

GALLAGHER ARTHUR J & CO  
Form 424B7  
November 18, 2010

**CALCULATION OF REGISTRATION FEE**

| Title of each class of securities<br>to be registered | Amount to be<br>Registered(1) | Proposed maximum<br>offering price | Proposed maximum<br>aggregate offering<br>price | Amount of<br>registration fees(3) |
|-------------------------------------------------------|-------------------------------|------------------------------------|-------------------------------------------------|-----------------------------------|
|                                                       |                               | per unit (2)                       |                                                 |                                   |
| Common Stock, \$1.00 par value per share              | 512,590                       | \$27.82                            | \$14,260,254                                    | \$1,017                           |

- (1) The securities registered herein are offered pursuant to an automatic shelf registration statement.  
(2) Estimated pursuant to Rule 457(c) under the Securities Act of 1933, as amended. The offering price and registration fee are based on the average of the high and low price for our common stock on November 17, 2010, as reported on the New York Stock Exchange.  
(3) The registration fee has been transmitted to the SEC in connection with the offering of common stock pursuant to the registration statement No. 333-166533 by means of this prospectus supplement in accordance with Rule 457(r).

**Filed Pursuant to Rules 424(b)(7) and 424(c)**

**Registration Number: 333-166533**

**PROSPECTUS SUPPLEMENT #2**

**(to prospectus dated May 5, 2010)**

**SHARES OF COMMON STOCK**

This document supplements the prospectus dated May 5, 2010 relating to the registration of our common stock under our Registration Statement on Form S-3 (SEC Registration No. 333-166533). This prospectus supplement is incorporated by reference into the prospectus. The information in this document supplements the information set forth in the prospectus dated May 5, 2010.

This prospectus supplement relates to 512,590 shares of our common stock issued by us, in a transaction not requiring registration under the Securities Act of 1933, as amended, as partial consideration to acquire all of the insurance brokerage business of the person named under the heading **Selling Stockholders**. This prospectus supplement and the related prospectus may be used to resell shares of our common stock only by the person named under the heading **Selling Stockholders** and its permitted transferees. You should read this supplement together with the prospectus.

No securities are being offered and sold by us pursuant to this prospectus supplement. We will not receive any of the proceeds from the sale of these shares by the selling stockholder.

**Our common stock is traded on the New York Stock Exchange under the symbol **AJG**. Investing in our common stock involves a high degree of risk. See the discussion under **Risk Factors** beginning on page 2 of the prospectus dated May 5, 2010 and those risk factors contained in the documents we incorporate by reference into such prospectus, to learn about factors you should consider before buying shares of our common stock.**

**NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE  
SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THESE SECURITIES  
OR DETERMINED IF THIS PROSPECTUS IS TRUTHFUL OR COMPLETE. ANY  
REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.**

**This prospectus supplement is dated November 18, 2010.**

**SELLING STOCKHOLDERS**

The following table sets forth, for the selling stockholder named herein, to the extent known by us, the number of shares of our common stock beneficially owned, the number of shares of common stock offered hereby and the number of shares and percentage of outstanding common stock to be owned after the completion of this offering.

The selling stockholder named herein has not held any position or office or had any other material relationship with us or any of our predecessors or affiliates within the past three years other than in connection with our arms-length purchase of the insurance brokerage business of the selling stockholder and as a result of the ownership of our securities.

All information contained in the table below is based upon information provided to us by the selling stockholder, and we have not independently verified this information. The selling stockholder may at any time trade all or some of its shares of our common stock without providing notice to us. Therefore, the table set forth below and in comparable tables set forth in previous supplements may not reflect the number of shares of our common stock held by the selling stockholder listed below as of the date of this supplement.

The percentage of shares beneficially owned is based on 106,006,000 shares of our common stock issued and outstanding as of September 30, 2010.

| Name of Selling Stockholder | Number of<br>Shares<br>Beneficially Owned<br>Prior to the<br>Completion<br>of the Offering | Number of<br>Shares<br>Registered for<br>Sale Hereby | Shares Owned<br>After<br>the Completion of the<br>Offering |         |
|-----------------------------|--------------------------------------------------------------------------------------------|------------------------------------------------------|------------------------------------------------------------|---------|
|                             |                                                                                            |                                                      | Number                                                     | Percent |
| Behnke & Co., Inc.          | 512,590                                                                                    | 512,590                                              | 0                                                          | *       |

\* Less than 1%

**VALIDITY OF THE SECURITIES**

The validity of the shares of common stock offered hereby has been passed upon for us by Seth Diehl, Esq., Senior Counsel, Corporate & Securities of our Company.

**Estimated Expenses of Issuance and Distribution**

|                                               |          |
|-----------------------------------------------|----------|
| Securities and Exchange Commission filing fee | \$ 1,017 |
| Accounting fees and expenses                  |          |
| Legal fees and expenses                       |          |
| Printing fees                                 | \$ 400   |
| Miscellaneous                                 |          |

**Total expenses** \$ 1,417

All of the above fees and expenses will be paid by us. Other than the SEC filing fee, all fees and expenses are estimated.