

GALLAGHER ARTHUR J & CO  
 Form 4  
 March 16, 2006

**FORM 4**

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

OMB APPROVAL

OMB Number: 3235-0287  
 Expires: January 31, 2005  
 Estimated average burden hours per response... 0.5

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
 MCGURN DAVID E JR

2. Issuer Name and Ticker or Trading Symbol  
 GALLAGHER ARTHUR J & CO  
 [AJG]

5. Relationship of Reporting Person(s) to Issuer  
 (Check all applicable)

(Last) (First) (Middle)  
 ARTHUR J. GALLAGHER &  
 CO., TWO PIERCE PLACE  
 (Street)

3. Date of Earliest Transaction  
 (Month/Day/Year)  
 03/14/2006

\_\_\_\_ Director  
 Officer (give title below)  
 \_\_\_\_ 10% Owner  
 \_\_\_\_ Other (specify below)  
 Vice President

ITASCA, IL 60143  
 (City) (State) (Zip)

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)  
 Form filed by One Reporting Person  
 \_\_\_\_ Form filed by More than One Reporting Person

**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)		5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Ownership (Instr. 4)
				(A) or (D)	Price			
Common Stock	03/14/2006		A	V	Amount	52,591	I	by Trust
Common Stock						134,761	D	
Common Stock						1,441	I	by Son
Common Stock						2,882	I	by Spouse (2)
Common Stock						4,763	D	

(restricted)

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474  
(9-02)

**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned**  
(e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Security (Instr. 3 and 4)	Amount or Number of Shares
Non-Qualified Stock Option (right to buy)	\$ 7.97					(3) 07/17/2006	Common Stock	40,000
Non-Qualified Stock Option (right to buy)	\$ 9.25					(3) 08/30/2008	Common Stock	40,000
Non-Qualified Stock Option (right to buy)	\$ 18.5					(3) 06/20/2010	Common Stock	30,000
Non-Qualified Stock Option (right to buy)	\$ 22.7					(3) 07/21/2012	Common Stock	20,000
Non-Qualified Stock Option (right to buy)	\$ 24.9					01/01/2004 <sup>(3)</sup> 07/16/2013	Common Stock	35,000
Non-Qualified Stock Option (right to buy)	\$ 26.5					(3) 07/19/2011	Common Stock	20,000
Non-Qualified Stock Option (right to buy)	\$ 27.25					(3) 07/20/2015	Common Stock	30,000
	\$ 29.42					(3) 07/21/2014		35,000

Non-Qualified  
Stock Option  
(right to buy)

Common  
Stock

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
MCGURN DAVID E JR ARTHUR J. GALLAGHER & CO. TWO PIERCE PLACE ITASCA, IL 60143			Vice President	

## Signatures

By: John C. Rosengren For: David E.  
McGurn, Jr.

03/16/2006

\_\_Signature of Reporting Person

Date

## Explanation of Responses:

- \* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).
- \*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) Granted pursuant to the Arthur J. Gallagher & Co. Deferred Equity Participation Plan.
- (2) Held by spouse as custodian for benefit of children under the Uniform Gift to Minors Act.
- (3) The stock option becomes exercisable 10% each year, commencing January 1 after the date of grant.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.  
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