

HILB ROGAL & HOBBS CO
Form 8-K
April 03, 2006

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8 K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): March 27, 2006

HILB ROGAL & HOBBS COMPANY

(Exact Name of Registrant as Specified in its Charter)

0 15981

(Commission File Number)

Virginia
(State or Other Jurisdiction)

of Incorporation)

4951 Lake Brook Drive, Suite 500

54 1194795
(IRS Employer

Identification No.)

23060 1220

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Glen Allen, Virginia
(Address of Principal Executive Offices)

(Zip Code)

Registrant's telephone number, including area code: (804) 747 6500

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- .. Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - .. Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - .. Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - .. Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 1.01. Entry into a Material Definitive Agreement.

On March 27, 2006, the Human Resources and Compensation Committee of the Board of Directors (the Compensation Committee) of Hilb Rogal & Hobbs Company (the Company) took the following actions relating to executive compensation:

2006 Corporate Incentive Plan

The Compensation Committee adopted the 2006 Corporate Incentive Plan (2006 Plan) to provide annual incentive compensation to key executives of the Company. Under the 2006 Plan, senior corporate officers and regional directors of the Company are eligible to receive cash bonus awards for achievements relating to the Company's financial performance for the 2006 fiscal year.

The 2006 Plan provides for a bonus pool to be established based on (i) the percentage increase in the Company's operating earnings per share, as defined in the 2006 Plan, from fiscal year 2005 to fiscal year 2006 and (ii) an incentive bonus target amount for each of the participating executives. In addition, based upon various qualitative factors regarding the Company's performance, the Compensation Committee has the discretion to (i) increase or decrease the bonus pool by up to 20% for percentage increases in the Company's operating earnings per share that are between certain thresholds and (ii) establish the bonus pool amount for percentage increases in the Company's operating earnings per share that are above or below certain thresholds. The incentive bonus target for each executive is based on the executive's position and salary grade within the Company. The provisions of the 2006 Plan may be amended to reflect the occurrence of unusual business conditions that may generate unusually high or low increases in the Company's 2006 operating earnings per share.

Within an established range of target thresholds for increases in operating earnings per share, 70% of the amount of each executive's annual cash incentive bonus to be paid from the 2006 bonus pool will be determined by a formula and the remaining 30% will be distributed on a discretionary basis by the Chairman and Chief Executive Officer (the Chairman) and President of the Company based upon the participant's individual contribution to the success of the Company as determined by the Chairman and President. This discretionary portion may be used to either increase or decrease a participant's individual target bonus by up to 30%. The Chairman and the President, with the approval of the Compensation Committee, have certain discretion within the 2006 Plan with respect to the payment of bonuses at various operating earnings per share levels below the minimum or above the maximum thresholds under the 2006 Plan.

The 2006 Plan does not provide for a bonus pool for percentage increases in operating earnings per share that exceed a maximum threshold.

All awards under the 2006 Plan will be paid in cash in the first quarter of 2007. The maximum bonus that can be earned by an executive under the 2006 plan is 200% of the participant's base salary, unless otherwise determined appropriate by the Chairman.

Item 9.01. Financial Statements and Exhibits.

(c) Exhibits.

<u>Exhibit No.</u>	<u>Description</u>
10.1	2006 Corporate Incentive Plan

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

HILB ROGAL & HOBBS COMPANY

(Registrant)

Date: March 31, 2006

By: /s/ A. Brent King
A. Brent King
Vice President, General Counsel and Assistant Secretary

EXHIBIT INDEX

Exhibit No.	Document
10.1	2006 Corporate Incentive Plan