or all of which may be made contingent upon the achievement of performance criteria.

Shares of our common stock available for issuance under the LTIP include authorized and unissued shares of common stock or authorized and issued shares of common stock reacquired and held as treasury shares or otherwise, or a combination thereof. The number of available shares will be reduced by the aggregate number of shares that become subject to outstanding awards granted under the LTIP. A maximum of 3.5 million shares issued for full value awards (i.e., awards other than stock options or stock appreciation rights) will be counted one-for-one against the 13.5 million share pool, and every share subject to a full value award in excess of such limit count as 3.8 shares against the pool. To the extent that shares subject to an outstanding award granted under either the LTIP or prior equity plans are not issued or delivered by reason of the expiration, termination, cancellation or forfeiture of such award or by reason of the settlement of such award in cash, then such shares will again be available for grant under the LTIP.

The maximum number of shares available under the LTIP for restricted stock, restricted stock unit awards and performance unit awards settled with stock (i.e., all awards other than stock options and stock appreciation rights) is 2.5 million as of December 31, 2024.

The LTIP provides for the grant of stock options, which may be either tax-qualified incentive stock options or non-qualified options and stock appreciation rights. The compensation committee determines the period for the exercise of a non-qualified stock option, tax-qualified incentive stock option or stock appreciation right, provided that no option can be exercised later than seven years after its date of grant. The exercise price of a non-qualified stock option or tax-qualified incentive stock option and the base price of a stock appreciation right cannot be less than 100% of the fair market value of a share of our common stock on the date of grant, provided that the base price of a stock appreciation right granted in tandem with an option will be the exercise price of the related option.

Upon exercise, the option exercise price may be paid in cash, by the delivery of previously owned shares of our common stock, through a net-exercise arrangement, or through a broker-assisted cashless exercise arrangement. The compensation committee determines all of the terms relating to the exercise, cancellation or other disposition of an option or stock appreciation right upon a termination of employment, whether by reason of disability, retirement, death or any other reason. Stock option and stock appreciation right awards under the LTIP are non-transferable.

On March 1, 2024, the compensation committee granted 1,044,000 options under the LTIP to our officers and key employees that become exercisable at the rate of 34%, 33% and 33% on the anniversary date of the grant in 2027, 2028 and 2029, respectively. On March 15, 2023, the compensation committee granted 1,131,000 options under the LTIP to our officers and key employees that become exercisable at the rate of 34%, 33% and 33% on the anniversary date of the grant in 2026, 2027 and 2028, respectively. On February 1, 2022 and March 15, 2022, the compensation committee granted 1,197,000 and 1,141,000 options, respectively, under the 2017 LTIP to our officers and key employees that become exercisable at the rate of 34%, 33% and 33% on the anniversary date of the grant in 2025, 2026, and 2027, respectively.

The 2024, 2023 and 2022 options expire seven years from the date of grant, or earlier in the event of certain terminations of employment. Stock options granted in 2023 and 2022 to certain executive officers age 55 or older are not subject to forfeiture upon such officers' departure from the Company after two years from date of grant. Stock options granted in 2024 to executive officers are not subject to forfeiture upon such officers' departure from the Company once they attain the age of 62.

Our stock option plans provide for the immediate vesting of all outstanding stock option grants in the event of a change in control of the Company, as defined in the applicable plan documents.

During 2024, 2023 and 2022, we recognized \$47.8 million, \$33.5 million, and \$27.9 million, respectively, of compensation expense related to our stock option grants.

For purposes of expense recognition in 2024, 2023 and 2022, the estimated fair values of the stock option grants are amortized to expense over the options' vesting period. We estimated the fair value of stock options at the date of grant using the Black-Scholes option pricing model with the following weighted average assumptions:

	Year Ended December 31,		
	2024	2023	2022
Expected dividend yield	1.0 %	1.2 %	1.3 %
Expected risk-free interest rate	4.2 %	3.6 %	1.9 %
Volatility	25.3 %	25.0 %	23.1 %
Expected life (in years)	5.5	5.5	5.4

Option valuation models require the input of highly subjective assumptions including the expected stock price volatility. The Black-Scholes option pricing model was developed for use in estimating the fair value of traded options which have no vesting restrictions and are fully transferable. The weighted average fair value per option for all options granted during 2024, 2023 and 2022, as determined on the grant date using the Black-Scholes option pricing model, was $69.55, $46.48 and $33.25, respectively.

The following is a summary of our stock option activity and related information for 2024 and 2023 (in millions, except exercise price and year data):

	Shares Under Option	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (in years)	Aggregate Intrinsic Value
Year Ended December 31, 2024				
Beginning balance	7.9	$ 123.85		
Granted	1.0	243.54		
Exercised	(1.4)	77.93		
Forfeited or canceled	(0.2)	160.87		
Ending balance	7.3	$ 148.26	3.78	$ 995.3
Exercisable at end of year	1.7	$ 90.06	1.78	$ 336.9
Ending unvested and expected to vest	5.2	$ 164.49	4.40	$ 624.4
Year Ended December 31, 2023				
Beginning balance	8.3	$ 107.47		
Granted	1.2	177.78		
Exercised	(1.3)	62.33		
Forfeited or canceled	(0.3)	143.78		
Ending balance	7.9	$ 123.85	3.97	$ 793.9
Exercisable at end of year	1.8	$ 73.04	1.63	$ 266.4
Ending unvested and expected to vest	5.7	$ 137.02	4.60	$ 497.2

Options with respect to 11.1 million shares (less any shares of restricted stock issued under the LTIP - see Note 11 to these consolidated financial statements) were available for grant under the LTIP at December 31, 2024.

The total intrinsic value of options exercised during 2024, 2023 and 2022 amounted to $243.7 million, $181.6 million and $168.2 million, respectively. As of December 31, 2024, we had approximately $123.8 million of total unrecognized compensation expense related to nonvested options. We expect to recognize that cost over a weighted average period of approximately four years.

Other information regarding stock options outstanding and exercisable at December 31, 2024 is summarized as follows (in millions, except exercise price and year data):

Range of Exercise Prices			Options Outstanding: Number Outstanding	Options Outstanding: Weighted Average Remaining Contractual Term (in years)	Options Outstanding: Weighted Average Exercise Price	Options Exercisable: Number Exercisable	Options Exercisable: Weighted Average Exercise Price
$ 70.74	$ —	$ 70.74	$ 0.2	$ 0.20	$ 70.74	$ 0.2	$ 70.74
79.59	—	79.59	0.6	1.20	79.59	0.6	79.59
86.17	—	86.17	1.0	2.19	86.17	0.6	86.17
127.90	—	127.90	1.3	3.21	127.90	0.3	127.90
156.85	—	156.85	1.0	4.09	156.85	—	—
158.56	—	161.14	1.1	4.21	158.65	—	—
177.09	—	202.13	1.1	5.21	177.80	—	—
238.88	—	243.54	1.0	6.17	243.54	—	—
$ 70.74	$ —	$ 243.54	$ 7.3	$ 3.78	$ 148.26	$ 1.7	$ 90.06

10. Deferred Compensation

We have a Deferred Equity Participation Plan, (which we refer to as the DEPP), which is a non-qualified plan that generally provides for distributions to certain of our key executives when they reach age 62 (or the one-year anniversary of the date of the grant for participants over the age of 61 as of the grant date) or upon or after their actual retirement if later. Under the provisions of the DEPP, we typically contribute cash in an amount approved by the compensation committee to a rabbi trust on behalf of the executives participating in the DEPP, and instruct the trustee to acquire a specified number of shares of our common stock on the open market or in privately negotiated transactions based on participant elections. Distributions under the DEPP may not normally be made until the participant reaches age 62 (or the one-year anniversary of the date of the grant for participants over the age of 61 as of the grant date) and are subject to forfeiture in the event of voluntary termination of employment or termination for cause prior to then. DEPP awards are generally made annually in the first quarter. In addition, we annually make awards under sub-plans of the DEPP for certain production staff, which generally provide for vesting and/or distributions no sooner than five years from the date of awards, although certain awards vest and/or distribute after the earlier of fifteen years or the participant reaching age 65. All contributions to the plan (including sub-plans) deemed to be invested in shares of our common stock are distributed in the form of our common stock and all other distributions are paid in cash.

Our common stock that is issued to or purchased by the rabbi trust as a contribution under the DEPP is valued at historical cost, which equals its fair market value at the date of grant or date of purchase. When common stock is issued, we record an unearned deferred compensation obligation as a reduction of capital in excess of par value in the accompanying consolidated balance sheet, which is amortized to compensation expense ratably over the vesting period of the participants. Future changes in the fair market value of our common stock owed to the participants do not have any impact on the amounts recorded in our consolidated financial statements.

In the first quarter of 2024, 2023 and 2022, the compensation committee approved $23.2 million, $25.1 million and $26.3 million, respectively, of awards in the aggregate to certain key executives under the DEPP that were contributed to the rabbi trust in the first quarters of 2024, 2023 and 2022, respectively. We contributed cash to the rabbi trust and instructed the trustee to acquire a specified number of shares of our common stock on the open market to fund these 2024, 2023 and 2022 awards. During 2024, 2023 and 2022, we charged $20.9 million, $21.7 million and $18.5 million, respectively, to compensation expense related to these awards.

In 2024, 2023 and 2022, the compensation committee approved $2.3 million, $3.0 million and $1.9 million, respectively, of awards under the sub-plans referred to above, which were contributed to the rabbi trust in first quarter 2024, 2023 and 2022, respectively. During 2024, 2023 and 2022, we charged $2.1 million, $2.6 million and $2.3 million, respectively, to compensation expense related to these awards. There were $3.0 million and $13.8 million of distributions from the sub-plans during 2024 and 2023. There were no distributions from the sub-plans during 2022.

At December 31, 2024 and 2023, we recorded $77.0 million (related to 2.2 million shares) and $81.1 million (related to 2.2 million shares), respectively, of unearned deferred compensation as a reduction of capital in excess of par value in the accompanying consolidated balance sheet. The total intrinsic value of our unvested equity based awards under the plan at December 31, 2024 and 2023 was $616.4 million and $504.9 million, respectively. During 2024, 2023 and 2022, cash and equity awards with an aggregate fair value of $40.4 million, $78.1 million and $45.6 million, respectively, were vested and distributed to executives under the DEPP.

We have a Deferred Cash Participation Plan (which we refer to as the DCPP), which is a non-qualified deferred compensation plan for certain key employees, other than executive officers, that generally provides for vesting and/or distributions no sooner than five years from the date of awards. Under the provisions of the DCPP, we typically contribute cash in an amount approved by the compensation committee to the rabbi trust on behalf of the executives participating in the DCPP, and instruct the trustee to acquire a specified number of shares of our common stock on the open market or in privately negotiated transactions based on participant elections. In the first quarter of each of 2024, 2023 and 2022, the compensation committee approved $8.1 million, $9.8 million and $8.3 million, respectively, of awards in the aggregate to certain key executives under the DCPP that were contributed to the rabbi trust in second quarters of 2024, 2023 and 2022, respectively. During 2024, 2023 and 2022 we charged $19.3 million, $17.3 million and $13.4 million to compensation expense related to these awards. There were $43.8 million, $23.2 million and $16.9 million of distributions from the DCPP during 2024, 2023 and 2022, respectively.

11. Restricted Stock, Performance Share and Cash Awards

Restricted Stock Awards

As discussed in Note 9 to these consolidated financial statements, on May 10, 2022, our stockholders approved the LTIP, which replaced our previous stockholder-approved 2017 LTIP. The LTIP provides for the grant of a stock award either as restricted stock or as restricted stock units to officers, employees and non-employee directors. In either case, the compensation committee may determine that the award will be subject to the attainment of performance measures over an established performance period. Stock awards and the related dividend equivalents are non-transferable and subject to forfeiture if the holder does not remain continuously employed with us during the applicable restriction period or, in the case of a performance-based award, if applicable performance measures are not attained. The compensation committee will determine all of the terms relating to the satisfaction of performance measures and the termination of a restriction period, or the forfeiture and cancellation of a restricted stock award upon a termination of employment, whether by reason of disability, retirement, death or any other reason.

The agreements awarding restricted stock units under the LTIP will specify whether such awards may be settled in shares of our common stock, cash or a combination of shares and cash and whether the holder will be entitled to receive dividend equivalents, on a current or deferred basis, with respect to such award. Prior to the settlement of a restricted stock unit, the holder of a restricted stock unit will have no rights as a stockholder of the Company. The maximum number of shares available under the LTIP for restricted stock, restricted stock units and performance unit awards settled with stock (i.e., all awards other than stock options and stock appreciation rights) is 4.0 million. At December 31, 2024, 2.5 million shares were available for grant under the LTIP for such awards.

In 2024, 2023 and 2022, we granted 355,245, 396,913 and 650,355 restricted stock units, respectively, to employees under the LTIP and 2017 LTIP, with an aggregate fair value of $85.1 million, $67.0 million and $99.4 million, respectively, at the date of grant.

These 2024, 2023 and 2022 restricted stock units vest as follows: 344,600 units granted in first quarter 2024, 800 units granted in second quarter 2024, 700 units in third quarter 2024, 2,300 units in fourth quarter 2024, 390,000 units granted in first quarter 2023, and 641,000 units granted in first quarter 2022 vest in full based on continued employment through March 1, 2029, March 15, 2028 and March 15, 2027, respectively, while the other 2024, 2023 and 2022 restricted stock unit awards generally vest in full based on continued employment through the vesting period on the anniversary date of the grant. For our executive officers age 55 or older, restricted stock units awarded in 2024, 2023 and 2022 are not subject to forfeiture upon such officers' departure from the Company after two years from the date of grant.

The vesting periods of the 2024, 2023 and 2022 restricted stock unit awards are as follows (in actual shares):

	Restricted Stock Units Granted		
Vesting Period	**2024**	**2023**	**2022**
One year	6,800	7,360	9,270
Five years	348,445	389,553	641,085
Total shares granted	355,245	396,913	650,355

We account for restricted stock awards at historical cost, which equals its fair market value at the date of grant, which is amortized to compensation expense ratably over the vesting period of the participants. Future changes in the fair market value of our common stock that is owed to the participants do not have any impact on the amounts recorded in our consolidated financial statements. During 2024, 2023 and 2022, we charged $53.8 million, $43.4 million and $36.4 million, respectively, to compensation expense related to restricted stock awards granted in 2017 through 2023. The total intrinsic value of unvested restricted stock at December 31, 2024 and 2023 was $548.9 million and $468.5 million, respectively. During 2024 and 2023, equity awards (including accrued dividends) with an aggregate fair value of $93.5 million and $62.2 million were vested and distributed to employees under this plan.

Performance Share Awards

On March 1, 2024, March 15, 2023 and March 15, 2022, pursuant to the LTIP, the compensation committee approved 58,000, 58,000 and 54,000, respectively of provisional performance share awards, with an aggregate fair value of $14.2 million, $10.3 million and $8.6 million, respectively, for future grants to our officers. Each performance share award was equivalent to the value of one share of our common stock on the date such provisional award was approved. At the end of the performance period, eligible participants will receive a number of earned shares based on the growth in adjusted EBITDAC per share (as defined in our 2024 Proxy Statement). Earned shares for the 2024, 2023 and 2022 provisional awards will fully vest based on continuous employment through March 1, 2027, March 15, 2026 and March 15, 2025, respectively, and will be settled in unrestricted shares of our common stock on a one-for-one basis as soon as practicable thereafter. The 2024, 2023 and 2022 awards are subject to a three-year performance period that began on January 1, 2024, 2023 and 2022, respectively, and vest on the three-year anniversary of the date of grant (March 1, 2027, March 15, 2026 and March 15, 2025). Performance share awards granted in 2023 and 2022 to certain executive officers age 55 or older, are not subject to forfeiture upon such officers' departure from the Company after two years from the date of grant. Performance share awards granted in 2024 to executive officers are not subject to forfeiture upon such officers' departure from the Company once they attain the age of 62. In each case, the awards vest on a pro rata basis based on the number of months rounded up during which the officer was employed during the three-year performance period. During 2024, 2023 and 2022, we recognized $22.0 million, $20.0 million and $15.2 million, respectively, to compensation expense related to performance share awards granted in 2020 through 2024. The total intrinsic value of unvested performance share awards at December 31, 2024 and 2023 was $93.0 million and $75.2 million. During 2024, 2023 and 2022, equity awards (including accrued dividends) with an aggregate fair value of $31.6 million, $28.9 million and $21.8 million were vested and distributed to employees under this plan.

Cash Awards

Pursuant to our Performance Unit Program (which we refer to as the Program), there were no units granted in 2024 and 2023. The Program consists of a one-year performance period based on our financial performance and a three-year vesting period measured from January 1 of the year of grant. At the discretion of the compensation committee and determined based on our performance, the eligible officer or key employee will be granted a percentage of the provisional cash award units that equates to the EBITDAC growth achieved (as defined in the Program). At the end of the performance period, eligible participants will be granted a number of units based on achievement of the performance goal and subject to approval by the compensation committee. Granted units will fully vest based on continuous employment through the three-year vesting period. The ultimate award value will be equal to the trailing twelve-month price of our common stock, multiplied by the number of units subject to the award, but limited to between 0.5 and 1.5 times the original value of the units determined as of the grant date. The fair value of the awarded units will be paid out in cash as soon as practicable. If an eligible employee leaves us prior to the vesting date, the entire award will be forfeited.

On March 15, 2022, pursuant to the Program, the compensation committee approved provisional cash awards of $19.9 million in the aggregate for future grants to our officers and key employees that are denominated in units (125,000 units in the aggregate), each of which was equivalent to the value of one share of our common stock on the date the provisional award was approved. Based on our performance for 2022, we granted 122,000 units under the Program in first quarter of 2023 that fully vested on

January 1, 2025. During 2024 and 2023 we charged $13.2 million and $13.4 million to compensation expense related to these awards. We did not recognize any compensation expense during 2022 related to the 2022 provisional award under the Program.

On March 16, 2021, pursuant to the Program, the compensation committee approved provisional cash awards of $18.8 million in the aggregate for future grants to our officers and key employees that are denominated in units (147,000 units in the aggregate), each of which was equivalent to the value of one share of our common stock on the date the provisional award was approved. Based on our performance for 2021, we granted 143,000 units under the Program in the first quarter of 2022 that fully vested on January 1, 2024. During 2023 and 2022 we charged $13.1 million and $12.4 million, respectively, to compensation expense related to these awards. We did not recognize any compensation expense during 2021 related to the 2021 provisional award under the Program.

During 2024, cash awards related to the 2021 provisional awards with an aggregate fair value of $25.4 million (129,000 units in the aggregate) were vested and distributed to employees under the Program. During 2023, cash awards related to the 2020 provisional awards with an aggregate fair value of $24.7 million (191,000 units in the aggregate) were vested and distributed to employees under the Program. During 2022, cash awards related to the 2019 provisional awards with an aggregate fair value of $21.1 million (177,000 units in the aggregate) were vested and distributed to employees under the Program.

12. Retirement Plans

We have a noncontributory defined benefit pension plan that, prior to July 1, 2005, covered substantially all of our domestic employees who had attained a specified age and one year of employment. Benefits under the plan were based on years of service and salary history. In 2005, we amended our defined benefit pension plan to freeze the accrual of future benefits for all U.S. employees, effective on July 1, 2005. Since the plan is frozen, there is no difference between the projected benefit obligation and accumulated benefit obligation at December 31, 2024 and 2023.

Through the acquisition of the partnership interests of BCHR holdings, L.P. and its subsidiaries dba Buck (which we refer to as Buck), we acquired the assets and assumed the liabilities associated with three frozen defined benefit pension plans that provide postretirement benefits to their participants located in the U.S., U.K. and Canada (which we refer to as the Buck Pension Plans). The Buck Pension Plans were amended to freeze benefit plan accruals for all participants (closed to new entrants and existing participants do not accrue any additional benefits) effective December 31, 2014. Effective December 31, 2024, the U.S. Buck Pension Plan was merged into our defined benefit pension plan.

In January 2025, we notified plan participates that we will fully terminate such plan. In first quarter 2025, we will initiate the wind down of the plan and we expect to complete such wind down by settling all future obligations under the plan through a combination of lump sum payments to eligible, electing participants and transferring the remaining liability through the purchase of a group annuity contract to a highly-rated third-party insurance company. We expect that the wind down will be completed in fourth quarter 2025. Based on estimates as of December 31, 2024, we anticipate recognizing a non-cash, pre-tax loss of approximately $34.2 million in fourth quarter 2025 to compensation expense in the consolidated statement of earnings that may be offset by an approximately $12.8 million adjustment to consolidated statement of comprehensive earnings, a $16.5 million write-down of a prepaid pension asset and a $4.6 million reversal of a deferred tax asset.

In the table below, the service cost component represents plan administration costs that are incurred directly by the plan. A reconciliation of the beginning and ending balances of the pension benefit obligation and fair value of plan assets and the funded status of the plan is as follows (in millions):

	Year Ended December 31, 2024	Year Ended December 31, 2023
Change in pension benefit obligation:		
Benefit obligation at beginning of year	$ 216.0	$ 211.9
Service cost	0.6	3.3
Interest cost	9.9	10.7
Merger of the Buck U.S. pension plan	95.4	—
Net actuarial loss (gain)	(10.5)	8.8
Benefits paid	(15.4)	(18.7)
Benefit obligation at end of year	$ 296.0	$ 216.0
Change in plan assets:		
Fair value of plan assets at beginning of year	$ 228.9	$ 212.5
Actual (loss) return on plan assets	15.3	35.1
Merger of the Buck U.S. pension plan	83.7	—
Contributions by the Company	—	—
Benefits paid	(15.4)	(18.7)
Fair value of plan assets at end of year	$ 312.5	$ 228.9
Funded status of the plan (underfunded)	$ 16.5	$ 12.9
Amounts recognized in the consolidated balance sheet consist of:		
Noncurrent assets - prepaid pension asset	$ 16.5	$ 12.9
Accumulated other comprehensive income	17.7	37.3
Net amount included in retained earnings	$ 34.2	$ 50.2

The components of the net periodic pension benefit cost for the plan and other changes in plan assets and obligations recognized in earnings and other comprehensive earnings consist of the following (in millions):

	Year Ended December 31, 2024	2023	2022
Net periodic pension cost:			
Service cost	$ 0.6	$ 3.3	$ 0.5
Interest cost on benefit obligation	9.9	10.7	6.8
Expected return on plan assets	(15.4)	(14.2)	(19.1)
Amortization of net loss	2.5	4.9	2.4
Net periodic benefit income (cost)	(2.4)	4.7	(9.4)
Other changes in plan assets and obligations recognized in other comprehensive earnings:			
Net loss (gain) incurred	(10.3)	(12.0)	14.1
Amortization of net loss	(2.5)	(4.9)	(2.4)
Total recognized in other comprehensive income (loss)	(12.8)	(16.9)	11.7
Total recognized in net periodic pension cost and other comprehensive income (loss)	$ (15.2)	$ (12.2)	$ 2.3

The following weighted average assumptions were used at December 31 in determining the plan's pension benefit obligation:

	December 31, 2024	December 31, 2023
Discount rate	5.50 %	4.75 %
Weighted average expected long-term rate of return on plan assets	7.00 %	7.00 %

The following weighted average assumptions were used at January 1 in determining the plan's net periodic pension benefit cost:

	Year Ended December 31,		
	2024	2023	2022
Discount rate	4.75 %	5.25 %	2.50 %
Weighted average expected long-term rate of return on plan assets	7.00 %	7.00 %	7.00 %

The following benefit payments are expected to be paid by the plan (in millions):

2025	$ 25.2
2026	22.1
2027	22.5
2028	22.5
2029	22.6
2030 to 2034	448.5

The following is a summary of the plan's weighted average asset at December 31 by asset category:

	December 31,	
Asset Category	2024	2023
Equity securities	0.0 %	61.0 %
Debt securities	100.0 %	32.0 %
Real estate	0.0 %	7.0 %
Total	100.0 %	100.0 %

Plan assets are invested in various pooled separate accounts under annuity contracts managed by two life underwriting enterprises. The plan's investment policy provides that investments will be allocated in a manner designed to provide a long-term investment return greater than the actuarial assumptions, maximize investment return commensurate with risk and to comply with the Employee Income Retirement Security Act of 1974, as amended (which we refer to as ERISA), by investing the funds in a manner consistent with ERISA's fiduciary standards. The weighted average expected long-term rate of return on plan assets assumption was determined based on a review of the asset allocation strategy of the plan using expected ten-year return assumptions for all of the asset classes in which the plan was invested at December 31, 2024 and 2023. The return assumptions used in the valuation were based on data provided by the plan's external investment advisors.

The following is a summary of the plan's assets carried at fair value as of December 31 by level within the fair value hierarchy (in millions):

	December 31,	
Fair Value Hierarchy	2024	2023
Level 1	$ —	$ —
Level 2	205.7	120.3
Level 3	106.8	108.6
Total fair value	$ 312.5	$ 228.9

The plan's Level 2 assets consist of ownership interests in various pooled separate accounts within a life insurance carrier's group annuity contract. The fair value of the pooled separate accounts is determined based on the net asset value of the respective funds, which is obtained from the underwriting enterprise and determined each business day with issuances and redemptions of units of the funds made based on the net asset value per unit as determined on the valuation date. We have not adjusted the net asset values provided by the underwriting enterprise. There are no restrictions as to the plan's ability to redeem its investment at the net asset value of the respective funds as of the reporting date. The plan's Level 3 assets consist of pooled separate accounts within another life insurance carrier's annuity contracts for which fair value has been determined by an independent valuation. Due to the nature of these annuity contracts, our management makes assumptions to determine how a market participant would price these Level 3 assets. In determining fair value, the future cash flows to be generated by the annuity contracts were estimated using the underlying benefit provisions specified in each contract, market participant assumptions and various actuarial and financial models. These cash flows were then discounted to present value using a risk-adjusted rate that takes into consideration market based rates of return and probability-weighted present values.

The following is a reconciliation of the beginning and ending balances for the Level 3 assets of the plan measured at fair value (in millions):

	Year Ended December 31, 2024	Year Ended December 31, 2023
Fair value at January 1	$ 108.6	$ 99.6
Settlements	(10.6)	(1.4)
Unrealized gain	8.8	10.4
Fair value at December 31	$ 106.8	$ 108.6

We were not required under the IRC to make any minimum contributions to the plan for each of the 2024, 2023 and 2022 plan years. This level of required funding is based on the plan being frozen and the aggregate amount of our historical funding. During 2024, 2023 and 2022 we did not make discretionary contributions to the plan.

We comply with the minimum funding requirements in the U.S., U.K. and Canada and will make annual contributions to the Buck Pension Plans consistent with those funding requirements. We recognize the funded status of the Buck Pension Plans, measured as the difference between the fair value of the plan assets and the projected benefit obligation, in the accompanying December 31, 2024 and 2023 consolidated balance sheets. As of December 31, 2023, the funded/(unfunded) status related to the Buck Pension Plans was $(21.6) million in the U.S., $10.8 million in the U.K. and $(1.3) million in Canada and have been recorded in other noncurrent assets and liabilities.

We also have a qualified contributory savings and thrift 401(k) plan covering the majority of our domestic employees. For eligible employees who have met the plan's age and service requirements to receive matching contributions, we historically have matched 100% of pre-tax and Roth elective deferrals up to a maximum of 5.0% of eligible compensation, subject to federal limits on plan contributions and not in excess of the maximum amount deductible for federal income tax purposes. Beginning in 2021, the amount matched by the Company will be discretionary and annually determined by management. Employees must be employed and eligible for the plan on the last day of the plan year to receive a matching contribution, subject to certain exceptions enumerated in the plan document. Matching contributions are subject to a five-year graduated vesting schedule and can be funded in cash or common stock of the Company. We expensed (net of plan forfeitures) $105.4 million, $86.0 million and $73.8 million related to the plan in 2024, 2023 and 2022 respectively. During 2022 and 2023, management determined the 5.0% employer matching contributions on eligible compensation to the 401(k) plan for the 2022 and 2023 plan years to be funded with our common stock, which were funded in February 2023 and 2024, respectively. During 2024, management determined the 5.0% employer matching contributions on eligible compensation to the 401(k) plan for the 2024 plan year would be funded with our common stock, which is expected to be funded in February 2025.

We also have a nonqualified deferred compensation plan, the Supplemental Savings and Thrift Plan, for certain employees who, due to IRS rules, cannot take full advantage of our matching contributions under the 401(k) plan. The plan permits these employees to annually elect to defer a portion of their compensation until their retirement or a future date. Our matching contributions to this plan (up to a maximum of the lesser of a participant's elective deferral of base salary, annual bonus and commissions or 5.0% of eligible compensation, less matching amounts contributed under the 401(k) plan) are also discretionary and annually determined by management. Matching contributions can be funded in cash or common stock of the Company. We expensed $14.3 million, $12.3 million and $11.0 million related to contributions made to a rabbi trust maintained under the plan in 2024, 2023 and 2022, respectively. During 2024, management determined the 5.0% employer matching contributions on eligible compensation to the plan for the 2024 plan year would be funded with our common stock, which is expected to be funded in February 2025. The fair value of the assets in the plan's rabbi trust at December 31, 2024 and 2023, including employee contributions and investment earnings, was $909.1 million and $728.4 million, respectively, and has been included in other noncurrent assets and the corresponding liability has been included in other noncurrent liabilities in the accompanying consolidated balance sheet.

We also have several foreign benefit plans, the largest of which is a defined contribution plan that provides for us to make contributions of 5.0% of eligible compensation. In addition, the plan allows for voluntary contributions by U.K. employees, which we match 100%, up to a maximum of an additional 5.0% of eligible compensation. Net expense for foreign retirement plans amounted to $92.6 million, $76.7 million and $62.9 million in 2024, 2023 and 2022, respectively.

13. Leases

We have operating leases primarily related to branch facilities, data centers, sales offices, and agent locations, automobiles and office equipment. Many of our leases include both lease (fixed rent payments) and non-lease components (common-area or other maintenance costs) which are accounted for as a single lease component as we have elected the practical expedient to group lease and non-lease components for all leases. Variable lease payments, such as periodically indexed and/or market adjustments, are presented as lease expense in the period in which they are incurred. Since we did not elect the short-term policy election, we record leases of 12 months or less on the balance sheet.

We exclude options to extend or terminate a lease from our recognition as part of our right-of-use assets and lease liabilities until those options are reasonably certain and/or executed. We do not have any material guarantees, options to purchase, or restrictive covenants related to our leases.

As our leases do not provide an implicit rate, we use our incremental borrowing rate based on the information available at the lease commencement date in determining the present value of the lease payments. We consider qualitative factors including our derived credit rating, notched adjustments for collateralization, lease term, and, if significant, adjustments to our collateralized rate to borrow in the same currency in which the lease is denominated.

The components of lease expense are as follows (in millions):

Lease Components	Statement of Earnings Classification	Year ended December 31, 2024
Operating lease expense	Operating expense	$ 142.5
Variable lease expense	Operating expense	27.4
Sublease income	Investment income	(1.4)
Total net lease expense		$ 168.5

Variable lease cost consist primarily of common-area and other maintenance costs for our lease facilities, as well as variable lease payments related to indexed and/or market adjustments. Our sublease income derives primarily from a few office lease arrangements and we have no significant sublease losses.

Supplemental Cash Flow Information Related to Leases (in millions)	Year ended December 31, 2024
Cash paid for amounts included in the measurement of lease liabilities:	
Operating cash flows from operating leases	$ 124.1
Right-of-use assets obtained in exchange for new operating lease liabilities	$ 98.7

We present all noncash transactions related to adjustments to the lease liability or right-of-use asset as noncash transactions. This includes all noncash charges related to any modification or reassessment events triggering remeasurement.

Supplemental balance sheet information related to leases is as follows (in millions, except lease term and discount rate):

Lease Components	Balance Sheet Classification	December 31, 2024
Lease right-of-use assets	Right-of-use assets	$ 377.8
Other current lease liabilities	Accrued compensation and other current liabilities	91.8
Lease liabilities	Lease liabilities - noncurrent	328.1
Total lease liabilities		$ 419.9
Weighted-average remaining lease term, years		5.0
Weighted-average discount rate		4.5 %

Maturities of operating lease liabilities for each of the next five years and thereafter are as follows (in millions):

2025	$ 113.9
2026	103.6
2027	83.8
2028	62.8
2029	33.9
Thereafter	74.3
Total lease payments	472.3
Less interest	(52.4)
Total	$ 419.9

Our leases have remaining lease terms of 0.0 years to 12.0 years, some of which may include options to extend the leases for up to 10.0 years and some of which may include options to terminate the leases.

As of December 31, 2024, we had $20.9 million of additional leases that have not yet commenced. These leases will commence in 2025 and 2026 with lease terms of 1 year to 11.1 years.

14. Derivatives and Hedging Activity

We are exposed to market risks, including changes in foreign currency exchange rates and interest rates. To manage the risk related to these exposures, we enter into various derivative instruments that reduce these risks by creating offsetting exposures. We generally do not enter into derivative transactions for trading or speculative purposes.

Foreign Exchange Risk Management

We are exposed to foreign exchange risk when we earn revenues, pay expenses, or enter into monetary intercompany transfers denominated in a currency that differs from our functional currency, or other transactions that are denominated in a currency other than our functional currency. We use foreign exchange derivatives, typically forward contracts and options, to reduce our overall exposure to the effects of currency fluctuations on cash flows. These exposures are hedged, on average, for less than three years.

Interest Rate Risk Management

We enter into various long-term debt agreements. We use interest rate derivatives, typically swaps, to reduce our exposure to the effects of interest rate fluctuations on the forecasted interest rates for up to three years into the future.

We have not received or pledged any collateral related to derivative arrangements at December 31, 2024.

The notional and fair values of derivatives designated as hedging instruments are as follows at December 31, 2024 and 2023 (in millions):

Instrument	Notional Amount	Derivative Assets: Balance Sheet Classification	Derivative Assets: Fair Value	Derivative Liabilities: Balance Sheet Classification	Derivative Liabilities: Fair Value
At December 31, 2024					
Interest rate contracts	$ —	Other current assets	$ —	Accrued compensation and other current liabilities	$ —
		Other noncurrent assets	—	Other noncurrent liabilities	—
Foreign exchange contracts (1)	24.4	Other current assets	6.2	Accrued compensation and other current liabilities	2.4
		Other noncurrent assets	2.6	Other noncurrent liabilities	2.9
Total	$ 24.4		$ 8.8		$ 5.3
At December 31, 2023					
Interest rate contracts	$ 150.0	Other current assets	$ —	Accrued compensation and other current liabilities	$ 5.7
		Other noncurrent assets	—	Other noncurrent liabilities	—
Foreign exchange contracts (1)	67.8	Other current assets	3.9	Accrued compensation and other current liabilities	3.9
		Other noncurrent assets	14.2	Other noncurrent liabilities	4.0
Total	$ 217.8		$ 18.1		$ 13.6

(1) Included within foreign exchange contracts at December 31, 2024 were $595.4 million of call options offset with $595.4 million of put options, and $1.2 million of buy forwards offset with $25.6 million of sell forwards. Included within foreign exchange contracts at December 31, 2023 were $331.3 million of call options offset with $331.3 million of put options, and $5.5 million of buy forwards offset with $73.3 million of sell forwards.

Fair values of these hedge contracts are based on observable and unobservable inputs. Observable inputs include all of the following: quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability (for example: interest rates and yield curves observable at commonly quoted intervals, implied volatilities, credit spreads) and market-corroborated inputs. Unobservable inputs are used to measure fair value to the extent that relevant observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date.

The effect of cash flow hedge accounting on accumulated other comprehensive loss were as follows (in millions):

Instrument	Amount of Gain (Loss) Recognized in Accumulated Other Comprehensive Loss (1)	Amount of Gain (Loss) Reclassified from Accumulated Other Comprehensive Loss into Earnings	Amount of Gain (Loss) Recognized in Earnings Related to Amount Excluded from Effectiveness Testing	Statement of Earnings Classification
Year ended December 31, 2024				
Interest rate contracts	$ (6.1)	$ (1.2)	$ —	Interest expense
Foreign exchange contracts	(10.7)	(2.0)	—	Commission revenue
		(2.2)	0.8	Compensation expense
		(1.4)	0.6	Operating expense
Total	$ (16.8)	$ (6.8)	$ 1.4	
Year ended December 31, 2023				
Interest rate contracts	$ 63.9	$ (1.1)	$ —	Interest expense
Foreign exchange contracts	38.0	1.3	(0.1)	Commission revenue
		(1.9)	1.8	Compensation expense
		(1.4)	1.3	Operating expense
Total	$ 101.9	$ (3.1)	$ 3.0	

(1) During 2024, the amount excluded from the assessment of hedge effectiveness for our foreign exchange contracts recognized in accumulated other comprehensive loss was a loss of $0.2 million.

We estimate that approximately $15.7 million of pretax gain currently included within accumulated other comprehensive income will be reclassified into earnings in the next twelve months.

15. Commitments, Contingencies and Off-Balance Sheet Arrangements

In connection with our investing and operating activities, we have entered into certain contractual obligations and commitments. See Note 7 to these consolidated financial statements for additional discussion of these obligations and commitments. Our future minimum cash payments, including interest, associated with our contractual obligations pursuant to the Senior Notes, Note purchase agreements, Credit Agreement, Premium Financing Debt Facility, operating leases and purchase commitments at December 31, 2024 were as follows (in millions):

	Payments Due by Period						
Contractual Obligations	**2025**	**2026**	**2027**	**2028**	**2029**	**Thereafter**	**Total**
Senior Notes	$ —	$ —	$ 750.0	$ —	$ 750.0	$ 8,050.0	$ 9,550.0
Note purchase agreements	200.0	640.0	478.0	200.0	350.0	1,655.0	3,523.0
Credit Agreement	—	—	—	—	—	—	—
Premium Financing Debt Facility	225.2	—	—	—	—	—	225.2
Interest on debt	566.7	611.5	593.0	539.2	528.5	6,589.4	9,428.3
Total debt obligations	991.9	1,251.5	1,821.0	739.2	1,628.5	16,294.4	22,726.5
Operating lease obligations	113.9	103.6	83.8	62.8	33.9	74.3	472.3
Less sublease arrangements	(2.2)	(1.7)	(1.6)	(1.0)	(0.8)	—	(7.3)
Outstanding purchase obligations	122.7	86.3	58.1	38.6	23.2	50.8	379.7
Total contractual obligations	$ 1,226.3	$ 1,439.7	$ 1,961.3	$ 839.6	$ 1,684.8	$ 16,419.5	$ 23,571.2

The amounts presented in the table above may not necessarily reflect our actual future cash funding requirements, because the actual timing of the future payments made may vary from the stated contractual obligation.

Senior Notes, Note Purchase Agreements, Credit Agreement and Premium Financing Debt Facility - See Note 7 to these consolidated financial statements for a summary the amounts outstanding under the Senior Notes, Note purchase agreements, the Credit Agreement and Premium Financing Debt Facility.

Operating Lease Obligations - Our corporate segment's executive offices and certain subsidiary and branch facilities of our brokerage and risk management segments are located in a building we own at 2850 Golf Road, Rolling Meadows, Illinois, where we have approximately 360,000 square feet of space and can accommodate approximately 2,000 employees. Relating to the development of our corporate headquarters, we expect to receive property tax related credits under a tax-increment financing note from Rolling Meadows and an Illinois state Economic Development for a Growing Economy (which we refer to as EDGE) tax credit. Incentives from these two programs could total between $50.0 million and $80.0 million over a fifteen-year period. We have earned approximately $62.6 million of EDGE credits from inception in 2017 through December 31, 2024.

We generally operate in leased premises at our other locations. Certain of these leases have options permitting renewals for additional periods. In addition to minimum fixed rentals, a number of leases contain annual escalation clauses which are generally related to increases in an inflation index.

Total rent expense, including rent relating to cancelable leases and leases with initial terms of less than one year, amounted to $183.4 million in 2024, $183.5 million in 2023 and $176.6 million in 2022.

We have leased certain office space to several non-affiliated tenants under operating sublease arrangements. In the normal course of business, we expect that certain of these leases will not be renewed or replaced. We adjust charges for real estate taxes and common area maintenance annually based on actual expenses, and we recognize the related revenues in the year in which the expenses are incurred. These amounts are not included in the minimum future rentals to be received in the contractual obligations table above.

Outstanding Purchase Obligations - We typically do not have a material amount of outstanding purchase obligations at any point in time. The amount disclosed in the contractual obligations table above represents the aggregate amount of unrecorded purchase obligations that we had outstanding at December 31, 2024. These obligations represent agreements to purchase goods or services that were executed in the normal course of business.

Off-Balance Sheet Commitments - Our total unrecorded commitments associated with outstanding letters of credit, financial guarantees and funding commitments at December 31, 2024 were as follows (in millions):

	Amount of Commitment Expiration by Period						Total
Off-Balance Sheet Commitments	**2025**	**2026**	**2027**	**2028**	**2029**	**Thereafter**	**Amounts Committed**
Letters of credit	$ —	$ —	$ —	$ —	$ —	$ 23.0	$ 23.0
Financial guarantees	0.7	—	—	—	—	32.0	32.7
Total commitments	$ 0.7	$ —	$ —	$ —	$ —	$ 55.0	$ 55.7

Since commitments may expire unused, the amounts presented in the table above do not necessarily reflect our actual future cash funding requirements. See the Off-Balance Sheet Debt section below for a discussion of letters of credit. All of the letters of credit represent multiple year commitments that have annual, automatic renewing provisions and are classified by the latest commitment date.

Substantially all of the purchase agreements related to these acquisitions we do contain provisions for potential earnout obligations. For all of our acquisitions made in the period from 2021 to 2024 that contain potential earnout obligations, such obligations are measured at fair value as of the acquisition date and are included on that basis in the recorded purchase price consideration for the respective acquisition. The amounts recorded as earnout payables are primarily based upon estimated future potential operating results of the acquired entities over a two- to three-year period subsequent to the acquisition date. The aggregate amount of the maximum earnout obligations related to these acquisitions was $1,998.2 million, of which $1,302.0 million was recorded in our consolidated balance sheet as of December 31, 2024 based on the estimated fair value of the expected future payments to be made, of which approximately $511.9 million can be settled in cash or common stock at our option and $790.1 million must be settled in cash.

Off-Balance Sheet Debt - Our unconsolidated investment portfolio includes investments in enterprises where our ownership interest is between 1% and 50%, in which management has determined that our level of influence and economic interest is not sufficient to require consolidation. As a result, these investments are accounted for under the equity method. None of these unconsolidated investments had any outstanding debt at December 31, 2024 and 2023 that was recourse to us.

At December 31, 2024, we had posted two letters of credit totaling $9.2 million in the aggregate, related to our self-insurance deductibles, for which we had a recorded liability of $12.0 million. We have an equity investment in a rent-a-captive facility, which we use as a placement facility for certain of our insurance brokerage operations. At December 31, 2024, we had posted eight letters of credit totaling $13.0 million to allow certain of our captive operations to meet minimum statutory surplus requirements plus additional collateral related to premium and claim funds held in a fiduciary capacity and one letter of credit totaling $0.8 million for collateral related to claim funds held in a fiduciary capacity by a recent acquisition. These letters of credit have never been drawn upon.

Our commitments associated with outstanding letters of credit, financial guarantees and funding commitments at December 31, 2024 were as follows (all dollar amounts in table are in millions):

Description, Purpose and Trigger	Collateral	Compensation to Us	Maximum Exposure	Liability Recorded
Credit support under letters of credit (LOC) for deductibles due by us on our own insurance coverages - expires after 2028	None	None	$ 9.2	$ 12.0
Trigger - We do not reimburse the insurance companies for deductibles the insurance companies advance on our behalf				
Credit enhancement under letters of credit for our captive insurance operations to meet minimum statutory capital requirements - expires after 2028	None	Reimbursement of LOC fees	13.0	—
Trigger - Dissolution or catastrophic financial results of the operation				
Collateral related to claims funds held in a fiduciary capacity by a recent acquisition - expires 2028	None	None	0.8	—
Trigger - Claim payments are not made				
			$ 23.0	$ 12.0

(1) The guarantees are collateralized by shares in minority holdings of our Canadian operating companies.

Since commitments may expire unused, the amounts presented in the table above do not necessarily reflect our actual future cash funding requirements.

Litigation, Regulatory and Taxation Matters - We routinely are involved in legal proceedings, claims, disputes, regulatory matters and governmental inspections or investigations arising in the ordinary course of or incidental to our business, including relating errors and omissions (which we refer to as E&O) claims and those noted below in this section. We record accruals in the consolidated financial statements for pending litigation when we determine that an unfavorable outcome is probable and the amount of the loss can be reasonably estimated. For the matters we disclose that do not include an estimate of the amount of loss or range of losses, such an estimate is not possible or is immaterial, and we may be unable to estimate the possible loss or range of losses that could potentially result from the application of non-monetary remedies, unless disclosed below. We currently believe that the ultimate outcome of these proceedings, individually and in the aggregate, will not materially harm our financial position, results of operations or cash flows. However, legal proceedings and government investigations are subject to inherent uncertainties, and unfavorable rulings or other adverse events could occur, including the payment of substantial monetary damages or an injunction or other order prohibiting us from selling one or more products at all or in particular ways, precluding particular business practices or requiring other remedies, which may result in a material adverse impact on our business, results of operations or financial position.

As previously disclosed, our IRC 831(b) (or “micro-captive”) advisory services businesses has been under a promoter investigation by the IRS since 2013. Among other matters, the IRS is investigating whether we have been acting as a tax shelter promoter in connection with these operations. Additionally, the IRS is conducting a criminal investigation related to IRC 831(b) micro-captive underwriting enterprises. We have been advised that we are not a target of the criminal investigation. We are fully cooperating with both matters.

Contingent Liabilities - We purchase insurance to provide protection from E&O claims that may arise during the ordinary course of business. Currently we retain the first $15.0 million of each and every E&O claim. In addition, we retain, in aggregate: up to another $2.0 million between $15.0 million and $100.0 million, plus up to another $10.0 million between $100.0 million and $225.0 million, and up to another $20.0 million between $225.0 million and $400.0 million. We have historically maintained self-insurance reserves for the portion of our E&O exposure that is not insured. We periodically determine a range of possible reserve levels using actuarial techniques that rely heavily on projecting historical claim data into the future. Our E&O reserve in the December 31, 2024 consolidated balance sheet is above the lower end of the most recently determined actuarial range by $4.4 million and below the upper end of the actuarial range by $10.7 million. We can make no assurances that the historical claim data used to project the current reserve levels will be indicative of future claim activity. Thus, the E&O reserve level and corresponding actuarial range could change in the future as more information becomes known, which could materially impact the amounts reported and disclosed herein.

16. Income Taxes

We and our principal domestic subsidiaries are included in a consolidated U.S. federal income tax return. Our international subsidiaries file various income tax returns in their jurisdictions. Significant components of earnings before income taxes and the provision for income taxes are as follows (in millions):

	Year Ended December 31,		
	2024	2023	2022
Earnings before income taxes:			
United States	$ 972.1	$ 605.0	$ 781.6
Foreign, principally Australia, Canada, New Zealand and the U.K.	902.7	580.1	545.4
Total earnings before income taxes	$ 1,874.8	$ 1,185.1	$ 1,327.0
Provision for income taxes:			
Federal:			
Current	$ 38.0	$ (21.4)	$ 109.1
Deferred	112.1	112.9	(3.5)
	150.1	91.5	105.6
State and local:			
Current	53.3	(15.4)	114.3
Deferred	(1.3)	43.0	(83.5)
	52.0	27.6	30.8
Foreign:			
Current	194.3	212.8	196.6
Deferred	8.0	(112.8)	(122.0)
	202.3	100.0	74.6
Total provision for income taxes	$ 404.4	$ 219.1	$ 211.0

A reconciliation of the provision for income taxes with the U.S. federal statutory income tax rate is as follows (in millions, except percentages):

	Year Ended December 31,					
	2024		2023		2022	
	Amount	% of Pretax Earnings	Amount	% of Pretax Earnings	Amount	% of Pretax Earnings
Federal statutory rate	$ 393.7	21.0	$ 248.9	21.0	$ 278.7	21.0
State income taxes - net of federal benefit	61.0	3.3	49.7	4.2	32.9	2.5
Differences related to non U.S. operations	(13.8)	(0.7)	(20.6)	(1.7)	(31.9)	(2.4)
Alternative energy and other tax credits	(8.9)	(0.5)	(7.9)	(0.7)	(6.9)	(0.5)
Other permanent differences	42.6	2.3	27.6	2.3	22.5	1.7
Stock-based compensation	(88.9)	(4.7)	(76.1)	(6.4)	(59.3)	(4.5)
Changes in unrecognized tax benefits	7.4	0.4	11.9	1.0	4.0	0.3
Change in valuation allowance	10.0	0.5	3.9	0.3	15.5	1.2
Change in tax rates	1.3	—	(18.3)	(1.5)	(44.5)	(3.4)
Provision for income taxes	$ 404.4	21.6	$ 219.1	18.5	$ 211.0	15.9

A reconciliation of the beginning and ending balances of the total amounts of gross unrecognized tax benefits is as follows (in millions):

	December 31,	
	2024	2023
Gross unrecognized tax benefits at January 1	$ 25.3	$ 13.4
Increases in tax positions for current year	1.2	14.6
Settlements	(2.6)	(2.9)
Lapse in statute of limitations	(5.5)	(3.4)
Increases in tax positions for prior years	17.0	3.6
Decreases in tax positions for prior years	(10.2)	—
Gross unrecognized tax benefits at December 31	$ 25.2	$ 25.3

The total amount of net unrecognized tax benefits that, if recognized, would affect the effective tax rate was $24.7 million and $24.5 million at December 31, 2024 and 2023, respectively. We accrue interest and penalties related to unrecognized tax benefits in our provision for income taxes. At December 31, 2024 and 2023, we had accrued interest and penalties related to unrecognized tax benefits of $10.3 million and $2.8 million, respectively.

We file income tax returns in the U.S. and in various state, local and foreign jurisdictions. We are routinely examined by tax authorities in these jurisdictions. At December 31, 2024, our corporate returns had been examined by the IRS or the statute had lapsed through calendar year 2020. In addition, from 2020 forward, various state and foreign jurisdictions remain open. It is reasonably possible that our gross unrecognized tax benefits may change within the next twelve months. However, we believe any changes in the recorded balance would not have a significant impact on our consolidated financial statements.

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Significant components of our deferred tax assets and liabilities are as follows (in millions):

	December 31,	
	2024	2023
Deferred tax assets:		
Alternative minimum tax and other credit carryforwards	$ 768.9	$ 867.3
Accrued and unfunded compensation and employee benefits	431.5	364.4
Amortizable intangible assets	94.7	122.9
Compensation expense related to stock options	21.9	18.3
Accrued liabilities	125.9	129.9
Investments	1.9	1.2
Net operating loss carryforwards	162.7	172.7
Capital loss carryforwards	8.4	8.5
Other tax attributes	1.9	34.7
Depreciable fixed assets	22.0	13.2
Lease liabilities	106.4	103.4
Capitalized indirect property costs	0.2	0.2
Revenue recognition	4.6	42.1
Other	5.2	10.1
Total deferred tax assets	1,756.2	1,888.9
Valuation allowance for deferred tax assets	(176.5)	(195.8)
Deferred tax assets	1,579.7	1,693.1
Deferred tax liabilities:		
Nondeductible amortizable intangible assets	564.8	531.7
Accrued pension liability	8.6	1.7
Investment-related partnerships	4.2	6.5
Right-of-use assets	97.1	95.0
Hedging instruments	35.7	38.2
Other prepaid items	16.4	17.4
Total deferred tax liabilities	726.8	690.5
Net deferred tax assets	$ 852.9	$ 1,002.6

At December 31, 2024 and 2023, $106.3 million and $129.6 million, respectively, of deferred tax liabilities have been included in noncurrent liabilities in the accompanying consolidated balance sheet. General business and other tax credits of $736.9 million begin to expire, if not utilized, in 2032 and state credits, net of federal benefit, of $32.0 million expire, if not used, by 2028. Net operating loss carryforwards of $162.7 million, related to federal, state and foreign begin to expire, if not utilized in 2025. We expect the historically favorable trend in earnings before income taxes to continue in the foreseeable future. Valuation allowances have been established for certain foreign intangible assets (including nondeductible amortization and earnout payable expenses) and various state net operating loss carryforwards that may not be utilized in the future.

At December 31, 2024, foreign earnings in all jurisdictions are considered indefinitely reinvested offshore. We have not provided for state or withholding income taxes on the undistributed earnings of $812.3 million and $632.3 million at December 31, 2024 and 2023, respectively, of foreign subsidiaries which are considered permanently invested outside of the U.S. The amount of unrecognized deferred tax liability on these undistributed earnings was not material at December 31, 2024 and 2023.

Current U.S. tax law requires U.S. shareholders to include in income certain “global intangible low-taxed income” (which we refer to as GILTI) beginning in 2018. Our policy is to include the GILTI income in the future period when the tax arises and we recorded income tax expense on such income in 2024, 2023 and 2022. Current U.S. tax law includes the U.S. Base Erosion and Anti-Abuse Tax (which we refer to as BEAT) beginning in 2018. Based on our analysis, we determined that our base erosion payments do not exceed the threshold for applicability for the years in 2024, 2023 and 2022, and we do not currently anticipate any significant long-term impact from the BEAT in our provision for income taxes in future periods.

17. Supplemental Disclosures of Cash Flow Information

Supplemental disclosures of cash flow information (in millions):	Year ended December 31, 2024	2023	2022
Interest paid	$ 346.8	$ 270.8	$ 240.2
Income taxes paid, net	330.6	225.8	317.6

The 2023 income taxes paid amount was favorably impacted due to the reversal of tax method changes on filing of the 2022 tax return. In 2022, we elected to defer the utilization of 2021 and 2022 net operating losses in the U.K. causing additional cash tax payments of $28.4 million relating to 2021 and $49.0 million relating to 2022. Both the U.S. and U.K. payments would have been made in future periods, and do not represent additional taxes due.

The following is a reconciliation of our end of period cash, cash equivalents, restricted cash and fiduciary cash balances as presented in the consolidated statement of cash flows for the years ended December 31, 2024, 2023 and 2022 (in millions):

	December 31, 2024	2023	2022
Cash and cash equivalents - non-restricted cash	$ 14,758.7	$ 780.9	$ 539.4
Cash and cash equivalents - restricted cash	228.6	190.6	199.0
Total cash and cash equivalents	$ 14,987.3	$ 971.5	$ 738.4
Fiduciary cash	5,481.3	5,571.8	4,225.8
Total cash, cash equivalents, restricted cash and fiduciary cash	$ 20,468.6	$ 6,543.3	$ 4,964.2

Total cash and cash equivalents, restricted cash and fiduciary cash at December 31, 2024 and December 31, 2023, include $15,371.6 million and $1,744.9 million, respectively, of income earning money market accounts. The increase in cash invested in money market accounts between years is primarily due to the proceeds received in December 2024 from the stock issuance ($8.5 billion) and senior notes ($5.0 billion). Refer to Note 7 for more information regarding the senior notes. These proceeds are intended to be used toward the acquisition of AssuredPartners, refer to Note 3 for more information regarding this acquisition. The dividend income on money market accounts was recorded in interest income, premium finance and other income in our consolidated statement of earnings, which increased $105.9 million during 2024 ($29.0 million of which related to the proceeds from the AssuredPartners financing) to $473.2 million for the year ended December 31, 2024 compared to $367.3 million for the year ended December 31, 2023.

We have a qualified contributory savings and thrift 401(k) plan covering the majority of our domestic employees. For eligible employees who have met the plan's age and service requirements to receive matching contributions, we historically have matched 100% of pre-tax and Roth elective deferrals up to a maximum of 5.0% of eligible compensation, subject to federal limits on plan contributions and not in excess of the maximum amount deductible for federal income tax purposes. Beginning in 2021, the amount matched by the Company will be discretionary and annually determined by management. Employees must be employed and eligible for the plan on the last day of the plan year to receive a matching contribution, subject to certain exceptions enumerated in the plan document. Matching contributions are subject to a five-year graduated vesting schedule and can be funded in cash or the common stock of the Company. We expensed (net of plan forfeitures) $105.4 million, $86.0 million and $73.8 million related to the plan in 2024, 2023 and 2022, respectively. During 2023, management determined the 5.0% employer matching contributions on eligible compensation to the 401(k) plan for the 2023 plan year to be funded with our common stock, which was funded in February 2024. During 2024, management determined the 5.0% employer matching contributions on eligible compensation to the 401(k) plan for the 2024 plan year to be funded with our common stock, which is expected to be funded in February 2025.

18. Accumulated Other Comprehensive Loss

The after-tax components of our accumulated comprehensive loss attributable to controlling interests consist of the following (in millions):

	Pension Liability	Foreign Currency Translation	Fair Value of Derivative Instruments	Accumulated Comprehensive Loss
Balance as of January 1, 2022	$ (37.1)	$ (613.4)	$ (75.6)	$ (726.1)
Net change in period	(12.3)	(511.8)	109.8	(414.3)
Balance as of December 31, 2022	(49.4)	(1,125.2)	34.2	(1,140.4)
Net change in period	12.3	257.8	78.2	348.3
Balance as of December 31, 2023	(37.1)	(867.4)	112.4	(792.1)
Net change in period	13.9	(365.4)	(7.5)	(359.0)
Balance as of December 31, 2024	$ (23.2)	$ (1,232.8)	$ 104.9	$ (1,151.1)

The foreign currency translation in 2024, 2023 and 2022 relates to the net impact of changes in the value of the local currencies relative to the U.S. dollar for our operations in Australia, Canada, the Caribbean, India, New Zealand, the U.K. and other non-U.S. locations. The reporting currency for our financial statements is the U.S. dollar. Certain of our assets, liabilities, expenses and revenues are denominated in currencies other than the U.S. dollar, primarily the Australian dollar, British pound, Canadian dollar, and New Zealand dollar. To prepare our consolidated financial statements, we must translate those assets, liabilities, expenses and revenues into U.S. dollars at the applicable exchange rates. Assets and liabilities of non-U.S. dollar functional currency operations are translated into U.S. dollars at end-of-period exchange rates while revenues, expenses and cash flows are translated at average monthly exchange rates over the period. Equity is translated at historical exchange rates and the resulting cumulative translation adjustments are included as a component of accumulated other comprehensive loss in the consolidated balance sheet. The net change in the foreign currency translation during 2024 primarily relates to goodwill (see Note 6 to these consolidated financial statements for the impact on goodwill) and amortizable intangible assets held by operations with a non-U.S. dollar functional currency.

During 2024, 2023 and 2022, $2.2 million, $5.2 million and $2.2 million, respectively, of expense related to the pension liability was reclassified from accumulated other comprehensive loss to compensation expense in the statement of earnings. During 2024, 2023 and 2022, $6.8 million of expense, $3.1 million of expense and $3.2 million of income, respectively, related to the fair value of derivative investments, was reclassified from accumulated other comprehensive loss to the statement of earnings. During 2024, 2023 and 2022, no amounts related to foreign currency translation were reclassified from accumulated other comprehensive loss to the statement of earnings.

19. Segment Information

We have three reportable segments: brokerage, risk management and corporate.

The brokerage segment is primarily comprised of our retail and wholesale insurance and reinsurance brokerage operations. The brokerage segment (which comprises our retail P/C, wholesale, reinsurance, benefits and captive operations) generates revenues through commissions paid by underwriting enterprises and through fees charged to our clients. Our brokers, agents and administrators act as intermediaries between underwriting enterprises and our clients and we do not assume net underwriting risks.

The risk management segment provides contract claim settlement and administration services for commercial, nonprofit, captive and public sector entities, and various organizations that choose to self-insure some or all of their property/casualty coverages and for underwriting enterprises that choose to outsource some or all of their property/casualty claims departments. These operations also provide claims management, loss control consulting and insurance property appraisal services. Revenues are principally generated on a negotiated per-claim or per-service fee basis. Our risk management segment also provides risk management consulting services that are recognized as the services are delivered.

Revenues in the corporate segment consist of other income related to the run-off of clean energy and legacy investments, and in 2024, some interest income related to the proceeds from the AssuredPartners financing. In addition, the corporate segment reports the financial information related to our debt, external acquisition-related expenses, other corporate costs and the impact of foreign currency remeasurement.

Allocations of investment income and certain expenses are based on reasonable assumptions and estimates primarily using revenue, headcount and other information. We allocate the provision for income taxes to the brokerage and risk management segments using the local country statutory rates. Reported operating results by segment would change if different methods were applied.

Our Chief Operating Decision Maker (which we refer to as CODM) (our Chairman and Chief Executive Officer) analyzes and evaluates the operating performance of the three reportable segments presented below. We have disclosed for each reportable segment the significant expense categories that are reviewed by the CODM and there are no additional significant expenses within the expense categories presented in the tables below. The key areas of focus by the CODM for allocation of resources are revenues from each reportable segment, as well as their compensation and operating expenses.

Financial information relating to our segments for 2024, 2023 and 2022 is as follows (in millions):

Year Ended December 31, 2024	Brokerage	Risk Management	Corporate	Total
Revenues:				
Commissions	$ 6,693.8	$ —	$ —	$ 6,693.8
Fees	2,192.6	1,414.0	—	3,606.6
Supplemental revenues	359.4	—	—	359.4
Contingent revenues	267.6	—	—	267.6
Interest income, premium finance revenues and other income	420.4	36.5	16.3	473.2
Revenues before reimbursements	9,933.8	1,450.5	16.3	11,400.6
Reimbursements	—	154.3	—	154.3
Total revenues	9,933.8	1,604.8	16.3	11,554.9
Compensation	5,501.4	882.4	138.5	6,522.3
Operating	1,363.4	278.7	111.8	1,753.9
Reimbursements	—	154.3	—	154.3
Interest	—	—	381.3	381.3
Depreciation	133.1	37.6	6.8	177.5
Amortization	651.0	13.8	—	664.8
Change in estimated acquisition earnout payables	25.6	0.4	—	26.0
Total expenses	7,674.5	1,367.2	638.4	9,680.1
Earnings (loss) before income taxes	2,259.3	237.6	(622.1)	1,874.8
Provision (benefit) for income taxes	573.6	63.1	(232.3)	404.4
Net earnings (loss)	1,685.7	174.5	(389.8)	1,470.4
Net earnings (loss) attributable to noncontrolling interests	7.7	—	—	7.7
Net earnings (loss) attributable to controlling interests	$ 1,678.0	$ 174.5	$ (389.8)	$ 1,462.7
Net foreign exchange gain (loss)	$ 0.8	$ —	$ (1.2)	$ (0.4)
Revenues:				
United States	$ 6,103.9	$ 1,307.7	$ 16.3	$ 7,427.9
United Kingdom	2,168.4	57.0	—	2,225.4
Australia	348.8	225.8	—	574.6
Canada	409.1	6.9	—	416.0
New Zealand	202.8	7.4	—	210.2
Other foreign	700.8	—	—	700.8
Total revenues	$ 9,933.8	$ 1,604.8	$ 16.3	$ 11,554.9
At December 31, 2024				
Identifiable assets:				
United States	$ 20,910.6	$ 1,110.0	$ 16,028.8	$ 38,049.4
United Kingdom	16,051.2	150.2	—	16,201.4
Australia	1,766.8	381.5	—	2,148.3
Canada	1,684.1	5.9	—	1,690.0
New Zealand	718.9	14.1	—	733.0
Other foreign	5,307.6	—	125.5	5,433.1
Total identifiable assets	$ 46,439.2	$ 1,661.7	$ 16,154.3	$ 64,255.2
Goodwill - net	$ 11,923.4	$ 328.3	$ 18.5	$ 12,270.2
Amortizable intangible assets - net	4,412.7	117.4	—	4,530.1

Year Ended December 31, 2023	Brokerage	Risk Management	Corporate	Total
Revenues:				
Commissions	$ 5,865.0	$ —	$ —	$ 5,865.0
Fees	1,885.0	1,259.7	—	3,144.7
Supplemental revenues	314.2	—	—	314.2
Contingent revenues	235.3	—	—	235.3
Interest income, premium finance revenues and other income	337.7	27.9	1.7	367.3
Revenues before reimbursements	8,637.2	1,287.6	1.7	9,926.5
Reimbursements	—	145.4	—	145.4
Total revenues	8,637.2	1,433.0	1.7	10,071.9
Compensation	4,769.1	776.8	135.3	5,681.2
Operating	1,272.3	257.4	160.0	1,689.7
Reimbursements	—	145.4	—	145.4
Interest	—	—	296.7	296.7
Depreciation	124.4	35.9	4.9	165.2
Amortization	523.6	7.7	—	531.3
Change in estimated acquisition earnout payables	376.8	0.5	—	377.3
Total expenses	7,066.2	1,223.7	596.9	8,886.8
Earnings (loss) before income taxes	1,571.0	209.3	(595.2)	1,185.1
Provision (benefit) for income taxes	401.6	55.3	(237.8)	219.1
Net earnings (loss)	1,169.4	154.0	(357.4)	966.0
Net earnings (loss) attributable to noncontrolling interests	6.3	—	(9.8)	(3.5)
Net earnings (loss) attributable to controlling interests	$ 1,163.1	$ 154.0	$ (347.6)	$ 969.5
Net foreign exchange loss	$ (0.3)	$ (9.9)	$ (0.1)	$ (10.3)
Revenues:				
United States	$ 5,216.1	$ 1,208.7	$ 1.7	$ 6,426.5
United Kingdom	1,946.5	47.6	—	1,994.1
Australia	312.1	154.7	—	466.8
Canada	397.7	6.2	—	403.9
New Zealand	192.2	15.8	—	208.0
Other foreign	572.6	—	—	572.6
Total revenues	$ 8,637.2	$ 1,433.0	$ 1.7	$ 10,071.9
At December 31, 2023				
Identifiable assets:				
United States	$ 21,763.9	$ 1,026.0	$ 2,520.4	$ 25,310.3
United Kingdom	15,999.7	129.9	—	16,129.6
Australia	1,969.7	469.2	—	2,438.9
Canada	1,692.9	4.1	—	1,697.0
New Zealand	773.1	20.1	—	793.2
Other foreign	5,246.8	—	—	5,246.8
Total identifiable assets	$ 47,446.1	$ 1,649.3	$ 2,520.4	$ 51,615.8
Goodwill - net	$ 11,217.8	$ 238.8	$ 19.0	$ 11,475.6
Amortizable intangible assets - net	4,427.9	205.4	—	4,633.3

Year Ended December 31, 2022	Brokerage	Risk Management	Corporate	Total
Revenues:				
Commissions	$ 5,187.4	$ —	$ —	$ 5,187.4
Fees	1,476.9	1,090.8	—	2,567.7
Supplemental revenues	284.7	—	—	284.7
Contingent revenues	207.3	—	—	207.3
Interest income, premium finance revenues and other income	147.5	1.8	0.7	150.0
Revenue from clean coal activities	—	—	23.0	23.0
Revenues before reimbursements	7,303.8	1,092.6	23.7	8,420.1
Reimbursements	—	130.5	—	130.5
Total revenues	7,303.8	1,223.1	23.7	8,550.6
Compensation	4,024.7	664.9	110.2	4,799.8
Operating	1,039.9	233.9	57.1	1,330.9
Reimbursements	—	130.5	—	130.5
Cost of revenues from clean coal activities	—	—	22.9	22.9
Interest	—	—	256.9	256.9
Depreciation	103.6	37.8	3.3	144.7
Amortization	448.7	6.2	—	454.9
Change in estimated acquisition earnout payables	90.4	(7.4)	—	83.0
Total expenses	5,707.3	1,065.9	450.4	7,223.6
Earnings (loss) before income taxes	1,596.5	157.2	(426.7)	1,327.0
Provision (benefit) for income taxes	394.7	41.4	(225.1)	211.0
Net earnings (loss)	1,201.8	115.8	(201.6)	1,116.0
Net earnings (loss) attributable to noncontrolling interests	4.4	—	(2.6)	1.8
Net earnings (loss) attributable to controlling interests	$ 1,197.4	$ 115.8	$ (199.0)	$ 1,114.2
Net foreign exchange gain	$ 2.6	$ 31.4	$ —	$ 34.0
Revenues:				
United States	$ 4,503.9	$ 1,029.6	$ 23.7	$ 5,557.2
United Kingdom	1,544.3	44.1	—	1,588.4
Australia	281.8	129.1	—	410.9
Canada	356.0	5.9	—	361.9
New Zealand	166.9	14.4	—	181.3
Other foreign	450.9	—	—	450.9
Total revenues	$ 7,303.8	$ 1,223.1	$ 23.7	$ 8,550.6
At December 31, 2022				
Identifiable assets:				
United States	$ 17,485.3	$ 914.5	$ 2,540.8	$ 20,940.6
United Kingdom	9,338.5	115.9	—	9,454.4
Australia	1,792.1	89.0	—	1,881.1
Canada	1,465.3	4.4	—	1,469.7
New Zealand	730.9	18.8	—	749.7
Other foreign	3,862.9	—	—	3,862.9
Total identifiable assets	$ 34,675.0	$ 1,142.6	$ 2,540.8	$ 38,358.4
Goodwill - net	$ 9,358.1	$ 112.2	$ 19.1	$ 9,489.4
Amortizable intangible assets - net	3,325.9	46.2	—	3,372.1

Report of Independent Registered Public Accounting Firm

To the Stockholders and the Board of Directors of Arthur J. Gallagher & Co.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Arthur J. Gallagher & Co. (the Company) as of December 31, 2024 and 2023, the related consolidated statements of earnings, comprehensive earnings, stockholders' equity and cash flows for each of the three years in the period ended December 31, 2024, the related notes and the financial statement schedule listed in the Index at Item 15(2)(a) (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2024 and 2023, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2024, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2024, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework), and our report dated February 17, 2025 expressed an unqualified opinion thereon.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company 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. Our audits included performing procedures to assess the risks 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 management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current period audit of the financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective or complex judgments. The communication of the critical audit matter does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

	Accounting for business combinations
Description of the Matter	As described in Note 3 to the consolidated financial statements, the Company completed 48 acquisitions during 2024 for total net consideration of $1,699.8 million. All the acquisitions have been accounted for using the acquisition method for recording business combinations. The excess of the purchase price over the estimated fair value of the net assets acquired, including identifiable intangible assets, at the acquisitions date was allocated to goodwill. Identifiable intangible assets from the acquisitions consists primarily of acquired customer lists of $791.5 million. Provisional estimates of fair value are established on the closing date of each acquisition and are subsequently reviewed and finalized within twelve months of the acquisition date. Auditing the accounting for these acquisitions involved subjectivity in evaluating management's estimates, specifically, the identification and measurement of intangible assets. The Company, with the assistance of a third-party valuation firm, as applicable, used the discounted cash flow method to measure the fair value of the intangible assets to finalize the accounting for its acquisitions. The significant assumptions used to estimate the fair value of the intangible assets included, revenue growth rates, and projected profit margins. These assumptions are forward-looking and could be affected by future economic and market conditions.

How We Addressed the Matter in Our Audit	We obtained an understanding, evaluated the design and tested the operating effectiveness of the controls over the Company's accounting for acquisitions. For example, we tested controls over the recognition and measurement of assets acquired, consideration paid, and management's review of significant assumptions used to determine the fair value of intangible assets of the acquisitions for which management finalized its accounting. To test the estimated fair value of intangible assets, our audit procedures included, among other things, an evaluation of the identification of intangible assets. Additionally, we have tested the significant assumptions, including, revenue growth rates, and projected profit margins, used to value the identifiable intangible assets for acquisitions that the Company has deemed the accounting as final. We have also tested the completeness and accuracy of the underlying data supporting the fair value estimates. We also compared the above assumptions to the historical results of the acquired companies, past performance of similar acquisitions by the Company, and current market conditions. For select acquisitions, we utilized the assistance of our valuation specialists to evaluate the methods and assumptions used to determine the fair value of intangible assets.

/s/ Ernst & Young LLP

Ernst & Young LLP

We have served as the Company's auditor since 1973
Chicago, Illinois
February 17, 2025

Management's Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as defined in Rules 13a-15(f) under the Exchange Act. Under the supervision and with the participation of management, including our principal executive officer and principal financial officer, we conducted an assessment of the effectiveness of our internal control over financial reporting based on the framework in Internal Control – Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework).

In conducting our assessment of the effectiveness of its internal control over financial reporting, we have excluded 22 of the 48 entities acquired in 2024, which are included in our 2024 consolidated financial statements. Collectively, these acquired entities constituted approximately 0.6% of total assets as of December 31, 2024, approximately 0.6% of total revenues, and approximately (0.4)% of net earnings for the year then ended.

Based on our assessment under the 2013 framework, management concluded that our internal control over financial reporting was effective as of December 31, 2024. In addition, the effectiveness of our internal control over financial reporting as of December 31, 2024, has been audited by Ernst & Young LLP, an independent registered public accounting firm, as stated in their attestation report which is included herein.

Arthur J. Gallagher & Co.
Rolling Meadows, Illinois
February 17, 2025

/s/ J. Patrick Gallagher, Jr.
J. Patrick Gallagher, Jr.
Chairman and Chief Executive Officer

/s/ Douglas K. Howell
Douglas K. Howell
Chief Financial Officer

Report of Independent Registered Public Accounting Firm

To the Stockholders and the Board of Directors of Arthur J. Gallagher & Co.

Opinion on Internal Control Over Financial Reporting

We have audited Arthur J. Gallagher & Co.'s internal control over financial reporting as of December 31, 2024, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework), (the COSO criteria). In our opinion, Arthur J. Gallagher & Co (the Company) maintained, in all material respects, effective internal control over financial reporting as of December 31, 2024, based on the COSO criteria.

As indicated in the accompanying Management's Report on Internal Control Over Financial Reporting, management's assessment of and conclusion on the effectiveness of internal control over financial reporting did not include the internal controls of 22 of the 48 entities acquired in 2024, which are included in the 2024 consolidated financial statements of the Company and constituted approximately 0.6% of total assets as of December 31, 2024, approximately 0.6% of total revenues, and approximately (0.4)% of net earnings for the year then ended. Our audit of internal control over financial reporting of the Company also did not include an evaluation of the internal control over financial reporting of these acquired entities.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of the Company as of December 31, 2024 and 2023, the related consolidated statements of earnings, comprehensive earnings, stockholders' equity and cash flows for each of the three years in the period ended December 31, 2024, and the related notes and financial statement schedule listed in the Index at Item 15(2)(a) and our report dated February 17, 2025 expressed an unqualified opinion thereon.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company 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 audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed 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. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Ernst & Young LLP
Ernst & Young LLP

Chicago, Illinois
February 17, 2025

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.

There were no changes in or disagreements with our accountants on matters related to accounting and financial disclosure.

Item 9A. Controls and Procedures.

Conclusion Regarding the Effectiveness of Disclosure Controls and Procedures.

We carried out an evaluation required by the Exchange Act, under the supervision and with the participation of our principal executive officer and principal financial officer, of the effectiveness of the design and operation of our disclosure controls and procedures, as defined in Rule 13a-15(e) of the 1934 Act, as of the end of the period covered by this report. Based on this evaluation, our principal executive officer and principal financial officer concluded that our disclosure controls and procedures were effective to provide reasonable assurance that information required to be disclosed by us in the reports that we file or submit under the 1934 Act is recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms and to provide reasonable assurance that such information is accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate to allow timely decisions regarding required disclosure.

Design and Evaluation of Internal Control over Financial Reporting.

Our disclosure controls and procedures are designed to provide reasonable assurance of achieving their objectives as specified above. Management does not expect, however, that our disclosure controls and procedures will prevent or detect all error and fraud. Any control system, no matter how well designed and operated, is based upon certain assumptions and can provide only reasonable, not absolute, assurance that its objectives will be met. Further, no evaluation of controls can provide absolute assurance that misstatements due to error or fraud will not occur or that all control issues and instances of fraud, if any, within the Company have been detected. Pursuant to Section 404 of the Sarbanes-Oxley Act of 2002, we included a report of management's assessment of the design and effectiveness of our internal controls as part of this annual report for the fiscal year ended December 31, 2024. Our independent registered public accounting firm also attested to, and reported on, the effectiveness of internal control over financial reporting. Management's report and the independent registered public accounting firm's attestation report are included in Item 8, "Financial Statements and Supplementary Data," under the captions entitled "Management's Report on Internal Control Over Financial Reporting" and "Report of Independent Registered Public Accounting Firm on Internal Control Over Financial Reporting."

Changes in Internal Control over Financial Reporting.

During the three-month period ended December 31, 2024, there has not occurred any change in our internal control over financial reporting that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Item 9B. Other Information.

During the three-month period ended December 31, 2024, no director or officer adopted or terminated any Rule 10b5-1 trading arrangement or non-Rule 10b5-1 trading arrangement, as each term is defined in Item 408(a) of Regulation S-K.

Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections.

None.

Part III

Item 10. Directors, Executive Officers and Corporate Governance.

Our 2025 Proxy Statement will include the information required by this item under the headings “Election of Directors,” “Other Board Matters,” “Board Committees,” “Insider Trading Policy” and, if necessary, “Delinquent Section 16(a) Reports,” which we incorporate herein by reference.

Item 11. Executive Compensation.

Our 2025 Proxy Statement will include the information required by this item under the headings “Compensation Committee Report” and “Compensation Discussion and Analysis,” which we incorporate herein by reference.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.

Our 2025 Proxy Statement will include the information required by this item under the headings “Security Ownership by Certain Beneficial Owners and Management” and “Equity Compensation Plan Information,” which we incorporate herein by reference.

Item 13. Certain Relationships and Related Transactions, and Director Independence.

Our 2025 Proxy Statement will include the information required by this item under the headings “Certain Relationships and Related Transactions” and “Other Board Matters,” which we incorporate herein by reference.

Item 14. Principal Accountant Fees and Services.

Our independent registered public accounting firm is Ernst & Young LLP, Chicago, Illinois, Auditor Firm ID: 42.

Our 2025 Proxy Statement will include the information required by this item under the heading “Ratification of Appointment of Independent Auditor - Principal Accountant Fees and Services,” which we incorporate herein by reference.

Part IV

Item 15. Exhibits and Financial Statement Schedules.

The following documents are filed as a part of this report:

1. Consolidated Financial Statements:
    - (a) Consolidated Statement of Earnings for each of the three years in the period ended December 31, 2024.
    - (b) Consolidated Balance Sheet as of December 31, 2024 and 2023.
    - (c) Consolidated Statement of Cash Flows for each of the three years in the period ended December 31, 2024.
    - (d) Consolidated Statement of Stockholders’ Equity for each of the three years in the period ended December 31, 2024.
    - (e) Notes to Consolidated Financial Statements.
    - (f) Report of Independent Registered Public Accounting Firm on Financial Statements.
    - (g) Management’s Report on Internal Control Over Financial Reporting.
    - (h) Report of Independent Registered Public Accounting Firm on Internal Control Over Financial Reporting.

2. Consolidated Financial Statement Schedules required to be filed by Item 8 of this Form:
    - (a) Schedule II - Valuation and Qualifying Accounts.

All other schedules are omitted because they are not applicable, or not required, or because the required information is included in our consolidated financial statements or the notes thereto. Exhibits:

2.1	Stock Purchase Agreement, dated as of December 7, 2024, by and among Arthur J. Gallagher & Co., The AssuredPartners Group LP and Dolphin Topco, Inc. (incorporated by reference to Exhibit 2.1 to our Form 8-K Current Report dated December 7, 2024, File No. 1-09761).
3.1	Restated Certificate of Incorporation of Arthur J. Gallagher & Co. (incorporated by reference to Exhibit 3.2 to our Form 8-K Current Report dated May 11, 2023, File No. 1-09761).
3.2	Amended and Restated By-Laws of Arthur J. Gallagher & Co (incorporated by reference to Exhibit 3.1 to our Form 8-K Current Report dated January 29, 2025, File No. 1-09761).
4.1	Description of Securities (incorporated by reference to Exhibit 4.1 to our Form 10-K Annual Report for 2023, File No. 1-09761)
4.2	Indenture, dated as of May 20, 2021, between the Company and The Bank of New York Mellon Trust Company, N.A., as Trustee (incorporated by reference to Exhibit 4.1 to our Form 8-K Current Report dated May 20, 2021, File No. 1-09761).
10.1	Credit Agreement, dated as of June 22, 2023, by and among Arthur J. Gallagher & Co., as borrower, Bank of America, N.A., as administrative agent and L/C issuer, and the lenders and other L/C issuers party thereto (incorporated by reference to Exhibit 10.1 to our Form 8-K Current Report dated June 23, 2023, File No. 1-09761).
10.2	First Amendment to Credit Agreement, dates as of November 7, 2023, by and among Arthur J. Gallagher & Co., as borrower, Bank of America, N.A., as administrative agent, and the lenders party thereto (incorporated by reference to Exhibit 10.2 to our Form 10-K Annual Report for 2023, File No. 1-09761).
*10.3	Form of Indemnity Agreement between Arthur J. Gallagher & Co. and each of our directors and executive officers.
*10.4	Arthur J. Gallagher & Co. Deferral Plan for Nonemployee Directors (amended and restated as of February 1, 2022) (incorporated by reference to Exhibit 10.12 to our Form 10-K Annual Report for 2022, File No. 1-09761).
*10.5	Form of Change in Control Agreement between Arthur J. Gallagher & Co. and those Executive Officers hired prior to January 1, 2008 (incorporated by reference to Exhibit 10.14.1 to our Form 10-K Annual Report for 2011, File No. 1-09761).
*10.6	Form of Change in Control Agreement between Arthur J. Gallagher & Co. and those Executive Officers hired after January 1, 2008 (incorporated by reference to Exhibit 10.14.2 to our Form 10-K Annual Report for 2011, File No. 1-09761).
*10.7	The Arthur J. Gallagher & Co. Supplemental Savings and Thrift Plan, as amended and restated effective October 20, 2020 (incorporated by reference to Exhibit 10.15 to our Form 10-K Annual Report for 2020, File No. 1-09761).
*10.8	Arthur J. Gallagher & Co., Deferred Equity Participation Plan (as amended and restated as of February 20, 2021) (incorporated by reference to Exhibit 10.16 to our Form 10-Q for the quarterly period ended March 31, 2021 File No. 1 09761).
*10.9	Form of Deferred Equity Participation Plan Award Agreement (incorporated by reference to Exhibit 10.16.1 to our Form 10-K Annual Report for 2022, File No. 1-09761).
*10.10	Arthur J. Gallagher & Co. Severance Plan (effective September 15, 1997, as amended and restated effective January 1, 2009) (incorporated by reference to Exhibit 10.17 to our Form 10-K Annual Report for 2008, File No. 1-09761).
*10.11	First Amendment to the Arthur J. Gallagher & Co. Severance Plan (effective September 15, 1997, as amended and restated effective January 1, 2009) (incorporated by reference to Exhibit 10.1 to our Form 10-Q Quarterly Report for the quarterly period ended June 30, 2010, File No. 1-09761).
*10.12	Arthur J. Gallagher & Co. Deferred Cash Participation Plan, amended and restated as of September 11, 2018 (incorporated by reference to Exhibit 10.18 to our Form 10-K Annual Report for 2019, File No. 1-09761).
*10.13	Form of Long-Term Incentive Plan Restricted Stock Unit Award Agreement (incorporated by reference to Exhibit 10.42.1 to our Form 10-K Annual Report for 2022, File No. 1-09761).
*10.14	Form of Long-Term Incentive Plan Stock Option Award Agreement (incorporated by reference to Exhibit 10.42.2 to our Form 10-K Annual Report for 2022, File No. 1-09761).
*10.15	Form of Long-Term Incentive Plan Stock Appreciation Rights Award Agreement (incorporated by reference to Exhibit 10.42.3 to our Form 10-K Annual Report for 2010, File No. 1-09761).
*10.16	Form of Long-Term Incentive Plan Restricted Stock Unit Award Agreement for executive officers over the age of 55 (incorporated by reference to Exhibit 10.42.4 to our Form 10-K Annual Report for 2022, File No. 1-09761).

*10.17	Form of Long-Term Incentive Plan Stock Option Award Agreement for executive officers (incorporated by reference to Exhibit 10.17 to our Form 10-K Annual Report for 2023, File No. 1-09761).
*10.18	Arthur J. Gallagher & Co. Performance Unit Program (incorporated by reference to Exhibit 10.43 to our Form 10-Q Quarterly Report for the quarterly period ended June 30, 2007, File No. 1-09761).
*10.19	Form of Performance Unit Grant Agreement under the Performance Unit Program (incorporated by reference to Exhibit 10.43.1 to our Form 10-K Annual Report for 2022, File No. 1-09761).
*10.20	Form of Performance Unit Grant Agreement under the Long-Term Incentive Plan for executive officers (incorporated by reference to Exhibit 10.20 to our Form 10-K Annual Report for 2023, File No. 1-09761).
*10.21	Arthur J. Gallagher & Co. 2017 Long-Term Incentive Plan (incorporated by reference to Exhibit 4.8 to our Form S-8 Registration Statement, File No. 333-221274).
*10.22	Arthur J. Gallagher & Co. U.K. Employee Share Incentive Plan (incorporated by reference to Exhibit 4.3 to our Form S-8 Registration Statement, File No. 333-258331).
*10.23	Form of Partnership Share Agreement under the Arthur J. Gallagher & Co. U.K. Employee Share Incentive Plan (incorporated by reference to Exhibit 4.4 to our Form S-8 Registration Statement, File No. 333-258331).
*10.24	Arthur J. Gallagher & Co. 2022 Long-Term Incentive Plan (incorporated by reference to Exhibit 10.1 to our Form 8-K Current Report dated May 13, 2022 File No. 1-09761).
19	Insider Trading Policy
21.1	Subsidiaries of Arthur J. Gallagher & Co., including state or other jurisdiction of incorporation or organization.
23.1	Consent of Ernst & Young LLP, Independent Registered Public Accounting Firm.
24.1	Power of Attorney.
31.1	Rule 13a-14(a) Certification of Chief Executive Officer.
31.2	Rule 13a-14(a) Certification of Chief Financial Officer.
32.1	Section 1350 Certification of Chief Executive Officer.
32.2	Section 1350 Certification of Chief Financial Officer.
97	Incentive Compensation Recovery Policy (incorporated by reference to Exhibit 97 to our Form 10-K Annual Report for 2023, File No. 1-09761).
101.INS	Inline XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH	Inline XBRL Taxonomy Extension Schema with embedded linkbases document.
104	Cover Page Interactive Data File formatted in Inline XBRL (included as Exhibit 101).

All other exhibits are omitted because they are not applicable, or not required, or because the required information is included in our consolidated financial statements or the notes thereto. The registrant agrees to furnish to the Securities and Exchange Commission upon request a copy of any long-term debt instruments that have been omitted pursuant to Item 601(b)(4)(iii)(A) of Regulation S-K.

^ Certain exhibits and schedules have been omitted pursuant to Item 601(b)(2) of Regulation S-K. The Company hereby undertakes to furnish supplemental copies of any of the omitted exhibits and schedules upon request by the SEC; provided, however, that the Company may request confidential treatment pursuant to Rule 24b-2 of the Securities Exchange Act of 1934, as amended, for any exhibits or schedules so furnished.

* Such exhibit is a management contract or compensatory plan or arrangement required to be filed as an exhibit to this form pursuant to item 601 of Regulation S-K.

Item 16. Form 10-K Summary.

None.

Signatures

Pursuant to the requirements of Section 13 or 15(d) 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 on the 17th day of February, 2025.

ARTHUR J. GALLAGHER & CO.

By /s/ J. PATRICK GALLAGHER, JR.
J. Patrick Gallagher, Jr.
Chairman and Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below on the 17th day of February, 2025 by the following persons on behalf of the Registrant in the capacities indicated.

Name	Title
/s/ J. PATRICK GALLAGHER, JR. J. Patrick Gallagher, Jr.	Chairman, Chief Executive Officer and Director (Principal Executive Officer)
/s/ DOUGLAS K. HOWELL Douglas K. Howell	Vice President and Chief Financial Officer (Principal Financial Officer)
/s/ RICHARD C. CARY Richard C. Cary	Controller (Principal Accounting Officer)
*SHERRY S. BARRAT Sherry S. Barrat	Director
*DEBORAH CAPLAN Deborah Caplan	Director
*TERESA H. CLARKE Teresa H. Clarke	Director
* D. JOHN COLDMAN D. John Coldman	Director
* RICHARD HARRIES Richard Harries	Director
* DAVID S. JOHNSON David S. Johnson	Director
*CHRISTOPHER C. MISKEL Christopher C. Miskel	Director
* RALPH J. NICOLETTI Ralph J. Nicoletti	Director
*NORMAN L. ROSENTHAL Norman L. Rosenthal	Director

*By: /s/ WALTER D. BAY
Walter D. Bay, Attorney-in-Fact

Schedule II
Arthur J. Gallagher & Co.
Valuation and Qualifying Accounts

	Balance at Beginning of Year	Amounts Recorded in Earnings	Adjustments		Balance at End of Year
	(In millions)				
Year ended December 31, 2024					
Allowance for doubtful accounts	$ 23.0	$ 12.2	$ (13.4)	(1)	$ 21.8
Allowance for estimated policy cancellations	9.9	3.0	0.4	(2)	13.3
Valuation allowance for deferred tax assets	195.8	(19.3)	—		176.5
Accumulated amortization of expiration lists, non-compete agreements and trade names	3,873.5	664.8	(67.0)	(3)	4,471.3
Year ended December 31, 2023					
Allowance for doubtful accounts	$ 11.1	$ 26.0	$ (14.1)	(1)	$ 23.0
Allowance for estimated policy cancellations	9.3	(0.5)	1.1	(2)	9.9
Valuation allowance for deferred tax assets	135.2	60.6	—		195.8
Accumulated amortization of expiration lists, non-compete agreements and trade names	3,300.0	531.3	42.2	(3)	3,873.5
Year ended December 31, 2022					
Allowance for doubtful accounts	$ 8.3	$ 6.8	$ (4.0)	(1)	$ 11.1
Allowance for estimated policy cancellations	10.0	2.4	(3.1)	(2)	9.3
Valuation allowance for deferred tax assets	154.9	(19.7)	—		135.2
Accumulated amortization of expiration lists, non-compete agreements and trade names	2,924.0	454.9	(78.9)	(3)	3,300.0

(1) Net activity of bad debt write offs and recoveries and acquired businesses.
(2) Net activity to allowance related to acquired businesses.
(3) Elimination of fully amortized expiration lists, non-compete agreements and trade names, intangible asset/amortization reclassifications and disposal of acquired businesses.

Exhibit 10.3

INDEMNIFICATION AGREEMENT

THIS INDEMNIFICATION AGREEMENT (the “Agreement”) is between Arthur J. Gallagher & Co. (the “Company”) and the undersigned (“Indemnitee”).

WHEREAS, the Board of Directors has determined that the inability to attract and retain qualified persons as directors and officers and other key employees is detrimental to the best interests of the Company’s stockholders and that the Company should act to assure such persons that there will be adequate certainty of protection through insurance and indemnification against risks of claims and actions against them arising out of their service to and activities on behalf of the Company; and

WHEREAS, the Company has adopted provisions in its Amended and Restated Bylaws providing for indemnification and advancement of expenses of its directors and officers to the fullest extent permitted by applicable law, and the Company wishes to enhance the rights and obligations of the Company and Indemnitee with respect to indemnification and advancement of expenses; and

WHEREAS, in order to induce and encourage highly experienced and capable persons such as Indemnitee to serve and continue to serve as directors and officers of the Company or in other key capacities with respect to the Company, and to otherwise promote the desirable end that such persons will resist what they consider unjustified lawsuits and claims made against them in connection with the good faith performance of their duties, with the knowledge that certain expenses, costs, judgments, penalties, fines and liabilities incurred by them in their defense of such litigation are to be borne by the Company and they shall receive the maximum protection against such risks and liabilities as may be afforded by law, the Board of Directors of the Company has determined that this Agreement is reasonable and prudent to promote and ensure the best interests of the Company and its stockholders; and

WHEREAS, this Agreement is a supplement to and in furtherance of the Amended and Restated Bylaws and any resolutions adopted pursuant thereto, as well as any rights of the Indemnitee under any directors’ and officers’ liability insurance policy, and this Agreement shall not be deemed a substitute therefor, nor to diminish or abrogate any rights of Indemnitee thereunder; and

WHEREAS, the Company desires to have Indemnitee continue to serve in their current capacity with the Company and in such other capacity with respect to the Company as the Company may request, as the case may be, free from undue concern for unpredictable, inappropriate or unreasonable legal risks and personal liabilities by reason of Indemnitee acting in good faith in the performance of Indemnitee’s duties; and Indemnitee desires to continue so to serve, provided, and on the express condition, that he or she is furnished with the indemnity set forth hereinafter;

NOW, THEREFORE, in consideration of Indemnitee's continued service as a director or officer or key employee of the Company, the parties hereto agree as follows:

1. Service by Indemnitee. Indemnitee shall serve and/or continue to serve as a director or officer of the Company, or in such other capacity as the Indemnitee may serve, faithfully and to the best of Indemnitee's ability so long as Indemnitee is duly elected or appointed and until such time as Indemnitee's successor is elected and qualified or Indemnitee is removed as permitted by law or tenders a resignation.

2. Indemnification and Advancement of Expenses. The Company shall indemnify and hold harmless Indemnitee, and shall pay to Indemnitee in advance of the final disposition of any Proceeding all Expenses incurred by Indemnitee in defending any such Proceeding, to the fullest extent permitted by applicable law in effect on the date of this Agreement or as such law may from time to time be amended (in the case that any such amendment permits greater indemnification than would be afforded currently, it is the intent of the parties hereto that Indemnitee shall enjoy by this Agreement the greater benefits so afforded by such amendment), all on the terms and conditions set forth in this Agreement. Without diminishing the scope of the rights provided by this Section, the rights of Indemnitee to indemnification and advancement of Expenses provided hereunder shall include but shall not be limited to those rights hereinafter set forth, except that, notwithstanding any provision in this Agreement, no indemnification or advancement of Expenses shall be paid to Indemnitee:

(a) to the extent expressly prohibited by applicable law;

(b) for and to the extent that payment is actually made to Indemnitee under an insurance policy or under any other indemnity clause, provision of the certificate of incorporation or bylaws, or agreement of the Company or any other enterprise, company or organization (and Indemnitee shall reimburse the Company for any amounts paid by the Company and subsequently so recovered by Indemnitee) except in respect of any indemnity exceeding the payment under such insurance, indemnity clause, provision of the certificate of incorporation or bylaws, or agreement;

(c) in connection with an action, suit or proceeding (or part thereof) initiated by Indemnitee (including claims and counterclaims asserted by either Indemnitee or the Company in an action, suit or proceeding initiated by Indemnitee), except a judicial proceeding or arbitration pursuant to Section 10 to enforce rights under this Agreement, unless the action, suit or proceeding (or part thereof) was authorized or ratified by the Board of Directors of the Company; or

(d) in connection with any claim involving Indemnitee for (i) an accounting of profits made from the purchase and sale (or sale and purchase) by Indemnitee of securities of the Company within the meaning of Section 16(b) of the Securities Exchange Act of 1934, as amended (the "Exchange Act") or similar provisions of state statutory law or common law, (ii) any reimbursement of the Company by the

Indemnitee of any bonus or other incentive-based or equity-based compensation or of any profits realized by the Indemnitee from the sale of securities of the Company, as required in each case under the Exchange Act (including any such reimbursements that arise from an accounting restatement of the Company pursuant to Section 304 of the Sarbanes-Oxley Act of 2002 (the "Sarbanes-Oxley Act"), or the payment to the Company of profits arising from the purchase and sale by Indemnitee of securities in violation of Section 306 of the Sarbanes-Oxley Act) or (iii) any reimbursement of the Company by Indemnitee of any compensation pursuant to any compensation recoupment or clawback policy adopted by the Board of Directors or the compensation committee of the Board of Directors, including but not limited to any such policy adopted to comply with stock exchange listing requirements implementing Section 10D of the Exchange Act.

3. Action or Proceedings Other than an Action by or in the Right of the Company. Except as limited by Section 2 above, Indemnitee shall be entitled to the indemnification rights provided in this Section if Indemnitee was or is a party or is threatened to be made a party to, or was or is otherwise involved in, any Proceeding (other than an action by or in the right of the Company) by reason of the fact that Indemnitee is or was a director, officer, employee, agent or fiduciary of the Company, or while a director, officer, employee, agent or fiduciary of the Company is or was serving at the request of the Company as a director, officer, employee, agent or fiduciary of another corporation, partnership, joint venture, trust or other enterprise; or by reason of anything done or not done by Indemnitee in any such capacity. Pursuant to this Section, Indemnitee shall be indemnified to the fullest extent permitted by applicable law against all Expenses, costs, judgments, penalties, fines, liabilities and amounts paid in settlement by or on behalf of Indemnitee actually and reasonably incurred by Indemnitee in connection with such Proceeding if Indemnitee acted in good faith and in a manner Indemnitee reasonably believed to be in or not opposed to the best interests of the Company, and with respect to any criminal Proceeding, had no reasonable cause to believe his or her conduct was unlawful.

4. Indemnity in Proceedings by or in the Right of the Company. Except as limited by Section 2 above, Indemnitee shall be entitled to the indemnification rights provided in this Section if Indemnitee was or is a party or is threatened to be made a party to, or was or is otherwise involved in, any Proceeding brought by or in the right of the Company to procure a judgment in its favor by reason of the fact that Indemnitee is or was a director, officer, employee, agent or fiduciary of the Company, or while a director, officer, employee, agent or fiduciary of the Company is or was serving at the request of the Company as a director, officer, employee, agent or fiduciary of another corporation, partnership, joint venture, trust or other enterprise; or by reason of anything done or not done by Indemnitee in any such capacity. Pursuant to this Section, Indemnitee shall be indemnified to the fullest extent permitted by applicable law against all Expenses actually and reasonably incurred by Indemnitee in connection with such Proceeding if Indemnitee acted in good faith and in a manner Indemnitee reasonably believed to be in or not opposed to the best interests of the Company, except that no such indemnification shall be made in respect of any claim, issue or matter as to which Indemnitee shall have been

adjudged to be liable to the Company unless and only to the extent that the Court of Chancery of Delaware or the court in which such Proceeding was brought shall determine upon application, that despite the adjudication of liability but in view of all the circumstances of the case, Indemnitee is fairly and reasonably entitled to indemnity for such Expenses which such Court of Chancery or such other court shall deem proper.

5. Indemnification for Expenses of Successful Party. Notwithstanding the limitations of Section 3 and 4 above, to the fullest extent permitted by applicable law and to the extent that Indemnitee is successful on the merits or otherwise, in whole or in part, in defense of any Proceeding or in defense of any claim, issue or matter therein, including, without limitation, the dismissal of any action with or without prejudice, or if it is ultimately determined, after all appeals by a court of competent jurisdiction, that Indemnitee is otherwise entitled to be indemnified against Expenses, Indemnitee shall be indemnified against Expenses actually and reasonably incurred by Indemnitee in connection therewith.

6. Partial Indemnification. If Indemnitee is entitled under any provision of this Agreement to indemnification by the Company for some or a portion of the Expenses, costs, judgments, penalties, fines, liabilities or amounts paid in settlement by or on behalf of Indemnitee actually and reasonably incurred in connection with any Proceeding, or in connection with any judicial proceeding or arbitration pursuant to Section 10 to enforce rights under this Agreement, but not, however, for all of the total amount thereof, the Company shall nevertheless indemnify Indemnitee for the portion of such Expenses, costs, judgments, penalties, fines, liabilities and amounts paid in settlement by or on behalf of Indemnitee actually and reasonably incurred to which Indemnitee is entitled.

7. Indemnification for Expenses of a Witness. Notwithstanding any other provision of this Agreement, to the maximum extent permitted by applicable law, Indemnitee shall be entitled to indemnification against all Expenses actually and reasonably incurred or suffered by Indemnitee or on Indemnitee's behalf if Indemnitee appears as a witness or otherwise incurs legal expenses as a result of or related to Indemnitee's service with respect to the Company, in any threatened, pending or completed action, suit or proceeding, whether of a civil, criminal, administrative, investigative, legislative or other nature, to which Indemnitee neither is, nor is threatened to be made, a party.

8. Determination of Entitlement to Indemnification. To receive indemnification under this Agreement, Indemnitee shall submit a written request to the Secretary of the Company. Such request shall include documentation or information which is necessary to determine whether indemnification is payable under this Agreement and which is reasonably available to Indemnitee. Upon receipt by the Company of a written request by Indemnitee for indemnification pursuant to Sections 3, 4, 5, 6 or 7 the entitlement of Indemnitee to indemnification, to the extent not provided pursuant to the terms of this Agreement, shall be determined based upon the facts known at the time by the following person or persons who shall be empowered to make such determination: (a) the Board of Directors of the Company by a majority vote of

Disinterested Directors, whether or not such majority constitutes a quorum; (b) a committee of Disinterested Directors designated by a majority vote of such directors, whether or not such majority constitutes a quorum; (c) if there are no Disinterested Directors, or if the Disinterested Directors so direct, by Independent Counsel in a written opinion to the Board of Directors, a copy of which shall be delivered to Indemnitee; (d) if so directed by the Board of Directors, the stockholders of the Company; or (e) in the event that a Change in Control has occurred, by Independent Counsel in a written opinion to the Board of Directors, a copy of which shall be delivered to Indemnitee. Such Independent Counsel shall be selected by the Board of Directors and approved by Indemnitee, except that in the event that a Change in Control has occurred, Independent Counsel shall be selected by Indemnitee and approved by the Board of Directors (unless Indemnitee shall request that such selection be made by the Board of Directors, in which event the Independent Counsel shall be selected by the Board of Directors and approved by Indemnitee). Upon failure of the applicable party so to select such Independent Counsel or upon failure of the other party so to approve, such Independent Counsel shall be selected upon application to a court of competent jurisdiction. The determination of entitlement to indemnification shall be made and, unless a contrary determination is made, such indemnification shall be paid not later than 60 calendar days after receipt by the Company of a written request for indemnification. If the person making such determination shall determine that Indemnitee is entitled to indemnification as to part (but not all) of the application for indemnification, such person shall reasonably prorate such partial indemnification among the claims, issues or matters at issue at the time of the determination.

9. Presumptions and Effect of Certain Proceedings. The Secretary of the Company shall, promptly upon receipt of Indemnitee's written request for indemnification, notify in writing the Board of Directors. Upon making such request for indemnification, Indemnitee shall be presumed to be entitled to indemnification hereunder and the Company shall have the burden of proof in making any determination contrary to such presumption. If the person or persons so empowered to make such determination shall have failed to make the requested determination with respect to indemnification within 60 calendar days after receipt by the Company of such request, a requisite determination of entitlement to indemnification shall be deemed to have been made and Indemnitee shall, to the fullest extent permitted by law, be absolutely entitled to such indemnification, absent (i) a misstatement by Indemnitee of a material fact, or an omission of a material fact necessary to make Indemnitee's statement not materially misleading, in connection with the request for indemnification, or (ii) a prohibition of such indemnification under applicable law; provided, however, that such 60-day period may be extended for a reasonable time, not to exceed an additional 30 days, if the person, persons or entity making the determination with respect to entitlement to indemnification in good faith requires such additional time for the obtaining or evaluating of documentation and/or information relating thereto; and provided, further, that the foregoing provisions of this Section 9 shall not apply (i) if the determination of entitlement to indemnification is to be made by the stockholders pursuant to Section 8 of this Agreement and if (A) within 15 days after receipt by the Company of the request for such determination the Board of Directors has resolved to submit such determination to the stockholders for their consideration at an annual meeting thereof to be held within 75

days after such receipt and such determination is made thereat, or (B) a special meeting of stockholders is called within 15 days after such receipt for the purpose of making such determination, such meeting is held for such purpose within 60 days after having been so called and such determination is made thereat, or (ii) if the determination of entitlement to indemnification is to be made by Independent Counsel pursuant to Section 8 of this Agreement. The termination of any Proceeding described in Sections 3 or 4 by judgment, order, settlement, conviction, or upon a plea of *nolo contendere* or its equivalent, shall not, of itself: (a) create a presumption that Indemnitee did not act in good faith and in a manner which Indemnitee reasonably believed to be in or not opposed to the best interests of the Company, and, with respect to any criminal Proceeding, had reasonable cause to believe that Indemnitee's conduct was unlawful; or (b) otherwise adversely affect the rights of Indemnitee to indemnification except as may be provided herein.

10. Remedies of Indemnitee in Cases of Determination not to Indemnify or to Advance Expenses. In the event that a determination is made that Indemnitee is not entitled to indemnification hereunder or if payment has not been timely made following a determination of entitlement to indemnification pursuant to Sections 8 and 9, if no determination of entitlement to indemnification shall have been made pursuant to Sections 8 and 9 within 90 days after receipt by the Company of the request for indemnification, if payment of indemnification is not made pursuant to Sections 5, 6 or 7 within 10 days after receipt by the Company of a written request therefor, if an advancement of Expenses is not timely made pursuant to Section 15 or if the Company or any other person takes or threatens to take any action to declare this Agreement void or unenforceable, or institutes any litigation or other action or Proceeding designed to deny, or to recover from, the Indemnitee the benefits provided or intended to be provided to the Indemnitee hereunder, Indemnitee shall be entitled to final adjudication in a court of competent jurisdiction in the State of Delaware of entitlement to such indemnification or advancement. Alternatively, Indemnitee at Indemnitee's option may seek an award in an arbitration to be conducted by a single arbitrator pursuant to the rules of the American Arbitration Association. The Company shall not oppose Indemnitee's right to seek any such adjudication or award in arbitration or any other claim. The determination in any such judicial proceeding or arbitration shall be made *de novo* and Indemnitee shall not be prejudiced by reason of a determination (if so made) pursuant to Sections 8 or 9 that Indemnitee is not entitled to indemnification. If a determination is made or deemed to have been made pursuant to the terms of Section 8 or 9 that Indemnitee is entitled to indemnification, the Company shall be bound by such determination and is precluded from asserting that such determination has not been made or that the procedure by which such determination was made is not valid, binding and enforceable absent (i) a misstatement by Indemnitee of a material fact, or an omission of a material fact necessary to make Indemnitee's statement not materially misleading, in connection with the request for indemnification, or (ii) a prohibition of such indemnification under applicable law. The Company further agrees to stipulate in any such court or before any such arbitrator that the Company is bound by all the provisions of this Agreement and is precluded from making any assertions to the contrary. If the court or arbitrator shall determine that Indemnitee is entitled to any indemnification or advancement of Expenses hereunder, the Company shall pay all Expenses actually and reasonably incurred by Indemnitee in connection with such adjudication or award in arbitration (including, but not limited to,

any appellate proceedings) to the fullest extent permitted by law, and in any suit brought by the Company to recover an advancement of Expenses pursuant to the terms of an undertaking, the Company shall pay all Expenses actually and reasonably incurred by Indemnitee in connection with such suit to the extent Indemnitee has been successful, on the merits or otherwise, in whole or in part, in defense of such suit, to the fullest extent permitted by law. Notwithstanding anything in this Agreement to the contrary, no determination as to entitlement of Indemnitee to indemnification under this Agreement shall be required to be made prior to the final disposition of the Proceeding.

11. Other Rights to Indemnification and Advancement. The indemnification and advancement of Expenses provided by this Agreement shall not be deemed exclusive of any other rights to which Indemnitee may be entitled under any provision of a certificate of incorporation or bylaws (including the Restated Certificate of Incorporation, as amended, or Amended and Restated Bylaws of the Company, as amended), vote of stockholders or Disinterested Directors, provision of law or otherwise, both as to action in Indemnitee's official capacity and as to action in another capacity while holding such office. The rights of indemnification and advancement of Expenses as provided by this Agreement shall be interpreted independently of, and without reference to, any other such rights to which Indemnitee may at any time be entitled. No amendment, alteration or repeal of this Agreement or of any provision hereof shall limit or restrict any right of Indemnitee under this Agreement in respect of any action taken or omitted by Indemnitee in Indemnitee's capacity as a director, officer or employee of the Company, prior to such amendment, alteration or repeal. To the extent that a change in Delaware law, whether by statute or judicial decision, permits greater indemnification or advancement of Expenses than would be afforded currently under the Amended and Restated Bylaws and this Agreement, it is the intent of the parties hereto that Indemnitee shall enjoy by this Agreement the greater benefits so afforded by such change. No right or remedy herein conferred is intended to be exclusive of any other right or remedy, and every other right and remedy shall be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other right or remedy.

12. Expenses to Enforce Agreement. In the event that Indemnitee is subject to or intervenes in any action, suit or proceeding in which the validity or enforceability of this Agreement is at issue or seeks an adjudication or award in arbitration to enforce Indemnitee's rights under, or to recover damages for breach of, this Agreement, Indemnitee, if Indemnitee prevails in whole or in part in such action, suit or proceeding, shall be entitled to recover from the Company and shall be indemnified by the Company against any Expenses actually and reasonably incurred by Indemnitee in connection therewith.

13. Continuation of Indemnity. All agreements and obligations of the Company contained herein shall continue during the period Indemnitee is a director, officer, employee, agent or fiduciary of the Company or is serving at the request of the Company as a director, officer, employee, agent or fiduciary of another corporation, partnership, joint venture, trust or other enterprise and shall continue thereafter with

respect to any possible claims based on the fact that Indemnitee was a director, officer, employee, agent or fiduciary of the Company or was serving at the request of the Company as a director, officer, employee, agent or fiduciary of another corporation, partnership, joint venture, trust or other enterprise. This Agreement shall be binding upon all successors and assigns of the Company (including any transferee of all or substantially all of its assets and any successor by merger or operation of law) and shall inure to the benefit of the heirs, executors and administrators of Indemnitee.

14. Notification and Defense of Claim. Promptly after receipt by Indemnitee of notice of any Proceeding, Indemnitee shall, if Indemnitee intends to seek indemnification or advancement of Expenses under this Agreement, notify the Company in writing of the commencement thereof; but the omission so to notify the Company shall not relieve it from any liability that it may have to Indemnitee. Notwithstanding any other provision of this Agreement, with respect to any such Proceeding of which Indemnitee notifies the Company:

(a) The Company shall be entitled to participate therein at its own expense; and

(b) Except as otherwise provided in this Section 14(b), the Company, including jointly with any other indemnifying party similarly notified, may, at its option, assume the defense thereof, with counsel reasonably satisfactory to Indemnitee. After notice from the Company to Indemnitee of its election so to assume the defense thereof, the Company shall not be liable to Indemnitee under this Agreement for any expenses of counsel subsequently incurred by Indemnitee in connection with the defense thereof except as otherwise provided below. Indemnitee shall have the right to employ Indemnitee's own counsel in such Proceeding, but the fees and expenses of such counsel incurred after notice from the Company of its assumption of the defense thereof shall be at the expense of Indemnitee unless (i) the employment of counsel by Indemnitee has been authorized in writing by the Company, (ii) Indemnitee shall have reasonably concluded, based on consultation with counsel, that there may be a conflict of interest between the Company and Indemnitee in the conduct of the defense of such Proceeding, or (iii) the Company shall not within 60 calendar days of receipt of notice from Indemnitee in fact have employed counsel to assume the defense of the Proceeding, in each of which cases the fees and expenses of Indemnitee's counsel shall be at the expense of the Company. The Company shall not be entitled to assume the defense of any Proceeding brought by or on behalf of the Company or as to which Indemnitee shall have made the conclusion provided for in (ii) above; and

(c) Notwithstanding any other provision of this Agreement, the Company shall not be liable to indemnify Indemnitee under this Agreement for any amounts paid in settlement of any Proceeding effected without the Company's written consent or for any judicial award, if the Company was not given an opportunity, in accordance with this Section 14, to participate in the defense of such Proceeding. The Company shall not settle any Proceeding in any manner that would impose any penalty or limitation on or disclosure obligation with respect to Indemnitee without Indemnitee's written consent. Neither the Company nor Indemnitee shall unreasonably withhold its consent to any proposed settlement.

15. Advancement of Expenses. Expenses incurred by Indemnitee in defending a Proceeding shall to the fullest extent permitted by applicable law be paid by the Company in advance of the final disposition of such Proceeding upon receipt of an undertaking by or on behalf of Indemnitee to repay such amounts if it shall ultimately be determined in a final, nonappealable adjudication in a court of competent jurisdiction that Indemnitee is not entitled to be indemnified by the Company as provided in this Agreement. To receive an advancement of Expenses under this Agreement, Indemnitee shall submit a written request to the Secretary of the Company. Such request shall reasonably evidence the Expenses incurred by Indemnitee. Each such advancement of Expenses shall be made within 20 calendar days after receipt by the Company of the written request. The Indemnitee shall qualify for advances upon the execution and delivery to the Company of this Agreement, which shall constitute an undertaking providing that the Indemnitee undertakes to repay the amounts advanced (without interest) by the Company pursuant to this Section 15, if and only to the extent that it is ultimately determined that Indemnitee is not entitled to be indemnified by the Company. Indemnitee's entitlement to advancement of such Expenses shall include those incurred in connection with any action, suit or proceeding by Indemnitee seeking a judgment in court or an adjudication or award in arbitration pursuant to Section 10 of this Agreement (including the enforcement of this provision).

16. Separability; Prior Indemnification Agreements. If any provision or provisions of this Agreement shall be held to be invalid, illegal or unenforceable for any reason whatsoever (a) the validity, legality and enforceability of the remaining provisions of this Agreement (including without limitation, all portions of any paragraphs of this Agreement containing any such provision held to be invalid, illegal or unenforceable, that are not by themselves invalid, illegal or unenforceable) shall not in any way be affected or impaired thereby, and (b) to the fullest extent possible, the provisions of this Agreement (including, without limitation, all portions of any paragraph of this Agreement containing any such provision held to be invalid, illegal or unenforceable, that are not themselves invalid, illegal or unenforceable) shall be construed so as to give effect to the intent of the parties that the Company provide protection to Indemnitee to the fullest enforceable extent. This Agreement shall supersede and replace any prior indemnification agreements entered into by and between the Company and Indemnitee and any such prior indemnification agreements shall be terminated upon execution of this Agreement.

17. Headings; References; Pronouns. The headings of the sections of this Agreement are inserted for convenience only and shall not be deemed to constitute part of this Agreement or to affect the construction thereof. References herein to section numbers are to sections of this Agreement. All pronouns and any variations thereof shall be deemed to refer to the masculine, feminine, neuter, singular or plural as appropriate.

18. Definitions and References. For purposes of this Agreement:

(a) “Change in Control” means a change in control of the Company occurring after the date of this Agreement of a nature that would be required to be reported in response to Item 5.01 of Current Report on Form 8-K (or in response to any similar item on any similar schedule or form) promulgated under the Securities Exchange Act of 1934, whether or not the Company is then subject to such reporting requirement; provided, however, that, without limitation, a Change in Control shall be deemed to have occurred if after the date of this Agreement (i) any “person” (as such term is used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934) becomes the “beneficial owner” (as defined in Rule 13d-3 under the Securities Exchange Act of 1934), directly or indirectly, of securities of the Company representing 30% or more of the combined voting power of the Company’s then outstanding securities without the prior approval of at least two-thirds of the members of the Board of Directors in office immediately prior to such person attaining such percentage, (ii) the Company is a party to a merger, consolidation, sale of assets or other reorganization, or a proxy contest, as a consequence of which members of the Board of Directors in office immediately prior to such transaction or event constitute less than a majority of the Board of Directors thereafter, (iii) during any period of two consecutive years, individuals who at the beginning of such period constituted the Board of Directors (including for this purpose any new director whose election or nomination for election by the Company’s stockholders was approved by a vote of at least two-thirds of the directors then still in office who were directors at the beginning of such period) cease for any reason to constitute at least a majority of the Board of Directors or (iv) the approval by the stockholders of the Company of a complete liquidation of the Company or an agreement for the sale or disposition by the Company of all or substantially all of the Company’s assets.

(b) “Disinterested Director” means a director of the Company who is not or was not a party to the Proceeding in respect of which indemnification is being sought by Indemnitee.

(c) “Expenses” includes, without limitation, expenses incurred in connection with prosecuting, defending, preparing to prosecute or defend, investigating, being or preparing to be a deponent or witness in, or otherwise participating in a Proceeding and any and all appeals therefrom including attorneys’ fees, witness fees and expenses, fees and expenses of accountants and other advisors or experts, retainers, court costs, transcript costs, witness fees, travel expenses, duplicating costs, printing and binding costs, telephone charges, postage, delivery and service fees, the premium, security for, and other costs relating to any bond (including cost bonds, appraisal bonds, or their equivalents) and ERISA excise taxes and penalties. Expenses shall also include any Expenses incurred in connection with recovery under any directors’ and officers’ liability insurance policies maintained by the Company, regardless of whether Indemnitee is ultimately determined to be entitled to such indemnification, advancement of Expenses or insurance recovery as the case may be and, for purposes of Section 10 only, Expenses incurred by Indemnitee in connection with the interpretation, enforcement or defense of Indemnitee’s rights under this Agreement, the Amended and Restated Bylaws of the Company or under any directors' and officer's liability insurance policies maintained by the Company, by litigation or otherwise. Expenses, however, shall not include the amount of judgments, fines, or any amounts paid in settlement by or on behalf of Indemnitee.

(d) "Independent Counsel" means a law firm or a member of a law firm that neither is presently nor in the past five years has been retained to represent: (i) the Company or Indemnitee in any matter material to either such party, or (ii) any other party to the Proceeding giving rise to a request for indemnification hereunder. Notwithstanding the foregoing, the term "Independent Counsel" shall not include any person who, under the applicable standards of professional conduct then prevailing, would have a conflict of interest in representing either the Company or Indemnitee in an action to determine Indemnitee's right to indemnification under this Agreement.

(e) "Proceeding" means any action, suit, arbitration, alternative dispute mechanism, inquiry, judicial, administrative, or legislative hearing, investigation, or any other threatened, pending, or completed proceeding, whether brought by or in the right of the Company or otherwise, including any and all appeals, whether of a civil, criminal, administrative, legislative, investigative, or other nature, to which Indemnitee was or is a party or is threatened to be made a party or is otherwise involved in by reason of the fact that Indemnitee is or was a director, officer, employee, agent, or trustee of the Company or while a director, officer, employee, agent, or trustee of the Company is or was serving at the request of the Company as a director, officer, employee, agent, or trustee of another corporation or of a partnership, joint venture, trust, or other enterprise, including service with respect to an employee benefit plan, or by reason of anything done or not done by Indemnitee in any such capacity, whether or not Indemnitee is serving in such capacity at the time any expense, liability, or loss is incurred for which indemnification or advancement can be provided under this Agreement.

(f) References to "other enterprises" shall include employee benefit plans; references to "fines" shall include any excise taxes assessed on Indemnitee with respect to an employee benefit plan; and references to "serving at the request of the Company" shall include any service by Indemnitee as a director, officer, employee, agent or fiduciary of the Company which imposes duties on, or involves services by, Indemnitee with respect to an employee benefit plan, its participants or beneficiaries; and if Indemnitee has acted in good faith and in a manner Indemnitee reasonably believed to be in the interest of the participants and beneficiaries of an employee benefit plan then Indemnitee shall be deemed to have acted in a manner "not opposed to the best interests of the Company" as referred to in this Agreement.

19. Other Provisions.

(a) This Agreement shall be interpreted and enforced in accordance with the laws of Delaware without regard to its conflict of laws rules. Except with respect to any arbitration commenced by Indemnitee pursuant to Section 10 of this Agreement, the Company and Indemnitee hereby irrevocably and unconditionally (i) agree that any action or proceeding arising out of or in connection with this Agreement shall be brought only in the Court of Chancery of the State of Delaware (the "Delaware Court"), and not in any other state or federal court in the United States of America or any court in any other country, (ii) consent to submit to the exclusive jurisdiction of the Delaware Court for purposes of any action or proceeding arising out of or in connection with this Agreement, (iii) appoint, to the extent such party is not otherwise subject to service of process in the State of Delaware, irrevocably The Corporation Trust Company, 1209 North Orange Street, Wilmington, New Castle County, Delaware 19801 as its agent in the State of Delaware as such party's agent for acceptance of legal process in connection with any such action or proceeding against such party with the same legal force and validity as if served upon such party personally within the State of Delaware, (iv) waive any objection to the laying of venue of any such action or proceeding in the Delaware Court, and (v) waive, and agree not to plead or to make, any claim that any such action or proceeding brought in the Delaware Court has been brought in an improper or inconvenient forum.

(b) This Agreement may be executed in two or more counterparts, each of which shall for all purposes be deemed to be an original but all of which together shall constitute one and the same Agreement. Only one such counterpart signed by the party against whom enforceability is sought needs to be produced as evidence of the existence of this Agreement.

(c) This Agreement shall not be deemed an employment contract between the Company and any Indemnitee who is an officer of the Company, and, if Indemnitee is an officer of the Company, Indemnitee specifically acknowledges that Indemnitee may be discharged at any time for any reason, with or without cause, and with or without severance compensation, except as may be otherwise provided by law, Company policies or in a separate written employment agreement between Indemnitee and the Company.

(d) The Company's obligation to indemnify or advance Expenses hereunder to Indemnitee who is or was serving at the request of the Company as a director, officer, trustee, partner, managing member, fiduciary, employee or agent of any other corporation, limited liability company, partnership, joint venture, trust, employee benefit plan or other enterprise shall be reduced by any amount Indemnitee has actually received as indemnification or advancement of Expenses from such other corporation, limited liability company, partnership, joint venture, trust or other enterprise. In the event of payment to Indemnitee under this Agreement, the Company shall be subrogated to the extent of such payment to all the rights of recovery of Indemnitee, who shall execute all papers required and shall do everything that may be necessary to secure such rights, including the execution of such documents necessary to enable the Company effectively to bring suit to enforce such rights. The Company shall not be liable under this Agreement to make any payment of amounts otherwise indemnifiable hereunder (or for which advancement is provided hereunder) if and to the extent that Indemnitee has otherwise actually received such payment under any insurance policy, contract, agreement or otherwise.

(e) No supplement, modification or amendment of this Agreement shall be binding unless executed in writing by both parties hereto. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provisions hereof (whether or not similar) nor shall such waiver constitute a continuing waiver.

(f) This Agreement constitutes the entire agreement between the parties hereto with respect to the subject matter hereof and supersedes all prior agreements and understandings, oral, written and implied, between the parties hereto with respect to the subject matter hereof; provided, however, that this Agreement is a supplement to and in furtherance of the Amended and Restated Bylaws, any directors' and officers' insurance maintained by the Company and applicable law, and shall not be deemed a substitute therefor, nor to diminish or abrogate any rights of Indemnitee thereunder.

(g) All notices, requests, demands and other communications under this Agreement shall be in writing and shall be delivered by hand and receipted for by the party to whom said notice or other communication shall have been directed, nationally recognized overnight courier (with all fees prepaid), email (with confirmation of transmission), or certified or registered mail (in each case, return receipt requested, postage prepaid):

(A) If to Indemnitee, at the address indicated on the signature page of this Agreement, or such other address as Indemnitee may designate from time to time in accordance with this section.

(B) If to the Company to:

2850 Golf Road
Rolling Meadows, Illinois
60008-4050
Attn: Corporate Secretary
Email: ***,

or such other address as Company may designate from time to time in accordance with this section.

[*Signature Page Follows*]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on and as of [DATE].

Arthur J. Gallagher & Co.

By: ______________________________________

Indemnitee:

____
[NAME]
Address: __________________________________

[*Signature Page to Indemnification Agreement*]

ARTHUR J. GALLAGHER & CO.
INSIDER TRADING POLICY

Purpose

The Board of Directors of Arthur J. Gallagher & Co. (together with its subsidiaries, the "Company") has adopted this Insider Trading Policy (this "Policy") to promote compliance with the laws and regulations that prohibit trading while you are aware of "Inside Information" related to the Company or its securities (or our Business Partners, as defined below, or their securities) and to protect the Company's reputation for integrity and ethical conduct.

"Inside Information" means information about a company that is both material and nonpublic. Information is material if a reasonable investor would consider it important in making a decision to buy, hold or sell securities. Any information that could be expected to affect the price of a security, whether it is positive or negative, should be considered material and the information is considered nonpublic until it has been made public and enough time has elapsed to permit the investment market to absorb and evaluate the information. See Appendix A for guidance regarding when the Company considers information to be "material" and "public" for purposes of this Policy.

Scope

Persons and Entities. This Policy applies to you if you are a director or employee of the Company or any of its subsidiaries, or a consultant, contractor, or "temporary insider" designated by the Secretary or Assistant Secretary of the Company ("Insiders"). This Policy also applies (1) to your "Family Members"[1] and (2) any entity (including any trusts or corporations) whose transactions in Company securities are subject to your or your Family Member's sole or shared control or influence (including investment clubs) (collectively referred to as "Controlled Entities"). You are responsible for ensuring that such persons and entities comply with this Policy. ***As such, for purposes of this Policy and applicable securities laws, you should treat all transactions in Company securities by these Family Members and Controlled Entities as if they were for your own account. Accordingly, such Family Members and Controlled Entities may only trade in the Company's securities if they comply with this Policy, including the earnings-related or special blackout periods and preclearance policy (described below), to the extent they apply to you. Unless otherwise specified or context indicates otherwise, references to "you" include all Insiders and their Family Members and Controlled Entities.***

If you have a managed account (where another person has been given discretion or authority to trade without your prior approval), you should advise your broker or investment adviser of this Policy to ensure compliance for any transaction that may be attributable to you. This Policy generally does not apply to investments in publicly available mutual funds, other than as discussed below.

[1] For purposes of this Policy, "Family Members" include any family member who resides with you (including a spouse, domestic partner, child, child away at college, stepchild, grandchild, parent, stepparent, grandparent, sibling and in-law), anyone else who lives in your household (other than household employees), and any family members who do not live in your household but whose transactions in Company securities are directed by you or are subject to your influence or control, such as parents or children who consult with you before they trade in Company securities.

Transactions. For purposes of this Policy, "transactions" and "trading" include all sales, purchases and gifts of the Company's securities, including our common stock, stock options, any other type of securities the Company may issue, including debt securities, and derivative securities not issued by the Company, such as exchange-traded put or call options or swaps relating to the Company's securities, as well as exchange-traded funds and mutual funds where the Company represents greater than 10% of the fund's value. This Policy also applies to trading in the securities of other companies with which the Company has or is contemplating a business relationship, such as clients, insurance carriers or strategic partners of the Company and those companies with which the Company may be negotiating major transactions, such as an acquisition, investment or sale (collectively, "Business Partners"). Information that is not material to the Company may nevertheless be material to a Business Partner (and *vice versa*).

Certain Exceptions under the Trading Restrictions. The trading restrictions under this Policy do not apply to (i) the Company's withholding of shares to satisfy a tax obligation or stock option exercise price; (ii) the cash payment of the exercise price of a stock option or taxes upon settlement of restricted stock units or exercise of options; (iii) the vesting or settlement of restricted stock or restricted stock units (including awards under the Company's nonqualified deferred compensation plans such as the Deferred Equity Participation Program); (iv) purchases of stock through a dividend reinvestment plan or through automatic purchases in the Employee Stock Purchase Plan, Supplemental Savings and Thrift Plan, UK Share Incentive Programme or any other analogous share purchase plan pursuant to an election you made at a time when you were not aware of Inside Information and were otherwise permitted to trade under this Policy;
(v) transactions effected through a plan meeting the requirements of Exchange Act Rule 10b5-1, which plan has been approved by the Secretary or Assistant Secretary of the Company (as discussed further below); (vi) transferring shares without a change in the beneficial ownership of the shares (for example, transferring shares from one brokerage account to another brokerage account controlled by the Insider or transferring shares to a legal entity that is wholly owned and controlled by the Insider); (vii) sales of the Company's securities as a selling stockholder in a registered public offering in accordance with applicable securities laws; or (viii) any other purchase of Company securities from the Company or sales of Company securities to the Company in accordance with applicable securities and state laws.

Individual Responsibility and Potential Consequences

It is your individual responsibility to comply with this Policy and you may be asked periodically to certify to your understanding of, and agreement to comply with, the terms of this Policy. Any action on the part of the Company, the legal department, or any other director, officer or employee pursuant to this Policy does not in any way constitute legal advice or insulate you from liability under the securities laws. Insider trading violations are pursued vigorously by the Securities and Exchange Commission ("SEC"), U.S. Attorneys and state enforcement authorities, as well as under the laws of foreign jurisdictions. Punishment for insider trading violations is severe and could include significant fines and imprisonment. Under U.S. Federal securities laws, individuals who engage in insider trading or tipping can be subject to imprisonment for up to 20 years, criminal fines of up to $5 million and civil penalties of up to three times the profit gained or loss avoided. In addition, your failure to comply with this Policy may subject you to Company-imposed sanctions, including dismissal for cause or being required to "unwind" a trade at personal financial loss, whether or not your failure to comply results in a violation of the law.

Requirements

Duty of Confidentiality. You must maintain the confidentiality of Company information for competitive, security and other business reasons, as well as to comply with securities laws. All information you learn about the Company or its business plans is potentially nonpublic information until we publicly disclose it. You may not disclose Company information to persons within the Company whose jobs do not require them to have that information, or outside of the Company to other persons, including, but not limited to, family, friends, neighbors, business associates, professional acquaintances, investors and expert consulting firms, unless any such disclosure is made in accordance with the Company's policies regarding the protection or authorized external disclosure of information regarding the Company.

No Trading with Inside Information. You may not, directly or indirectly through others, engage in transactions in the securities of the Company or any Business Partner when you are aware of Inside Information regarding such company.

No Tipping. You may not pass Inside Information regarding the Company or any Business Partner to others or recommend the purchase or sale of the Company's or any Business Partner's securities when you are aware of Inside Information regarding such company. This practice, known as "tipping," is a violation of the securities laws and can result in the same civil and criminal penalties that apply if you engage in insider trading directly, even if you do not receive any money or derive any benefit from trades made by persons to whom you made such recommendation or passed Inside Information.

Observe Earnings-Related Blackouts. Certain Insiders may not trade in Company securities during "Earnings-Related Blackouts." The table below sets forth information regarding the Company's Earnings-Related Blackout process.

Who is subject to Earnings-Related Blackouts?	o Directors and officers as defined in Rule 16a-1(f) under the Exchange Act, together with directors, "Section 16 Persons" o Other corporate officers appointed by the Board of Directors o Employees who have, or may have access to, quarterly or annual consolidated or division-level financial results of the Company o Anyone else with Inside Information about the applicable period's results o Family Members or Controlled Entities of any of the persons listed above

When do the Earnings-Related Blackouts start?	One week prior to the end of the quarter: March 24, June 23, September 23, and December 24.
When do the Earnings-Related Blackouts end?	At the end of the first full trading day following the release of the Company's earnings (for example, if the Company issues its earnings release on Thursday after the market closes, then you may begin trading after the market closes on Friday). Please keep in mind that even if the Company is in an open trading window, if you are aware of Inside Information at such time, you are expressly prohibited from trading until such time as such information ceases to be material or becomes public information.

Observe Special Blackout Periods. From time to time, an event may occur that is material to the Company and is known by only a few people. So long as the event remains material and nonpublic, those who are aware of the event, as well as any other people designated by the legal department, may not trade in the Company's securities. The existence of a special, event- specific blackout period ("Special Blackout") will not be announced, other than to those who are aware of the event giving rise to the Special Blackout. If, however, a person subject to the Special Blackout requests preclearance to trade in the Company's securities during such blackout, the Secretary or Assistant Secretary of the Company or their designee will inform the requesting person of the existence of a Special Blackout. Any person made aware of the existence of a Special Blackout should not disclose the existence of the Special Blackout to any other person. The failure of the legal department to designate a person as being subject to a Special Blackout will not relieve that person of the obligation not to trade while aware of Inside Information about the Company or its securities.

Preclearance. You will receive a communication from the legal department if you are designated a member of the "Preclearance Executive Team." Board and Preclearance Executive Team members (as well as their respective Family Members or Controlled Entities) may not transact in the Company's securities or exercise stock options, even outside of an Earnings-Related Blackout, without first contacting the legal department using the special email address you received in the communication referred to above and obtaining preclearance. If, after a transaction is approved but prior to executing it, you become aware of Inside Information about the Company or its securities, you must refrain from executing such transaction and re-seek approval for such transaction at a time when you are not aware of such Inside Information. After receiving approval, you will have up to three business days to execute the transaction.

Rule 10b5-1 Trading Plans Must be Approved. Rule 10b5-1 Trading Plans may be used to trade during blackout periods (either Earnings-Related Blackouts or Special Blackouts) or when the Insider is otherwise aware of Inside Information about the Company or its securities. However, you may not enter into such a plan (or amend or terminate any such plan) without approval from the Secretary or Assistant Secretary of the Company at least five trading days prior to the entry into (or amendment or termination of) the plan in accordance with the preclearance procedures set forth in this Policy. Certain conditions must be satisfied in order to enter into, amend or terminate such a plan, including that you may only enter into (or amend or terminate) any such

plan at a time when you are not aware of Inside Information about the Company or its securities, you are not subject to a blackout period (either Earnings-Related Blackouts or Special Blackouts), if applicable, and that the first trade does not occur until the expiration of the applicable statutory cooling-off period (at least 90 days for Section 16 Persons and 30 days for other Insiders). For additional information regarding the requirements to enter into (or amend) such plans, please see Appendix B.

Special and Prohibited Transactions. Due to heightened legal risk or the appearance of improper or inappropriate conduct, Insiders (as well as Insiders' Family Members or Controlled Entities) may not engage in any of the following transactions or should otherwise consider the Company's preferences as described below.

- Short Sales. Insiders may not engage in short sales of the Company's securities (sales of securities that are not then owned), including a "sale against the box" (a sale with delayed delivery).

- Options. Given the relatively short term of options, whether publicly traded or privately placed with a bank or broker, such transactions may create the appearance that a person is trading based on Inside Information or focus such person's attention on short-term performance rather than the Company's long-term objectives. Accordingly, transactions in put options, call options or other derivative securities relating to Company securities are prohibited by this Policy. This prohibition does not apply to stock options granted by the Company.

- Hedging Transactions. Hedging transactions designed to offset a decrease in the market value of Company securities, including the use of financial instruments such as prepaid variable forward contracts, equity swaps, collars, exchange funds and stock protection funds, as well as monetization transactions, generally result in a person continuing to own Company securities, but without the full risks and rewards of ownership. When that occurs, such person may no longer have the same objectives as the Company's other stockholders. Insiders and all other persons covered by this Policy are prohibited from engaging in such hedging transactions. For clarity, we do not view broad-based index or mutual funds that may include Company securities as hedges.

- Margin Accounts and Pledged Securities. Securities held in a margin account or pledged (or hypothecated) as collateral for a loan may be sold without your consent by the broker if you fail to meet a margin call or by the lender in foreclosure if you default on the loan. A margin or foreclosure sale that occurs when an Insider is aware of Inside Information about the Company or its securities may, under some circumstances, result in unlawful insider trading, the imposition of "short swing" liability under Section 16 of the Securities Exchange Act of 1934, as amended, or a violation of this Policy. Because of these dangers, directors are prohibited, and all other Insiders are discouraged, from holding Company securities in a margin account or pledging Company securities as collateral for a loan. Executive officers must obtain pre-approval from the Secretary or Assistant Secretary of the Company prior to putting into place any margin account or pledge of Company securities as collateral for a loan (other than a temporary pledge entered into for the purpose of effecting a stock option exercise).
- Standing and Limit Orders. A standing or limit order placed with a broker to sell or purchase stock at a specified price leaves you with no control over the timing of the transaction. A standing or limit order transaction executed by the broker when you are aware of Inside Information may result in unlawful insider trading. The Company therefore discourages placing standing or limit orders on Company securities. If you determine that you must use a standing or limit order, the order should be limited to short duration, and if you are subject to the Earnings-Related Blackouts (or Special Blackouts), all unexecuted standing or limit orders must be cancelled prior to the beginning of the applicable blackout period.

Post-Termination Transactions

If you are aware of Inside Information about the Company or its securities when your service to the Company terminates, in accordance with applicable securities laws, you may not trade in Company securities until that information has become public or is no longer material.

Company Transactions

From time to time, the Company may engage in transactions in its own securities. It is the Company's policy to comply with all applicable securities and state laws (including appropriate approvals by the Board of Directors or appropriate committee, if required) when engaging in transactions in Company securities (subject to the terms of equity or employee benefit plans for transactions under such plans).

Speak Up

Your compliance with this Policy is of the utmost importance both for you and for the Company. If you have any questions about this Policy or its application to any proposed transaction, you may obtain additional guidance from the Company's legal department. Do not try to resolve uncertainties on your own, as the rules relating to insider trading are often complex, not always intuitive and carry severe consequences when violated. Please reach out to the Secretary or Assistant Secretary of the Company or send an email to *** with any questions or concerns.

If you become aware of any actual or potential violations of this Policy (or any other policies), please use our reporting channels (see our Global Standards of Business Conduct) to report such matters immediately. Remember that when you raise concerns or report wrongdoing in good faith, you are doing the right thing and the Company will not tolerate any retaliation against you.

APPENDIX A

Guidance Regarding Material Nonpublic Information

Material Information. Both positive and negative information can be material. Because trading that receives scrutiny will be evaluated after the fact with the benefit of hindsight, questions concerning the materiality of particular information should be resolved in favor of materiality, and trading should be avoided until such information is no longer material or becomes public. Examples of information that could be considered material include information:

- Relating to future earnings or losses, or other earnings projections or guidance.
- Relating to actual earnings or losses.
- Affecting a trend in earnings or other key items (for example, a reduction in the pace of acquisition activity).
- Consequential to meeting analysts' consensus expectations regarding earnings or other key Company information.
- Unexpected financial results.
- Changing a profit to a loss (or *vice versa*).
- Significant to one of the Company's reporting segments.
- Triggering a material increase in executive compensation (for example, by satisfying criteria for a bonus).
- Affecting compliance with regulatory or contractual requirements that may have a material adverse effect on the Company (for example, a loan covenant that would trigger an event of default).
- Relating to significant developments affecting the Company, including:
  - A change in executive management or directors outside the ordinary course, including a serious illness affecting the same.
  - A pending or contemplated restructuring, change in control, a major pending or proposed merger, acquisition or tender offer involving the Company, or an acquisition or disposition by the Company of significant assets.
  - Major personnel changes such as significant layoffs or reorganizations.
  - A potentially significant data loss, security breach or cybersecurity incident.
  - Major events regarding the Company's securities, including a decision to (i) discontinue, reduce or increase the dividend, (ii) start, halt or resume a stock buyback program, (iii) declare a stock split or (iv) offer additional securities.
  - A major regulatory development, investigation or enforcement action affecting the Company.
  - Any event calling into question the integrity of senior management or the Board of Directors.
  - Significant changes outside the ordinary course with respect to related party transactions.
  - Information outside the ordinary course about major contracts.
  - Actual or threatened major litigation outside the ordinary course, or developments in

or the resolution of such litigation.

- A development negatively impacting the Company’s ability to make use of its clean-energy tax credits.
- Bank borrowings or other financing transactions outside the ordinary course.
- Impending bankruptcy, the existence of financial liquidity problems or material defaults under agreements or actions by the Company’s significant creditors or clients.
- Change in accountants or auditor notification that the Company may no longer rely on the auditor’s reports.
- The imposition of a ban on trading in Company securities or the securities of another company.

When Information Is Considered Public. Nonpublic information is information that is not generally known or available to the public. For purposes of this Policy, information is considered to be available to the public only when it has been released broadly to the marketplace (such as by a press release or an SEC filing) and the investing public has had time to absorb the information fully. As a general rule, for purposes of this Policy, information is considered nonpublic until the end of the first full trading day after the information is released.

For example, if you are subject to Earnings-Related Blackouts and the Company announces financial earnings before trading begins on a Tuesday, the first time you may buy or sell Company securities is the close of the market on Tuesday (assuming you are not aware of other material nonpublic information at that time). However, if the Company announces earnings after trading begins on that Tuesday, the first time you may buy or sell Company securities is the close of the market on Wednesday.

APPENDIX B

Guidelines for Rule 10b5-1 Trading Plans

As discussed in the Policy, Rule 10b5-1 provides an affirmative defense from insider trading liability. In order to be eligible to rely on this defense, you must enter into a Rule 10b5-1 Trading Plan for transactions in Company securities that meets certain conditions specified in Rule 10b5-1. ***Capitalized terms used in these guidelines without definition have the meaning set forth in the Policy.***

These guidelines are in addition to, and not in lieu of, the requirements and conditions of Rule 10b5-1. The Secretary or Assistant Secretary of the Company will interpret and administer these guidelines for compliance with Rule 10b5-1, the Policy and the requirements below. No personal legal or financial advice is being provided by the Secretary, Assistant Secretary or other member of the legal department of the Company regarding any Rule 10b5-1 Trading Plan or proposed trades. You remain ultimately responsible for ensuring that Rule 10b5-1 Trading Plans and contemplated transactions fully comply with applicable securities laws. It is recommended that you consult with your own attorneys or other advisors about any contemplated Rule 10b5-1 Trading Plan. ***Note that for any Section 16 Persons, the Company is required to disclose the material terms of their Rule 10b5-1 Trading Plan (and may be required to disclose the material terms of Rule 10b5-1 Trading Plans of Family Members and Controlled Entities of such person), other than with respect to price, in its periodic report for the quarter in which the Rule 10b5-1 Trading Plan is adopted, amended, or terminated.***

- **Pre-Clearance Requirement.** The Rule 10b5-1 Trading Plan must be reviewed and approved in advance by the Secretary or Assistant Secretary of the Company at least five trading days prior to the entry into the plan in accordance with the procedures set forth in the Policy and these guidelines. The Company may require that you use a standardized form of Rule 10b5-1 Trading Plan.

- **Time of Adoption.** Subject to pre-clearance requirements described above, the Rule 10b5- 1 Trading Plan must be adopted:
  - When you are not aware of Inside Information about the Company or its securities; and
  - If you are subject to blackout periods, when a blackout period is not in effect.

- **Plan Instructions.** Any Rule 10b5-1 Trading Plan adopted by you must be in writing, signed, and either:
  - specify the amount, price and date of the sales (or purchases) of Company securities to be effected;
  - provide a formula, algorithm or computer program for determining when to sell (or purchase) the Company's securities, the quantity to sell (or purchase) and the price; or
  - delegate decision-making authority with regard to these transactions to a broker or other agent without any Inside Information about the Company or its securities.

  For the avoidance of doubt, you may not subsequently influence how, when, or whether to effect purchases or sales with respect to the securities subject to an approved and adopted Rule 10b5-1 Trading Plan.

- **No Hedging.** You may not have entered into or altered a corresponding or hedging transaction or position with respect to the securities subject to the Rule 10b5-1 Trading

Plan and must agree not to enter into any such transaction while the Rule 10b5-1 Trading Plan is in effect.

- **Good Faith Requirements.** You must enter into the Rule 10b5-1 Trading Plan in good faith and not as part of a plan or scheme to evade the prohibitions of Rules 10b-5 and 10b5-1. You must act in good faith with respect to the Rule 10b5-1 Trading Plan for the entirety of its duration.

- **Certifications for Section 16 Persons.** Any Section 16 Person and their Family Members and Controlled Entities that enter into Rule 10b5-1 Trading Plans must certify that they are: (1) not aware of any Inside Information about the Company or the Company securities; and (2) adopting the Rule 10b5-1 Trading Plan in good faith and not as part of a plan or scheme to evade the prohibitions of Rules 10b-5 and 10b5-1 under the Exchange Act.

- **Cooling Off Periods.** The first trade under the Rule 10b5-1 Trading Plan may not occur until the expiration of a cooling-off period as follows:
  - For any Section 16 Person (as well as their Family Members and Controlled Entities), the later of (1) two business days following the filing of the Company's Form 10-Q or Form 10-K for the completed fiscal quarter in which the Rule 10b5-1 Trading Plan was adopted and (2) 90 calendar days after adoption of the Rule 10b5- 1 Trading Plan; provided, however, that the cooling-off period shall in no event be required to exceed 120 days.
  - For other Insiders, 30 days after adoption of the Rule 10b5-1 Trading Plan.

- **No Overlapping Rule 10b5-1 Trading Plans.** You may not enter into overlapping Rule 10b5-1 Trading Plans (subject to certain exceptions). Please consult the Secretary or Assistant Secretary of the Company with any questions regarding overlapping Rule 10b5-1 Trading Plans.

- **Single Transaction Plans.** You may not enter into more than one single-transaction Rule 10b5-1 Trading Plan during any rolling 12-month period (subject to certain exceptions). A single-transaction plan is "designed to effect," directly or indirectly, the purchase or sale of securities as a single transaction. Single-transaction plans do not include those that use several different stock price triggers or that give trading discretion to a broker, even if they happen to execute in one single trade.

- **Modifications and Terminations.** Amendments and terminations of an existing Rule 10b5-1 Trading Plan are strongly discouraged due to legal risks and can affect the validity of trades that have taken place under the plan prior to such amendment or termination. Under Rule 10b5-1 and these guidelines, any amendment to the amount, price, or timing of the purchase or sale of the securities underlying the Rule 10b5-1 Trading Plan will be deemed to be a termination of the current Rule 10b5-1 Trading Plan and creation of a new Rule 10b5-1 Trading Plan. If you are considering ministerial changes to a Rule 10b5-1 Trading Plan, such as changing the account information, you should consult with the Secretary or Assistant Secretary of the Company in advance to confirm that any such change does not constitute an effective termination of the plan.

  As such, the modification or amendment of an existing Rule 10b5-1 Trading Plan must be reviewed and approved in advance by the Secretary or Assistant Secretary of the Company in accordance with pre-clearance procedures set forth in the Policy and these guidelines, and will be subject to all the other requirements set forth in Sections 2 - 9 of these guidelines regarding the adoption of a new Rule 10b5-1 Trading Plan.

The termination (other than through an amendment) of an existing Rule 10b5-1 Trading Plan must be reviewed and approved in advance by the Secretary or Assistant Secretary of the Company in accordance with pre-clearance procedures set forth in the Policy and these guidelines. Except in limited circumstances, the Secretary or Assistant Secretary of the Company will not approve the termination of a Rule 10b5-1 Trading Plan unless:

- You are not aware of Inside Information about the Company or its securities; and
- If you are subject to a blackout period, a blackout period is not in effect.

Exhibit 21.1

Subsidiaries of Arthur J. Gallagher & Co.

The following is a list of all of the majority-owned and consolidated subsidiaries of Arthur J. Gallagher & Co. as of December 31, 2024.

Company Name	Domicile
2950 Land Company Manager, LLC	United States
2950 Land Company, LLC	United States
A.C.N. 003 030 180 Pty Ltd	Australia
A.C.N. 061 063 303 Pty Ltd	Australia
A.C.N. 082 459 372 Pty Ltd	Australia
ACE Gallagher Arabia Insurance Brokers Limited	Saudi Arabia
ACE Gallagher Arabia Insurance Consultants Limited	Saudi Arabia
ACE Gallagher Holding W.L.L.	Bahrain
ACE Re Gallagher Arabia Reinsurance Brokers Limited	Saudi Arabia
Acorn Bidco Limited	Guernsey
Acorn Midco 1 Limited	Guernsey
Acorn Midco 2 Limited	Guernsey
Acorn Topco Limited	Guernsey
Adams & Porter Sociedade De Corretagem De Seguros Ltda.	Brazil
AJG (EMEA) LIMITED	United Kingdom
AJG Acquisition Finance Limited	United Kingdom
AJG Cash Holdings Limited	United Kingdom
AJG Financial Services, LLC	United States
AJG Holding (Chile) Spa	Chile
AJG Meadows, LLC	United States
AJG North America ULC	Canada
AJGRMS Of Louisiana, LLC	United States
Alesco Risk Management Services Limited	United Kingdom
Alize Ltd.	Bermuda
Allied Claims Administration, Inc.	United States
Allied Risk Holdings Limited	Ireland
Allied Risk Insurance and Reinsurance Services Limited	Ireland
American Freedom Carriers, Inc.	United States
Another Day Investigations Limited	United Kingdom
Another Day Limited	United Kingdom
Arab Commercial Enterprises Limited	Saudi Arabia
Argentis Financial Group Limited	United Kingdom
Argentis Financial Management Limited	United Kingdom
Artex Advisory & Analytics Ltd.	Bermuda
Artex Axcell (Guernsey) PCC Limited	Guernsey
Artex Axcell PCC (Vermont), Inc.	United States
Artex Axcell PIC Ltd.	Bermuda
Artex Axcell Re (Bermuda) Ltd.	Bermuda
Artex Axcell SEG Ltd.	Bermuda
Artex Corporate Services (Bermuda) Ltd.	Bermuda
Artex Corporate Services (Cayman) Ltd.	Cayman Islands
Artex Corporate Services (Gibraltar) Limited	Gibraltar
Artex Corporate Services (Malta) Limited	Malta
Artex Fund Services Ltd.	Bermuda

Artex Fund Services USA, Inc.	United States
Artex Holdings (Malta) Limited	Malta
Artex ILS Services UK Ltd	United Kingdom
Artex Insurance (Cayman) SPC Limited	Cayman Islands
Artex Insurance (Tennessee) PCCIC, Inc.	United States
Artex Insurance Brokers (Europe) PCC Limited	Malta
Artex Insurance ICC Limited	Guernsey
Artex Insurance Management (Bermuda) Ltd.	Bermuda
Artex Insurance Management (Cayman) Ltd.	Cayman Islands
Artex Insurance Management (Ireland) Limited	Ireland
Artex Intermediaries Ltd.	Bermuda
Artex Risk Solutions (Bermuda) Ltd.	Bermuda
Artex Risk Solutions (Cayman) Limited	Cayman Islands
Artex Risk Solutions (Gibraltar) Limited	Gibraltar
Artex Risk Solutions (Guernsey) Limited	Guernsey
Artex Risk Solutions (International) Limited	Guernsey
Artex Risk Solutions (Ireland) Limited	Ireland
Artex Risk Solutions (Malta) Limited	Malta
Artex Risk Solutions (Singapore) Pte. Ltd.	Singapore
Artex Risk Solutions (UK) Ltd	United Kingdom
Artex Risk Solutions Limited	United Arab Emirates
Artex Risk Solutions, Inc.	United States
Artex Risk Solutions, Inc. (Anguilla)	Anguilla
Artex Services (Private) Limited	Sri Lanka
Arthur J Gallagher (Norway) Holdings AS	Norway
Arthur J Gallagher Brim AB	Sweden
Arthur J Gallagher Nordic AB	Sweden
Arthur J Gallagher Panamá Corredores de Reaseguros SA	Panama
Arthur J Gallagher Proinova AB	Sweden
Arthur J Gallagher Proinova Agency AB	Sweden
Arthur J. Gallagher & Co (AUS) Limited	Australia
Arthur J. Gallagher & Co (NZ) Limited	New Zealand
Arthur J. Gallagher & Co. (Bermuda) Limited	Bermuda
Arthur J. Gallagher (Bermuda) Holding Partnership	Bermuda
Arthur J. Gallagher (Illinois), LLC	United States
Arthur J. Gallagher (Liechtenstein) AG	Liechtenstein
Arthur J. Gallagher (Life Solutions) Pty Ltd	Australia
Arthur J. Gallagher (Schweiz) AG	Switzerland
Arthur J. Gallagher (Singapore) Pte. Ltd.	Singapore
Arthur J. Gallagher (UK) Limited	United Kingdom
Arthur J. Gallagher Asesoria S.A.C.	Peru
Arthur J. Gallagher Australasia Holdings Pty Ltd	Australia
Arthur J. Gallagher Broking (NZ) Limited	New Zealand
Arthur J. Gallagher Canada Limited	Canada
Arthur J. Gallagher Chile Corredores de Reaseguros S.A. (AJG Chile Re)	Chile
Arthur J. Gallagher Corredores de Seguros S.A. (AJG Chile Retail)	Chile
Arthur J. Gallagher Corredores de Seguros S.A. (Colombia)	Colombia
Arthur J. Gallagher Financial Services Professionals Risk Purchasing Group, LLC	United States
Arthur J. Gallagher Holdings (Ireland) Limited	Ireland
Arthur J. Gallagher Holdings (UK) Limited	United Kingdom
Arthur J. Gallagher Insurance Brokers (Ireland) Limited	Ireland
Arthur J. Gallagher Insurance Brokers Limited	United Kingdom

Arthur J. Gallagher Latin America, LLC	United States
Arthur J. Gallagher Peru Corredores de Reaseguros S.A.	Peru
Arthur J. Gallagher Peru Corredores de Seguros S.A.	Peru
Arthur J. Gallagher Re Colombia Ltda. Corredores de Reaseguros SA	Colombia
Arthur J. Gallagher Real Estate Risk Purchasing Group, LLC	United States
Arthur J. Gallagher Risk Management Services, LLC	United States
Arthur J. Gallagher Service Company, LLC	United States
Arthur J. Gallagher Services (UK) Limited	United Kingdom
Ashgrove Insurance Services Limited	United Kingdom
At Squared Holdings Limited	United Kingdom
Aurenda Pty Ltd	Australia
Aurenda Training Services Pty Ltd	Australia
Avantek Pty Ltd	Australia
Axe Insurance PCC Limited	Guernsey
Barnes Commercial Limited	United Kingdom
Bartlett Actuarial, LLC	United States
BCHR UK Holdings Ltd	United Kingdom
BCHR US Acquisitions, Inc.	United States
BCHR US Holdings, Inc.	United States
Beacon Financial Acquisition Corporation	United States
Bellisle Pty. Ltd.	Australia
Benefit Technology Resources, LLC	United States
Blueleaf Consulting Pty Limited	Australia
Bluewater Incorporated Cell Insurance Company	United States
BMM (P&T) Ltd	United Kingdom
Bollinger Insurance Services, Inc.	United States
Bollinger, Inc.	United States
Bollington Insurance Brokers Limited	United Kingdom
Bollington Underwriting Limited	United Kingdom
Bollington Wilson Group Limited	United Kingdom
Bollington Wilson Limited	United Kingdom
Bonus Drive Canada Limited	Canada
Brunswick Financial Group Ltd.	Canada
Buck Canada HR Services Limited/Services RH Buck Canada Limitee	Canada
Buck Capability Centre Private Limited	India
Buck Global, LLC	United States
Buck HR Securities LLC	United States
BVIP (RIH Blocker) Fund IX, Inc.	United States
Caburn Hope Limited	United Kingdom
Cadence Insurance, Inc.	United States
Camco One Ltd	United Kingdom
Capsicum Reinsurance Brokers LLP	United Kingdom
Casanueva Perez II, S.A.P.I. de C.V.	Mexico
Casanueva Perez S.A.P.I. DE CV	Mexico
CGM Gallagher Insurance Brokers (Trinidad & Tobago) Limited	Trinidad and Tobago
Charity First Insurance Services, Inc.	United States
Churchills International Consulting Limited	United Kingdom
Cintran Claims Canada Limited	Canada
CKH Limited	United Kingdom
CLA (Risk Solutions) Limited	United Kingdom
Claims Settlement Agencies Ltd	United Kingdom
Clements Belgium SPRL	Belgium

Clements Europe Limited	United Kingdom
Clements Insurance Services Limited	Ireland
College and University Scholastic Excess Risk Purchasing Group, LLC	United States
Complete Financial Balance Pty Ltd	Australia
Concert Consulting UK Limited	United Kingdom
Copper Mountain Assurance, Inc.	United States
Corporate Services Network Pty Ltd	Australia
Countrywide Accident Assistance Limited	United Kingdom
Dalton Browne Limited	United Kingdom
Dawson & Keenan Insurance Ltd	Canada
Devitt Insurance Services Limited	United Kingdom
Doyle Insurance Brokers (Wexford) Limited	Ireland
Durham & Bates Agencies, Inc.	United States
Education Protect Limited	United Kingdom
Education Protect Northern Ireland Limited	United Kingdom
Education Protect Scotland Limited	United Kingdom
Effectus Consulting Pty Ltd	Australia
Elantis Premium Funding (Nz) Limited	New Zealand
Elantis Premium Funding Limited	Australia
Erimus Group Limited	United Kingdom
Erimus Holdings Teesside Limited	United Kingdom
F Wilson (Holdings) Limited	United Kingdom
F Wilson (Insurance Brokers) Limited	United Kingdom
F Wilson Group Limited	United Kingdom
FE Protect Ltd	United Kingdom
Finergy Solutions Pty Ltd	Australia
First Ireland Risk Management Limited	Ireland
First Premium, Inc.	United States
Fortify Marine Limited	United Kingdom
Fortress Financial Solutions Pty Ltd	Australia
Fortress Insurance LLC	United States
Fraser MacAndrew Ryan Limited	New Zealand
Freeboard Maritime Limited	United Kingdom
Friary Intermediate Limited	United Kingdom
Frontier Financial Services Limited	Bermuda
Gallagher (Administration & Investment) Limited	United Kingdom
Gallagher (Bermuda) Insurance Solutions Ltd.	Bermuda
Gallagher (Malta) Limited	Malta
Gallagher (Shanghai) Insurance Brokers Co. Ltd 上海安睿嘉保有限公司	China
Gallagher Actuarial Consultants Limited	United Kingdom
Gallagher Affinity Insurance Services, Inc.	United States
Gallagher Argentina Corredores de Reaseguros S.A.	Argentina
Gallagher Bassett Canada Inc.	Canada
Gallagher Bassett Insurance Services Limited	United Kingdom
Gallagher Bassett International Ltd.	United Kingdom
Gallagher Bassett NZ Limited	New Zealand
Gallagher Bassett Services Pty Ltd	Australia
Gallagher Bassett Services Workers Compensation Victoria Pty Ltd	Australia
Gallagher Bassett Services, Inc.	United States
Gallagher Bassett Technical Services, LLC	United States
Gallagher Benefit Services (Canada) Group Inc.	Canada
Gallagher Benefit Services (Holdings) Limited	United Kingdom

Gallagher Benefit Services Management Company Limited	United Kingdom
Gallagher Benefit Services Pty Ltd	Australia
Gallagher Benefit Services, Inc.	United States
Gallagher Benefits Consulting Limited	United Kingdom
Gallagher Brasil Corretora De Resseguros Ltda.	Brazil
Gallagher Brasil Corretora de Seguros Ltda.	Brazil
Gallagher Brasil Holdings Ltda.	Brazil
Gallagher Broker Japan, Inc.	Japan
Gallagher Canada Acquisition Corporation	Canada
Gallagher Caribbean Group Limited	Saint Lucia
Gallagher Clean Energy, LLC	United States
Gallagher Colombia (UK) Holdings Limited	United Kingdom
Gallagher Colombia (UK) Limited	United Kingdom
Gallagher Communication Limited	United Kingdom
Gallagher Consultants (Healthcare) Limited	United Kingdom
Gallagher Consulting Ltda	Colombia
Gallagher Corporate Benefits Pty Ltd	Australia
Gallagher Corporate Services, LLC	United States
Gallagher Energy Risk Services Inc.	Canada
Gallagher European Holdings Limited	United Kingdom
Gallagher Fiduciary Advisors, LLC	United States
Gallagher Global Acquisition Finance Ltd	Bermuda
Gallagher Global Cash Holdings Ltd	Bermuda
Gallagher Global Cash Management Limited	United Kingdom
Gallagher Holdings & Management (EMEA) Ltd	United Kingdom
Gallagher Holdings (UK) Limited	United Kingdom
Gallagher Holdings Japan, Inc.	Japan
Gallagher Insurance Brokers (Barbados) Limited	Barbados
Gallagher Insurance Brokers (Cayman) Limited	Cayman Islands
Gallagher Insurance Brokers (Hong Kong) Limited 安睿嘉爾保險經紀(香港)有限公司	Hong Kong
Gallagher Insurance Brokers (St. Kitts & Nevis) Limited	Saint Kitts and Nevis
Gallagher Insurance Brokers (St. Lucia) Limited	Saint Lucia
Gallagher Insurance Brokers (St. Vincent) Limited	Saint Vincent & the Grenadines
Gallagher Insurance Brokers (Taiwan) Limited	Taiwan
Gallagher Insurance Brokers (Trinidad & Tobago) Limited	Trinidad and Tobago
Gallagher Insurance Brokers Jamaica Limited	Jamaica
Gallagher Insurance Brokers Private Limited	India
Gallagher Interbrok Corretora de Seguros Ltda.	Brazil
Gallagher International Cash Management SRL	Barbados
Gallagher International Finance Limited	Ireland
Gallagher International Holdings (US) Inc.	United States
Gallagher Investment Advisors, LLC	United States
Gallagher IP Solutions LLC	United States
Gallagher Japan, Inc.	Japan
Gallagher Korea Insurance Brokers Limited	Korea (the Republic of)
Gallagher Management Consulting Taiwan Ltd.	Taiwan
Gallagher Mississippi Brokerage, LLC	United States
Gallagher Norway AS	Norway
Gallagher Quebec Compensation Inc.	Canada
Gallagher Re (Nordic) AS	Norway
Gallagher Re (Pty) Limited	South Africa

Gallagher Re (US), LLC	United States
Gallagher Re Bermuda Limited	Bermuda
Gallagher Re Canada Inc.	Canada
Gallagher Re GmbH	Germany
Gallagher Re Inc.	United States
Gallagher Re Insurance Program Solutions, LLC	United States
Gallagher Re Italia S.p.A.	Italy
Gallagher Re Japan K.K.	Japan
Gallagher Re Labuan Limited	Malaysia
Gallagher Re Latin America Corretora de Resseguros Ltda.	Brazil
Gallagher Re Ltd	United Arab Emirates
Gallagher Re S.A.S.	France
Gallagher Reinsurance Australia Limited	Australia
Gallagher Reinsurance Brokers Bermuda Limited	Bermuda
Gallagher Reinsurance Brokers Miami, LLC	United States
Gallagher Risk & Reward Limited	United Kingdom
Gallagher Risk Group LLC	United States
Gallagher Risk Placements Pty Ltd	Australia
Gallagher Securities Europe SAS	France
Gallagher Securities Limited	United Kingdom
Gallagher Securities, Inc.	United States
Gallagher Service Center LLP	India
Gallagher Sigorta Ve Reasurans Brokerligi Anonim Sirketi	Turkey
Gallagher Steel Courier Risk Purchasing Group, Inc.	United States
Gallagher Voluntary Benefits, LLC	United States
Gallagher's Excellence Center for Agencies Limitada	Colombia
Gault Armstrong SARL	New Caledonia
GBCare Texas HCN, LLC	United States
GBCare, LLC	United States
Gbs (Australia) Holdings Pty Ltd	Australia
GBS Administrators, Inc.	United States
GBS Insurance and Financial Services, Inc.	United States
GBS Retirement Services, Inc.	United States
GBS Specialty Markets, LLC	United States
GGB Finance 1 Limited	United Kingdom
GGB Finance 2 Limited	United Kingdom
GGB Finance 5 Limited	United Kingdom
GGB Finance 6 Limited	United Kingdom
GGB Finance Holding Ltd	Bermuda
Global Financial Brokers Limited	Trinidad and Tobago
Goggins Insurance Brokers Limited	Ireland
GPL Assurance Inc.	Canada
Healthcare Professionals Purchasing Group, LLC	United States
Heath Lambert Limited	United Kingdom
Heath Lambert Overseas Limited	United Kingdom
Hexagon Insurance PCC Limited	Guernsey
HFI Benefits Inc.	Canada
HMG - PCMS Limited	United Kingdom
Holdco Re SpA	Chile
Holdco S SpA	Chile
Home And Travel Limited	United Kingdom
Horseshoe Re Limited	Bermuda

Howell & Ryan Limited	Ireland
iBenefit Communication Investments, Inc.	United States
iBenefit Communication, LLC	United States
IBS Reinsurance Brokers Singapore Pte. Ltd.	Singapore
iBTR MidCo, LLC	United States
Implement Compliance Solutions & Resources Limited	United Kingdom
Innovu Bidco Limited	United Kingdom
Innovu Group Holding Company Limited	Ireland
Innovu Operations Limited	Ireland
Insurance Plus Risk Purchasing Group, LLC	United States
I-Protect Underwriting Pty Limited	Australia
isure Pty Ltd	Australia
Keaney Insurance Brokers Limited	Ireland
Köberich Financial Lines GmbH & Co. KG	Germany
Köberich Verwaltungsgesellschaft mbH	Germany
Lifesure Group Limited	United Kingdom
Lifesure Limited	United Kingdom
LRM Wealth Management Pty Ltd	Australia
Lucas Fettes Limited	United Kingdom
MA Underwriting Pty Ltd	Australia
Manchester Underwriting Agencies Limited	United Kingdom
Manchester Underwriting Management Limited	United Kingdom
Matt Jensen Insurance Brokers Limited	New Zealand
MCMM Services Limited	United Kingdom
Mecacem Insurance SPC, Ltd.	Cayman Islands
Mike Henry Insurance Brokers Limited	New Zealand
Mike Henry Insurance Funding Limited	New Zealand
Millennial Properties, LLC	United States
Milne Alexander Pty Ltd	Australia
Momentus Canada Inc.	Canada
Monument Insurance (NZ) Limited	New Zealand
Monument Premium Funding Limited	New Zealand
MPM Finco Pty Ltd	Australia
MUM European Holdings Limited	Malta
Mutual Brokers Pty. Limited	Australia
My Market Place Pty Ltd	Australia
My Plan Manager Group Pty Ltd	Australia
My Plan Manager.com.au Holdings Pty Ltd	Australia
My Plan Manager.com.au Pty Ltd	Australia
National Disability Support Partners Pty Limited	Australia
Nonprofit Insurance Risk Purchasing Group, LLC	United States
Northern Keep Limited	United Kingdom
OAMPS Ltd.	Australia
Offshore Market Placement Limited	New Zealand
Oval EBT Trustees Limited	United Kingdom
Oval Insurance Broking Limited	United Kingdom
Oval Limited	United Kingdom
P.E. Kelly Insurances Limited	Ireland
Pastel Holding (NZ) Company Limited	New Zealand
Pastel Holdings Pty Limited	Australia
Pastel Purchaser (NZ) Limited	New Zealand
Pastel Purchaser Pty Limited	Australia

Pelican Underwriting Management Limited	United Kingdom
PEN Insurance Management Advisors, Ltd.	Bermuda
Pen Underwriting Europe AS	Norway
Pen Underwriting Limited	United Kingdom
Pen Underwriting Pty Ltd	Australia
Premier Insurance Services, Inc.	United States
Professional Agents Risk Purchasing Group, Inc.	United States
Pronto California Agency, LLC	United States
Pronto Franchise, LLC	United States
Pronto General Agency, Inc.	United States
Pronto Insurance Agency of Laredo, Inc.	United States
Pronto Premium Finance, LLC	United States
Property Insurance Initiatives Limited	United Kingdom
Prophet Group Limited	United Kingdom
Prophet Reports & Collections Ltd	United Kingdom
Prophet Trade Credit Ltd	United Kingdom
Public and Non-Profit Excess Risk RPG (PANPER) LLC	United States
Purple Bridge Group Limited	United Kingdom
Quantum Underwriting Solutions Limited	United Kingdom
Quillco 226 Limited	United Kingdom
R.A. Rossborough (Guernsey) Limited	Guernsey
R.A. Rossborough (Insurance Brokers) Limited	Jersey
R.A. Rossborough Limited	Jersey
Real Estate Services Council Risk Purchasing Group, LLC	United States
Redington Limited	United Kingdom
Rentguard Limited	United Kingdom
Resilience Re Ltd.	Bermuda
RGA Referencing Limited	United Kingdom
RGA Underwriting Limited	United Kingdom
RIBA Insurance Agency Limited	United Kingdom
RIBV Holdings, LLC	United States
RIL Administrators (Guernsey) Limited	Guernsey
Risk Capital Funding, LLC	United States
Risk International Benefits Advisors, LLC	United States
Risk International Captive Managers, Inc.	United States
Risk International Holdings, LLC	United States
Risk International Services, LLC	United States
Risk Management Partners Ltd.	United Kingdom
Risk Placement Services, Inc.	United States
Risk Program Administrators LLC	United States
Risk-Albert Holdco LLC	United States
Rossborough Healthcare International Limited	Guernsey
Rossborough Insurance (IOM) Limited	Isle of Man
Scholastic First Risk Purchasing Group, LLC	United States
Sentinel Indemnity, LLC	United States
Septagon Insurance PCC Limited	Guernsey
Simply-Communicate Limited	United Kingdom
Smeri AB	Sweden
Srila Systems (Private) Limited	Sri Lanka
Stackhouse Poland Bidco Limited	United Kingdom
Stackhouse Poland Group Limited	United Kingdom
Stackhouse Poland Holdings Ltd	United Kingdom

Stackhouse Poland Limited	United Kingdom
Stackhouse Poland Midco Limited	United Kingdom
Star Newco Limited	United Kingdom
Stormclose Limited	United Kingdom
Strata Solicitors Ltd	United Kingdom
Super Advice Corporate Services Pty Ltd	Australia
Talbot Deane Investments Limited	United Kingdom
Tay River Holdings Ltd	United Kingdom
Teesside Insurance Consultants Limited	United Kingdom
THB Chile Servicios Administrativos SpA	Chile
THB Corredores de Reaseguro S.A.	Chile
THB Corredores de Seguro S.A.	Chile
The Bollington Group (Holdings) Limited	United Kingdom
The EHE Group, LLC	United States
The Rowley Agency, LLC	United States
The Wright Agency Limited	United Kingdom
Total Benefit Specialists Limited	Trinidad and Tobago
Towerhill Insurance Underwriters Inc.	Canada
Trafalgar Marine Trades Limited	United Kingdom
Travel Agents Risk Purchasing Group, Inc.	United States
Uni-Care, Inc.	United States
Vessel Protect Limited	United Kingdom
VIA Financial Group Pty Ltd	Australia
Watson Laurie Holdings Ltd	United Kingdom
Watson Laurie Ltd	United Kingdom
Wexford Financial Services Limited	Ireland
Wexford Insurances Group Limited	Ireland
WHTC Ltd	United Kingdom
William Cullen And Sons Limited	Ireland
WIM Corretora De Seguros Ltda.	Brazil
WorldSmart Association, Inc.	United States
Wrightway Underwriting Limited	Ireland
Zettai Pty Ltd	Australia

Exhibit 23.1

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the following Registration Statements, as listed below, of our reports dated February 17, 2025, with respect the consolidated financial statements and related financial statement schedule of Arthur J. Gallagher & Co., and the effectiveness of internal control over financial reporting of Arthur J. Gallagher & Co., included in this Annual Report (Form 10-K) of Arthur J. Gallagher & Co. for the year ended December 31, 2024.

Form	**Registration Statement No.**	**Description**
Form S-8	333-87320 and 333-106535	Arthur J. Gallagher & Co. 1988 Nonqualified Stock Option Plan and Arthur J. Gallagher & Co. Non-Employee Directors’ Stock Option Plan
Form S-8	333-106539	Arthur J. Gallagher & Co. Restricted Stock Plan
Form S-8	333-174497	Arthur J. Gallagher & Co. 2011 Long-Term Incentive Plan
Form S-8	333-197898	Arthur J. Gallagher & Co. 2014 Long-Term Incentive Plan, Arthur J. Gallagher & Co. Deferred Equity Participation Plan, Arthur J. Gallagher & Co. Deferred Cash Participation Plan and Arthur J. Gallagher & Co. Supplemental Savings and Thrift Plan
Form S-8	333-204976	Arthur J. Gallagher & Co. Employee Stock Purchase Plan
Form S-8	333-221274	Arthur J. Gallagher & Co. 2017 Long-Term Incentive Plan, Arthur J. Gallagher & Co. Deferred Equity Participation Plan, Arthur J. Gallagher & Co. Deferred Cash Participation Plan and Arthur J. Gallagher & Co. Supplemental Savings and Thrift Plan
Form S-8	333-252830	Arthur J. Gallagher & Co. Employees’ 401(k) Savings and Thrift Plan
Form S-8	333-258331	Arthur J. Gallagher & Co. UK Employee Share Incentive Plan
Form S-3	333-277002	Debt Securities, Guarantees, Common Stock, Preferred Stock, Warrants, Depositary Shares, Purchase Contracts, and Units
Form S-4	333-203203 333-214617and 333-268400	Shares of Common Stock
Form S-8	333-262899	Arthur J. Gallagher & Co. Employees’ 401(k) Savings and Thrift Plan and Arthur J. Gallagher & Co. Supplemental Savings and Thrift Plan
Form S-8	333-268401	Arthur J. Gallagher & Co. 2022 Long-Term Incentive Plan

/s/ Ernst & Young LLP
Ernst & Young LLP

Chicago, Illinois
February 17, 2025

Exhibit 24.1

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each of the undersigned being a director of Arthur J. Gallagher & Co., a Delaware corporation (the "Company"), does hereby constitute and appoint WALTER D. BAY and DOUGLAS K. HOWELL, with full power to each of them to act alone, as the true and lawful attorneys and agents of the undersigned, with full power of substitution and resubstitution to each of said attorneys, to execute, file and deliver any and all instruments and to do any and all acts and things which said attorneys and agents, or any of them, deem advisable to enable the Company to comply with the Securities Exchange Act of 1934, as amended, and any requirements of the Securities and Exchange Commission in respect thereto, relating to the annual report on Form 10-K for the year ended December 31, 2024, including specifically, but without limitation of the general authority hereby granted, the power and authority to sign his or her name in the name and on behalf of the Company or as a director of the Company, as indicated below opposite his or her signature, to the annual report on Form 10-K for the year ended December 31, 2024 or any amendment or papers supplemental thereto; and each of the undersigned does hereby fully ratify and confirm all that said attorneys and agents or any of them, or the substitute of any of them, shall do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned have subscribed these presents this 17h day of February, 2025.

Signature	Title
/s/ SHERRY S. BARRAT Sherry S. Barrat	Director
/s/ DEBORAH CAPLAN Deborah Caplan	Director
/s/ TERESA H. CLARKE Teresa H. Clarke	Director
/s/ D. JOHN COLDMAN D. John Coldman	Director
/s/ RICHARD HARRIES Richard Harries	Director
/s/ CHRISTOPHER C. MISKEL Christopher C. Miskel	Director
/s/ DAVID S. JOHNSON David S. Johnson	Director
/s/ RALPH J. NICOLETTI Ralph J. Nicolettil	Director
/s/ NORMAN L. ROSENTHAL Norman L. Rosenthal	Director

Exhibit 31.1

Rule 13a-14(a) Certification of Chief Executive Officer

Certification

I, J. Patrick Gallagher, Jr., certify that:

1. I have reviewed this annual report on Form 10-K of Arthur J. Gallagher & Co.;

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: February 17, 2025

/s/ J. Patrick Gallagher, Jr.

J. Patrick Gallagher, Jr.

Chairman and Chief Executive Officer

(principal executive officer)

Exhibit 31.2

Rule 13a-14(a) Certification of Chief Financial Officer

Certification

I, Douglas K. Howell, certify that:

1. I have reviewed this annual report on Form 10-K of Arthur J. Gallagher & Co.;

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: February 17, 2025

/s/ Douglas K. Howell

Douglas K. Howell

Vice President

Chief Financial Officer

(principal financial officer)

Exhibit 32.1

Section 1350 Certification of Chief Executive Officer

I, J. Patrick Gallagher, Jr., the chief executive officer of Arthur J. Gallagher & Co., certify that (i) the Annual Report on Form 10-K of Arthur J. Gallagher & Co. for the twelve month period ended December 31, 2024 (the "Form 10-K") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and (ii) the information contained in the Form 10-K fairly presents, in all material respects, the financial condition and results of operations of Arthur J. Gallagher & Co. and its subsidiaries.

Date: February 17, 2025

/s/ J. Patrick Gallagher, Jr.

J. Patrick Gallagher, Jr.
Chairman and Chief Executive Officer
(principal executive officer)

Exhibit 32.2

Section 1350 Certification of Chief Financial Officer

I, Douglas K. Howell, the chief financial officer of Arthur J. Gallagher & Co., certify that (i) the Annual Report on Form 10-K of Arthur J. Gallagher & Co. for the twelve month period ended December 31, 2024 (the “Form 10-K”) fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and (ii) the information contained in the Form 10-K fairly presents, in all material respects, the financial condition and results of operations of Arthur J. Gallagher & Co. and its subsidiaries.

Date: February 17, 2025

/s/ Douglas K. Howell

Douglas K. Howell
Vice President
Chief Financial Officer
(principal financial officer)