

MCGURN DAVID E JR  
 Form 5  
 February 06, 2006

**FORM 5**

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

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).  
 Form 3 Holdings Reported Form 4 Transactions Reported

**ANNUAL 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

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

(Last) (First) (Middle)

3. Statement for Issuer's Fiscal Year Ended (Month/Day/Year)  
 12/31/2005

ARTHUR J. GALLAGHER & CO., TWO PIERCE PLACE

(Street)

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

6. Individual or Joint/Group Reporting  
 (check applicable line)

ITASCA, IL 60143

Form Filed by One Reporting Person  
 Form Filed by More than One Reporting Person

(City) (State) (Zip)

**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)	(A) or (D)	Price	5. Amount of Securities Beneficially Owned at end of Issuer's Fiscal Year (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
Common Stock	12/08/2005	Â	G	2,172	D	\$ (1)	134,761	D	Â
Common Stock	12/08/2005	Â	G	724	A	\$ (1)	1,441	I	by Son
Common Stock	12/08/2005	Â	G	1,448	A	\$ (1)	2,882	I	by Spouse (2)
Common	Â	Â	Â	Â	Â	Â	48,218	I	by Trust

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Stock

Common  
Stock  
(restricted)

Â Â Â Â Â Â 4,763 D Â

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

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SEC 2270  
(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)
Non-Qualified Stock Option (right to buy)	\$ 7.97	Â	Â	Â	Â (A) Â (D) Â (3)	07/17/2006	Common Stock 40
Non-Qualified Stock Option (right to buy)	\$ 9.25	Â	Â	Â	Â (A) Â (D) Â (3)	08/30/2008	Common Stock 40
Non-Qualified Stock Option (right to buy)	\$ 18.5	Â	Â	Â	Â (A) Â (D) Â (3)	06/20/2010	Common Stock 30
Non-Qualified Stock Option (right to buy)	\$ 22.7	Â	Â	Â	Â (A) Â (D) Â (3)	07/21/2012	Common Stock 20
Non-Qualified Stock Option (right to buy)	\$ 24.9	Â	Â	Â	Â (A) Â (D) 01/01/2004 <sup>(3)</sup>	07/16/2013	Common Stock 30
Non-Qualified Stock Option (right to buy)	\$ 26.5	Â	Â	Â	Â (A) Â (D) Â (3)	07/19/2011	Common Stock 20
Non-Qualified Stock Option (right to buy)	\$ 27.25	Â	Â	Â	Â (A) Â (D) Â (3)	07/20/2015	Common Stock 30
	\$ 29.42	Â	Â	Â	Â (A) Â (D) Â (3)	07/21/2014	Common Stock 30

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	Â	Â	Â Vice President	Â

## Signatures

By: John C. Rosengren For: David E. McGurn, Jr. 02/06/2006

\*\*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) This transaction involves a gift.
- (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 provided is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.