

GALLAGHER ARTHUR J & CO  
 Form 4  
 March 18, 2016

**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 \*  
 Bay Walter D.

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)  
 03/16/2016

\_\_\_ Director \_\_\_ 10% Owner  
 \_\_\_X\_\_\_ Officer (give title below) \_\_\_ Other (specify below)  
 General Counsel

ITASCA, IL 60143

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

6. Individual or Joint/Group Filing(Check Applicable Line)  
 \_\_\_X\_\_\_ 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)	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			
				Code	V	Amount		
Common Stock (restricted)	03/16/2016		M	5,300	D	\$ 42.97	16,267	D
Common Stock	03/16/2016		M	5,300	A	\$ 42.97	6,998	D
Common Stock	03/16/2016		F	1,649	D	\$ 42.97	5,349	D
Common Stock	03/17/2016		M	497	A	\$ 29.25	5,846	D
	03/17/2016		M	7,900	A		13,746	D

Common Stock					\$ 29.25		
Common Stock	03/17/2016	F	5,347 (1)	D	\$ 43.22	8,399	D
Common Stock (restricted)	03/17/2016	A	5,350	A	\$ 0	21,617	D
Common Stock	03/18/2016	M	750	A	\$ 29.25	9,149	D

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)
				Code	V (A) (D)	Date Exercisable Expiration Date	Title
Incentive Stock Option (Right to Buy)	\$ 29.25	03/17/2016		M	497	(2) 08/16/2017	Common Stock
Incentive Stock Option (Right to Buy)	\$ 29.25	03/17/2016		M	7,900	(2) 08/16/2017	Common Stock
Non-qualified Stock Option	\$ 43.71	03/17/2016		A	17,700	(3) 03/17/2023	Common Stock
Incentive Stock Option (Right to Buy)	\$ 29.25	03/18/2016		M	750	(2) 08/16/2017	Common Stock
Phantom Stock	(4)	03/18/2016		A	6,969 (5)	(6) (6)	Common Stock

## Reporting Owners

Reporting Owner Name / Address

Relationships

Director    10% Owner    Officer    Other

Bay Walter D.  
ARTHUR J. GALLAGHER & CO.  
TWO PIERCE PLACE  
ITASCA, IL 60143

General Counsel

## Signatures

/s/ April Hanes-Dowd, by power of  
attorney

03/18/2016

\_\_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) These shares were delivered by the reporting person to pay the stock option exercise price.
- (2) The stock option becomes exercisable 20% each year on the anniversary of the grant date.
- (3) One-third of this stock option becomes exercisable on each of the 3rd, 4th, and 5th anniversaries of the grant date.
- (4) Each share of phantom stock represents a right to receive one share of Gallagher common stock.
- (5) The reported transaction resulted from the Company's allocation of an award to the reporting person under the Company's Age 62 Plan. These shares represent awards under the Age 62 Plan, a nonqualified deferred compensation plan of the Company, which have been
- (6) deemed invested in Company common stock at the election of the reporting person. Participants vest in these awards when they attain age 62, or after a one-year period for participants who have attained age 61.

Note: File three copies of this Form, one of which must be manually signed. If space 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.