

GALLAGHER ARTHUR J & CO
 Form 4
 February 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 *
 GAULT JAMES S

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)
 02/15/2006

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

ITASCA, IL 60143

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

(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 Indirect Ownership (Instr. 4)
				(A) or (D)	Price		
Common Stock	02/15/2006		M	3,000 A	\$ 7.97	31,549	D
Common Stock	02/15/2006		M	4,000 A	\$ 9.25	35,549	D
Common Stock	02/15/2006		S	7,000 D	\$ 29.274	28,549	D
Common Stock						28,000	I by Spouse (1)
Common Stock						47,393	I by Trust

Common
Stock
(restricted)

9,763 D

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

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number. 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	Amount or Number of
Non-Qualified Stock Option (right to buy)	\$ 7.97	02/15/2006		M	3,000	(2) 07/17/2006		Common Stock	3
Non-Qualified Stock Option (right to buy)	\$ 9.25	02/15/2006		M	4,000	(2) 08/30/2008		Common Stock	4
Non-Qualified Stock Option (right to buy)	\$ 18.5					(2) 06/20/2010		Common Stock	2
Non-Qualified Stock Option (right to buy)	\$ 22.7					(2) 07/21/2012		Common Stock	2
Non-Qualified Stock Option (right to buy)	\$ 24.9					01/01/2004(2) 07/16/2013		Common Stock	3
Non-Qualified Stock Option (right to buy)	\$ 26.5					(2) 07/19/2011		Common Stock	2
Non-Qualified Stock Option (right to buy)	\$ 27.25					(2) 07/20/2015		Common Stock	3
	\$ 29.42					(2) 07/21/2014			3

