

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(D) OF
THE SECURITIES EXCHANGE ACT OF 1934

April 23, 2003

Date of Report: (Date of earliest event reported)

ARTHUR J. GALLAGHER & CO.

(Exact name of registrant as specified in its charter)

Delaware	1-9761	36-2151613
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(State or other jurisdiction of incorporation or organization)	(Commission File Number)	(I.R.S. Employer Identification Number)

Two Pierce Place, Itasca, Illinois 60143-3141, (630) 773-3800

(Address, including zip code and telephone number, including area code, of
registrant's principal executive offices)

Item 9. Regulation FD Disclosure (including information being provided under
Item 12)

The following information is furnished pursuant to Item 9 "Regulation FD
Disclosure" and Item 12 "Disclosure of Results of Operations and Financial
Condition". The information furnished pursuant to Item 12 is included under this
Item 9 in accordance with SEC Release Nos. 33-8216 and 34- 47583.

On April 23, 2003, Arthur J. Gallagher & Co. ("AJG") issued a press release
setting forth AJG's first quarter 2003 earnings. A copy of AJG's press release
is attached hereto as Exhibit (99) and hereby incorporated by reference.

Exhibit Index

(99) Press release, dated April 23, 2003, issued by Arthur J. Gallagher &
Co.

SIGNATURES

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

Arthur J. Gallagher & Co.

/s/ Douglas K. Howell
By: -----
Douglas K. Howell
Vice President and Chief Financial Officer

Dated: April 23, 2003

[GRAPHIC OMITTED] Arthur J. Gallagher & Co.

FOR IMMEDIATE RELEASE

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ARTHUR J. GALLAGHER & CO. ANNOUNCES

FIRST QUARTER 2003 FINANCIAL RESULTS

ITASCA, IL, April 23, 2003-- Arthur J. Gallagher & Co. today reported its financial results for the quarter ended March 31, 2003. A printer-friendly format is available at www.ajg.com.

Segment	Revenues		% Chg	Net Earnings		Earnings Per Share	
	1Q 03	1Q 02		1Q 03	1Q 02	1Q 03	1Q 02
	(\$ in millions)			(\$ in millions)			
Brokerage	\$ 188.0	\$ 154.7	22%	\$ 20.1	\$ 17.7	\$ 0.22	\$ 0.20
Risk Management	76.7	70.0	10%	8.1	8.0	0.09	0.08
Financial Services	(10.4)	14.3		(16.3)	8.0	(0.18)	0.09
Total Company	\$ 254.3	\$ 239.0	6%	\$ 11.9	\$ 33.7	\$ 0.13	\$ 0.37

In the first quarter 2003, the company decided to exit from its investments in venture capital, development stage enterprises and turn-arounds and recorded an after-tax charge of \$19.3 million, or \$0.21 per share, to reduce the carrying values to the estimated realizable value. The company does not intend to make future investments in these investment classes. Of the company's \$700 million investment portfolio, the net carrying value of these investments totaled \$31.7 million and \$4.4 million at December 31, 2002 and March 31, 2003, respectively. The company believes its other investments are sound. In addition, late in the first quarter the company signed a new synthetic fuel deal, which is expected to keep the effective tax rate in the mid-20s for the year.

Brokerage Segment Highlights

- o Very strong first-quarter revenue growth.
- o Record first-quarter earnings.
- o The company's 2001 and 2002 organic hiring strategy is delivering better-than-expected results.
- o Rate environment continues to be strong.

Risk Management Segment Highlights

- o Claim counts recovering to pre 9/11 levels leading to improved revenue growth rates.
- o Outstanding new business growth in the quarter and over 98% account retention levels.

"We are extremely pleased with the outstanding 22% revenue growth achieved within our Brokerage segment, of which 15% is organic," said President and Chief Executive Officer, J. Patrick Gallagher, Jr. "In this very tough environment for our clients, our niche strategy and alternative market expertise are proving very effective in addressing their needs. We believe that we now have a full complement of talent in place. The hiring restrictions we implemented at the end of the third quarter have been successful and remain in force. The new producers we added over the last two years are doing an excellent job. As a group, they are on track to be fully self-supporting by the end of 2003, which is slightly ahead of last year's expectations. It should take only one more renewal cycle to bring their compensation ratio in line with our historical levels. Accordingly, we remain confident that our strategy of investing in people during 2001 and 2002 will contribute substantially to our long-range growth."

Proforma results for the Brokerage segment, excluding revenues, compensation and other operating expenses associated with producer expansion, are:

Brokerage Segment	Revenues		% Chg	Net Earnings		Earnings Per Share	
	1Q 03	1Q 02		1Q 03	1Q 02	1Q 03	1Q 02
	(\$ in millions)			(\$ in millions)			
As reported	\$ 188.0	\$ 154.7	22%	\$ 20.1	\$ 17.7	\$0.22	\$0.20
Estimated impact of new hires	(20.1)	(10.4)		3.1	2.9	0.03	0.03
Excluding new hires	\$ 167.9	\$ 14.3	16%	\$ 23.2	\$ 20.8	\$0.25	\$0.23

"Gallagher Bassett Services, the property/casualty portion of our Risk Management segment, has improved its growth rate. Claim counts have returned to pre 9/11 levels, new business production is very strong and retention levels exceed 98%," said Mr. Gallagher.

"In conclusion, the rate environment is currently strong and our acquisition pipeline remains full. We are pleased with our growth and much credit is due to our talented team of professionals as they deliver hard-fought results in a very tough marketplace."

The company will host a Webcast conference call on Thursday, April 24, 2003 at 11:00am EDT to further discuss these quarterly results. To listen, please go to www.ajg.com.

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Arthur J. Gallagher & Co., an international insurance brokerage and risk management services firm, is headquartered in Itasca, Illinois, has operations in seven countries and does business in more than 100 countries around the world through a network of correspondent brokers and consultants. Gallagher is traded under the symbol "AJG" on the New York Stock Exchange. Additional information about Gallagher may be found at www.ajg.com.

This press release may contain certain forward-looking statements relating to future results. The Private Securities Litigation Reform Act of 1995 provides a safe harbor for forward-looking statements. These forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from those expected, depending on a variety of factors such as changes in worldwide and national economic conditions and changes in securities and fixed income markets as well as developments in the area of tax legislation. Please refer to our filing with the Securities and Exchange Commission, including our Annual Report on Form 10-K, for a more detailed discussion of these factors.

(2 of 4)

Arthur J. Gallagher & Co.
Segment Statement of Earnings (1)
(unaudited)
(\$ in millions except per share data)

BROKERAGE SEGMENT	1st Q 01	2nd Q 01	3rd Q 01	4th Q 01	1st Q 02	2nd Q 02	3rd Q 02	4th Q 02	1st Q 03
Commissions	\$121.3	\$125.7	\$136.4	\$154.5	\$143.1	\$156.7	\$178.1	\$185.0	\$168.6
Fees	11.3	12.8	17.0	21.2	20.1	24.4	30.0	34.5	27.7
Investment income - fiduciary	3.9	3.1	2.5	2.6	1.7	2.5	2.7	2.5	1.8
Gross revenues	136.5	141.6	155.9	178.3	164.9	183.6	210.8	222.0	198.1
Less brokerage	(7.4)	(8.8)	(9.9)	(8.9)	(10.2)	(10.3)	(11.7)	(8.9)	(10.1)
Revenues	129.1	132.8	146.0	169.4	154.7	173.3	199.1	213.1	188.0
Compensation	75.0	76.0	80.1	94.6	94.0	102.6	110.8	116.6	114.7
Other operating	28.3	28.0	28.4	37.1	31.2	36.8	36.1	45.9	41.4
Depreciation	2.1	2.2	2.2	2.5	2.6	2.7	2.7	2.9	3.0
Amortization	0.6	0.6	0.6	1.5	1.2	2.2	2.0	1.2	2.1
Expenses	106.0	106.8	111.3	135.7	129.0	144.3	151.6	166.6	161.2
Earnings before income taxes	23.1	26.0	34.7	33.7	25.7	29.0	47.5	46.5	26.8
Provision for income taxes	4.8	5.0	0.1	3.6	8.0	8.4	14.3	13.9	6.7
Net earnings	\$ 18.3	\$ 21.0	\$ 34.6	\$ 30.1	\$ 17.7	\$ 20.6	\$ 33.2	\$ 32.6	\$ 20.1
Earnings per share	\$ 0.20	\$ 0.23	\$ 0.38	\$ 0.33	\$ 0.20	\$ 0.22	\$ 0.36	\$ 0.35	\$ 0.22
Cash earnings per share (2)	\$ 0.23	\$ 0.26	\$ 0.42	\$ 0.37	\$ 0.23	\$ 0.26	\$ 0.40	\$ 0.38	\$ 0.26
Growth - revenues	7%	11%	10%	18%	20%	30%	36%	26%	22%
Organic growth in commissions and fees	10%	16%	13%	18%	14%	16%	20%	16%	15%
Growth - pretax earnings	17%	65%	15%	6%	11%	11%	37%	38%	4%
Compensation expense ratio	55%	54%	51%	53%	57%	56%	53%	53%	58%

Other operating expense ratio	21%	20%	18%	21%	19%	20%	17%	21%	21%
Effective tax rate	21%	19%	0%	11%	31%	29%	30%	30%	25%
Pretax margin	17%	18%	22%	19%	16%	16%	23%	21%	14%
RISK MANAGEMENT SEGMENT									
Fees	1st Q 01	2nd Q 01	3rd Q 01	4th Q 01	1st Q 02	2nd Q 02	3rd Q 02	4th Q 02	1st Q 03
	\$ 65.4	\$ 65.0	\$ 67.6	\$ 65.6	\$ 69.8	\$ 67.5	\$ 71.4	\$ 71.7	\$ 76.5
Investment income - fiduciary	0.4	0.3	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Revenues	65.8	65.3	67.8	65.8	70.0	67.7	71.6	71.9	76.7
Compensation	35.6	36.5	37.4	40.7	37.8	38.5	41.8	41.8	42.3
Other operating	19.2	19.2	19.2	18.1	18.6	18.5	20.8	22.5	21.4
Depreciation	1.7	1.8	1.8	1.8	2.0	2.3	2.5	2.5	2.3
Amortization	0.1	0.1	0.1	0.1	-	-	-	-	-
Expenses	56.6	57.6	58.5	60.7	58.4	59.3	65.1	66.8	66.0
Earnings before income taxes	9.2	7.7	9.3	5.1	11.6	8.4	6.5	5.1	10.7
Provision for income taxes	1.8	1.5	-	0.5	3.6	2.4	1.9	1.5	2.6
Net earnings	\$ 7.4	\$ 6.2	\$ 9.3	\$ 4.6	\$ 8.0	\$ 6.0	\$ 4.6	\$ 3.6	\$ 8.1
Earnings per share	\$ 0.08	\$ 0.07	\$ 0.10	\$ 0.05	\$ 0.08	\$ 0.06	\$ 0.05	\$ 0.04	\$ 0.09
Cash earnings per share (2)	\$ 0.10	\$ 0.09	\$ 0.12	\$ 0.07	\$ 0.10	\$ 0.08	\$ 0.07	\$ 0.06	\$ 0.10
Growth - revenues	19%	17%	12%	8%	7%	4%	6%	9%	9%
Organic growth in fees	19%	18%	12%	9%	7%	4%	6%	9%	10%
Growth - pretax earnings	1%	3%	-3%	-9%	26%	9%	-31%	-1%	-9%
Compensation expense ratio	54%	56%	55%	62%	54%	57%	59%	58%	55%
Other operating expense ratio	29%	30%	28%	28%	27%	27%	29%	31%	28%
Effective tax rate	20%	19%	0%	11%	31%	29%	30%	30%	25%
Pretax margin	14%	12%	14%	8%	17%	12%	9%	7%	14%
FINANCIAL SERVICES SEGMENT									
Investment income	1st Q 01	2nd Q 01	3rd Q 01	4th Q 01	1st Q 02	2nd Q 02	3rd Q 02	4th Q 02	1st Q 03
	\$ 8.2	\$ 5.1	\$ 5.9	\$ 10.0	\$ 15.7	\$ 12.7	\$ 14.7	\$ 17.8	\$ 15.3
Gains (losses)	6.2	1.9	6.1	2.6	(1.4)	13.1	(28.9)	(4.8)	(25.7)
Revenues	14.4	7.0	12.0	12.6	14.3	25.8	(14.2)	13.0	(10.4)
Expenses	12.6	12.0	14.0	14.4	2.8	14.6	6.5	9.8	11.3
Earnings (loss) before income taxes	1.8	(5.0)	(2.0)	(1.8)	11.5	11.2	(20.7)	3.2	(21.7)
Provision (benefit) for income taxes	0.4	(1.0)	-	(0.2)	3.5	3.3	(6.2)	1.0	(5.4)
Net earnings (loss)	\$ 1.4	\$ (4.0)	\$ (2.0)	\$ (1.6)	\$ 8.0	\$ 7.9	\$ (14.5)	\$ 2.2	\$ (16.3)
Earnings (loss) per share	\$ 0.02	\$ (0.04)	\$ (0.02)	\$ (0.02)	\$ 0.09	\$ 0.09	\$ (0.16)	\$ 0.02	\$ (0.18)

(1) The information presented above has been reclassified to reflect the current year presentation. In prior years, the Company has presented a "Corporate" segment. For purposes of this and future presentations, the Corporate segment has been allocated to each of the three operating segments.

(2) Represents net earnings before the after-tax effect of depreciation and amortization expense divided by the weighted average number of shares outstanding during the period.

(3 of 4)

Arthur J. Gallagher & Co.
Consolidated Statement of Earnings
(unaudited)
(\$ in millions except per share data)

TOTAL COMPANY	1st Q 01	2nd Q 01	3rd Q 01	4th Q 01	1st Q 02	2nd Q 02	3rd Q 02	4th Q 02	1st Q 03
Commissions	\$ 121.3	\$ 125.7	\$ 136.4	\$ 154.5	\$ 143.1	\$ 156.7	\$ 178.1	\$ 185.0	\$ 168.6
Fees	76.7	77.8	84.6	86.8	89.9	91.9	101.4	106.2	104.2
Investment income - fiduciary	4.3	3.4	2.7	2.8	1.9	2.7	2.9	2.7	2.0
Investment income - all other	8.2	5.1	5.9	10.0	15.7	12.7	14.7	17.8	15.3
Investment gains (losses)	6.2	1.9	6.1	2.6	(1.4)	13.1	(28.9)	(4.8)	(25.7)
Gross revenues	216.7	213.9	235.7	256.7	249.2	277.1	268.2	306.9	264.4
Less brokerage	(7.4)	(8.8)	(9.9)	(8.9)	(10.2)	(10.3)	(11.7)	(8.9)	(10.1)
Revenues	209.3	205.1	225.8	247.8	239.0	266.8	256.5	298.0	254.3
Compensation	110.6	112.5	117.5	135.3	131.8	141.1	152.6	158.4	157.0
Other operating	47.5	47.2	47.6	55.2	49.8	55.3	56.9	68.4	62.8
Depreciation	3.8	4.0	4.0	4.3	4.6	5.0	5.2	5.4	5.3
Amortization	0.7	0.7	0.7	1.6	1.2	2.2	2.0	1.2	2.1
Other investment expenses	12.6	12.0	14.0	14.4	2.8	14.6	6.5	9.8	11.3
Expenses	175.2	176.4	183.8	210.8	190.2	218.2	223.2	243.2	238.5
Earnings before income taxes	34.1	28.7	42.0	37.0	48.8	48.6	33.3	54.8	15.8
Provision for income taxes	7.0	5.5	0.1	3.9	15.1	14.1	10.0	16.4	3.9
Net earnings	\$ 27.1	\$ 23.2	\$ 41.9	\$ 33.1	\$ 33.7	\$ 34.5	\$ 23.3	\$ 38.4	\$ 11.9
Earnings per share	\$ 0.30	\$ 0.26	\$ 0.47	\$ 0.36	\$ 0.37	\$ 0.37	\$ 0.25	\$ 0.42	\$ 0.13

Cash dividends per share	\$ 0.13	\$ 0.13	\$ 0.13	\$ 0.13	\$ 0.15	\$ 0.15	\$ 0.15	\$ 0.15	\$ 0.18
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Arthur J. Gallagher & Co.
Consolidated Balance Sheet
(unaudited)
(\$ in millions except per share data)

	3/31/01	6/30/01	9/30/01	12/31/01	3/31/02	6/30/02	9/30/02	12/31/02	3/31/03
Cash and cash equivalents	\$ 128.6	\$ 106.9	\$ 127.8	\$ 98.5	\$ 103.2	\$ 110.6	\$ 128.6	\$ 152.6	\$ 165.1
Restricted cash	157.9	179.1	189.9	209.5	246.8	226.9	293.3	256.3	250.6
Premiums and fees receivable	783.4	922.1	850.1	1,117.2	1,088.8	1,255.5	1,098.4	1,183.7	1,213.6
Investment strategies -- trading	48.7	49.3	48.7	52.6	53.5	53.6	49.7	42.9	40.0
Marketable securities -- trading	--	--	--	--	--	--	14.0	15.3	15.6
Other	45.1	48.3	61.3	85.2	84.7	99.3	106.7	122.8	119.6
Total current assets	1,163.7	1,305.7	1,277.8	1,563.0	1,577.0	1,745.9	1,690.7	1,773.6	1,804.5
Marketable securities -- available for sale	24.8	22.9	18.5	18.3	16.6	15.1	--	--	--
Deferred income taxes	48.8	48.3	48.9	99.3	99.4	99.8	97.5	102.4	102.3
Other investments and notes receivable	171.8	172.7	158.5	192.0	191.5	204.5	175.1	168.4	167.2
Other noncurrent assets	4.5	9.0	25.0	24.2	26.3	35.0	33.4	33.1	36.2
Fixed assets	265.8	271.9	277.7	283.8	292.3	355.3	365.6	367.3	376.7
Accumulated depreciation and amortization	(93.8)	(98.3)	(101.5)	(100.6)	(103.3)	(114.1)	(120.7)	(116.3)	(122.9)
Net fixed assets	172.0	173.6	176.2	183.2	189.0	241.2	244.9	251.0	253.8
Goodwill -- net	13.3	18.9	18.8	55.5	59.9	58.3	57.2	84.2	98.5
Amortizable intangible assets -- net	4.0	3.8	4.1	9.9	12.9	48.8	51.8	50.9	54.9
Total assets	\$ 1,602.9	\$ 1,754.9	\$ 1,727.8	\$ 2,145.4	\$ 2,172.6	\$ 2,448.6	\$ 2,350.6	\$ 2,463.6	\$ 2,517.4
Premiums payable	\$ 964.0	\$ 1,094.5	\$ 1,065.0	\$ 1,366.5	\$ 1,352.0	\$ 1,536.2	\$ 1,458.7	\$ 1,488.2	\$ 1,543.4
Accrued salaries and bonuses	20.4	23.4	33.1	56.6	61.0	34.8	41.0	58.1	32.4
Accounts payable and other accrued liabilities	110.0	116.7	108.0	111.6	114.2	112.5	108.8	107.6	112.2
Unearned fees	17.5	17.7	18.1	16.5	17.4	19.7	21.4	19.4	23.0
Income taxes payable	8.4	1.1	1.2	33.7	17.4	0.9	0.7	11.0	12.4
Borrowings on line of credit facilities	--	8.5	5.0	35.0	50.0	65.0	35.0	25.0	--
Borrowings on line of credit facilities -- limited partnerships	--	--	4.4	3.6	7.1	10.1	11.9	17.0	19.7
Current portion of long--term debt -- limited partnerships	4.1	4.1	3.1	3.2	3.2	5.3	5.7	5.8	5.8
Other	8.3	18.9	14.6	11.3	8.9	5.9	6.0	17.5	20.7
Total current liabilities:	1,132.7	1,284.9	1,252.5	1,638.0	1,631.2	1,790.4	1,689.2	1,749.6	1,769.6
Long--term debt -- limited partnerships	99.7	99.5	96.9	96.7	96.5	132.3	129.2	128.3	127.5
Other noncurrent liabilities	32.4	34.9	35.2	39.1	40.3	43.1	44.4	57.5	60.8
Stockholders' equity:									
Common stock -- issued and outstanding	84.7	84.7	84.7	85.1	86.1	88.3	88.0	88.5	89.9
Capital in excess of par value	21.8	24.5	3.0	8.7	34.0	88.3	79.1	92.7	123.5
Retained earnings	233.0	232.0	261.9	283.8	304.6	325.9	335.9	361.0	371.4
Unearned deferred compensation	--	(3.8)	(3.6)	(3.4)	(7.3)	(7.1)	(6.8)	(6.5)	(10.8)
Unearned restricted stock	--	--	--	--	(10.0)	(9.2)	(8.4)	(7.5)	(14.5)
Accumulated other comprehensive earnings (loss)	(1.4)	(1.8)	(2.8)	(2.6)	(2.8)	(3.4)	--	--	--
Total stockholders' equity	338.1	335.6	343.2	371.6	404.6	482.8	487.8	528.2	559.5
Total liabilities and stockholders' equity	\$ 1,602.9	\$ 1,754.9	\$ 1,727.8	\$ 2,145.4	\$ 2,172.6	\$ 2,448.6	\$ 2,350.6	\$ 2,463.6	\$ 2,517.4
Other Information									
Weighted shares (000s)	90,091	89,756	90,074	90,656	90,595	92,366	92,051	92,126	92,312
Tangible net worth	\$ 320.8	\$ 312.9	\$ 320.3	\$ 306.2	\$ 331.8	\$ 375.7	\$ 378.8	\$ 393.1	\$ 406.1
Book value per share	\$ 3.99	\$ 3.96	\$ 4.05	\$ 4.37	\$ 4.70	\$ 5.47	\$ 5.54	\$ 5.97	\$ 6.22
Tangible book value per share	\$ 3.79	\$ 3.69	\$ 3.78	\$ 3.60	\$ 3.85	\$ 4.25	\$ 4.30	\$ 4.44	\$ 4.52
Annualized return on beginning equity	33%	31%	37%	38%	36%	37%	33%	35%	9%
Number of acquisitions closed	3	3	6	4	2	5	1	2	4
Workforce (includes acquisitions)	5,831	6,029	6,160	6,499	6,578	6,886	7,030	7,111	7,088

(4 of 4)

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