



2016

CRAWFORD & COMPANY® / ANNUAL REPORT





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On the move.
Forward thinking.
Efficient and innovative.
Customer focused.



FINANCIAL PERFORMANCE



Charting a new financial course.

In 2016 we reversed our financial trajectory. We returned to more predictable financial results, and we delivered strong earnings growth, operating margin expansion and record cash flow.

\$1.109 BILLION

REVENUES BEFORE REIMBURSEMENTS

\$92.1 MILLION

OPERATING EARNINGS

8.3%

OPERATING MARGIN

230 bps

MARGIN EXPANSION

\$126.2 MILLION

CONSOLIDATED ADJUSTED EBITDA

\$98.9 MILLION

CASH FLOW FROM OPERATIONS

116.9%

TOTAL RETURN TO SHAREHOLDERS

WHO WE ARE



On the move. Embracing technology, innovation and streamlined processes.

Innovation and change have sometimes been in short supply in the insurance industry. Not now. Disruptive technologies have been upending the market, transforming the way providers deliver services and design products. Carriers are demanding greater efficiency and cost savings, and only the most innovative companies will succeed. Crawford & Company® is one of them.

- We're disrupting the industry through innovation — developing and acquiring state-of-the-art technology to better serve our customers.
- We're lowering the cost of doing business for our customers with new ways to manage claims, adjudicate complex court actions, provide third party administration to employers — and more.
- We're becoming more efficient — in the way we go to market and deliver services.
- We're bringing the broadest possible array of products and services to carriers nationwide, allowing us to address all our customers' needs.

Crawford® is on the move. Agile. Technology-driven. Relevant.

1.5 MILLION

Claims Handled
Around the World

\$14 BILLION

Total Claims
Payments Made

9,000+

Total
Employees



////////////////////

Global Executive Management Team

1. Harsha V. Agadi
*President and
Chief Executive Officer*

2. Joseph O. Blanco
*Senior Vice President,
General Counsel*

3. Kenneth A. Cutshaw
*Executive Vice President,
Chief Executive Officer,
Garden City Group™*

4. Kenneth M. Fraser
*Executive Vice President,
Chief Strategy and
Development Officer*

5. Danielle M. Lisenbey
*Executive Vice President,
Chief Executive Officer,
Broadspire®*

6. Ian V. Muress
*Executive Vice President,
Chief Executive Officer,
International*

7. Andrew S. Robinson
*Executive Vice President,
Chief Operating Officer*

8. Bonnie C. Sawdey
*Senior Vice President,
Chief People Officer*

9. Hilton Sturisky
*Senior Vice President,
Chief Information Officer*

10. W. Bruce Swain
*Executive Vice President,
Chief Financial Officer*

11. Larry C. Thomas
*Executive Vice President,
Chief Executive Officer,
U.S. Services*



A message from our President & CEO

TO OUR SHAREHOLDERS,

2016 was a transformative year as we made significant progress positioning Crawford & Company for a return to more predictable financial results and growth. We reoriented our organization and our go-to-market philosophy, aggressively embraced technology and innovation, and maintained a vigilant focus on expense reduction. These changes have reinvigorated our enterprise, influenced the way our customers view Crawford, and enriched our relationships. Importantly, we are now beginning to see the benefits of these changes in our financial results as we delivered strong earnings growth, operating margin expansion and record operating cash flow in 2016, as outlined below:

- Revenues before reimbursements of \$1.11 billion, compared with \$1.17 billion in 2015
- Net income of \$36.0 million, or \$0.67 diluted earnings per CRD-A share and \$0.60 per CRD-B share, versus a net loss of \$45.5 million, or (\$0.79) per CRD-A share and (\$0.87) per CRD-B share in 2015
- Diluted earnings per share on a non-GAAP basis before goodwill impairment, restructuring and special charges of \$0.79 and \$0.71 for CRD-A and CRD-B, respectively, in 2016, compared with \$0.53 and \$0.45 for CRD-A and CRD-B, respectively, in 2015
- Consolidated operating earnings (a non-GAAP financial measure) of \$92.1 million versus \$70.4 million in 2015, an increase of 31 percent
- Increased operating margins by 230 basis points, to 8.3 percent
- Consolidated adjusted EBITDA (a non-GAAP financial measure) totaled \$126.2 million versus \$107.2 million in 2015, a year over year increase of 18 percent
- Record cash flows from operating activities of \$98.9 million, compared to \$61.7 million in 2015, a 60 percent increase year over year

As can be seen, the restructuring initiatives that we implemented throughout 2015, combined with our continued cost vigilance in 2016, have firmly placed Crawford in a position to achieve our medium term goal of delivering 10% consolidated operating margins in the future. Looking forward, we will maintain our expense discipline as we strive to further optimize our operations and raise the profitability of Crawford & Company.

That said, cost reduction alone is not enough. We must deliver revenue growth to truly maximize value for our shareholders. When I was first appointed to this job, I met with many of our largest customers to lay out our strategy and reaffirm our commitment to them. Time and again they told me of their willingness to partner with Crawford, and indeed, expressed their desire to help us grow by using our products and services to better run their businesses. This represents a large untapped market opportunity as we strive to more effectively cross sell our vast product suite into our loyal customer base.

A critical component to the successful execution of our growth strategy is the recent recruitment of Andrew Robinson, who joined the company in January as our chief operating officer, a new role at Crawford. With each of our four business segments reporting to him, Andrew will be focused on optimizing our operations and building a client-centric organization and sales culture that reignites growth. I am excited to have Andrew on board as his skill set and experience are well aligned with the renewed strategic direction of Crawford, as well as the ongoing cultural shift within the Company.

Beyond the many cross sale opportunities that exist, we also see the potential to be a disruptive force in the market given the rapid change that our industry is experiencing. To ensure that Crawford stays at the forefront of this change, we created Crawford Innovative Ventures, LLC in the fourth quarter, an entity formed to invest in strategic acquisitions and partnerships. This strategic investment vehicle will be a catalyst for change across the property and casualty industry as well as Crawford worldwide, bringing about new thinking, innovation and adding to our growing entrepreneurial culture.

In early January 2017, Crawford Innovative Ventures made its first investment with the acquisition of a majority interest in WeGoLook®, a truly disruptive business focused on leveraging on demand independent contractors to expedite claims. WeGoLook advances

our goal of providing cutting-edge management of insurance claims from the initial incident through the final repair. We see a significant opportunity to rapidly grow the business by leveraging Crawford's existing client base, as well as expanding WeGoLook's innovative service offering into adjacent markets, such as property claims, plus additional non-insurance lines such as automotive, heavy equipment and the financial services sectors. The market for this product reaches far beyond the insurance industry, providing an opportunity to diversify our sources of revenue. Importantly, as WeGoLook grows over time, we believe it will moderate the impact of weather volatility in our claims business.

Delivering predictable financial results and consistent growth is our number one strategic priority. As we further grow our recurring revenue businesses including Contractor Connection®, Broadspire and now WeGoLook, the volatility in our global claims business should begin to diminish, which can already be seen as we exceeded our financial guidance this past year. Some highlights by segment for 2016 are as follows:

U.S. SERVICES

Our U.S. Services segment revenues were \$231.2 million in 2016, with operating earnings of \$35.7 million, or 15 percent of revenues. Hurricane Matthew helped to offset the reduction in revenues from the run off of a large staff augmentation services contract for a major U.S. carrier. Despite this run off, the contract still continued as a significant revenue source and the service model is an opportunity for future growth. Our Contractor Connection service line grew revenues by 19 percent over 2015, marking its 17th year of consecutive growth.

INTERNATIONAL

Foreign exchange rates adversely affected our international business segment in 2016, resulting in a six percent reduction in revenues during the year. Nevertheless, catastrophic claims emanating from Australia in our Asia-Pacific region added significant revenues and, when coupled with our significant cost-

cutting efforts across all regions, added five percentage points to operating margins. Revenues were \$479.9 million, with operating earnings of \$42.5 million, a 126 percent improvement year over year. The increase in operating earnings was the result of improvements in all of our major operating regions. We also continued to address the largest and most complex claims, and further strengthened our leadership team through the appointment of a new chief executive officer of Global Technical Services®. Overall, the international segment accounted for 43 percent of total company revenues before reimbursements, representing the largest of our four segments.

BROADSPIRE

Our Broadspire segment delivered its fifth consecutive year of growth in 2016, recording revenues of \$302.0 million, a three percent increase over 2015. Operating earnings for the year totaled \$30.0 million, or ten percent of revenues. These results were attributable to increased claims and medical management revenues, as well as higher average case values. Strategically, in 2016 Broadspire re-entered the disability claims market, a significant opportunity for us. To re-establish our presence in this market, we invested in our sales force, with a plan to capitalize in both the stand-alone disability claims business and in the significant cross-selling opportunity that exists between workers compensation and disability claims.

GARDEN CITY GROUP™

2016 was an important year for our new leadership team at Garden City Group (GCG®) who successfully managed the expected decline of two large projects, instilled a culture of cost discipline and maintained the business' competitive positioning in the market. Revenues were \$96.2 million in 2016, with operating earnings of \$7.8 million, or eight percent of revenues. GCG's new team-oriented culture has improved our operational efficiency and sharpened our sales culture, resulting in new business in class action

litigation and promising opportunities in consumer product recall cases. At the end of 2016, GCG's project backlog totaled \$81.0 million, the same as at the end of 2015.

LOOKING FORWARD

As I anticipate 2017 and beyond, I am pleased with the progress we have made, but also mindful that we have much more work to do.

Simply put, our revenue needs to grow. We will continue to focus on our global claims management businesses with opportunities that enable the company to grow regardless of the insurance claims market backdrop. Over the balance of 2017, we will be focused on further reducing our expense base, while reinvesting a portion of the savings back into the business. This reinvestment will be centered on driving organic revenue growth, as we reposition our sales teams to be more client-centric with a focus on cross selling. We will also work to expand our client base to grow the global footprint of our well-known brands such as Broadspire, Contractor Connection and our recently acquired WeGoLook business. As we successfully deliver on these initiatives, I am confident that we will begin to deliver organic revenue growth.

Crawford & Company marked its 75th anniversary in 2016, and I can't think of a more fitting manner in which to celebrate that milestone than with the results and progress we made during the year. I'm immensely proud of our entire team. I would like to thank our customers, employees, partners and shareholders for their continuing trust in us.

Sincerely,



Harsha V. Agadi

President and Chief Executive Officer



1.1 MILLION

P&C Claims Managed

70

Countries with
Physical Locations



Celebrating 75 years of growth and continuous evolution.

Crawford offers the industry's broadest portfolio of global claims management services. We cover all types of losses and can meet virtually every conceivable need, delivered anywhere, any time.

For more than 75 years, Crawford has propelled the industry forward with continuous innovation in claims management. We are constantly evolving to meet the needs of our industry, developing and putting in place solutions that shorten cycle times on high volume claims where it matters most.

The field and desktop claims services of our U.S. and international segments encompass a global array of products and functions for insurance companies, corporations, brokers and government entities. At the Crawford Performance Management Center, we monitor over 30,000 claims per day, providing the ability to identify and anticipate current and future trends, and we use data analytics to make informed decisions to positively impact service delivery and claim costs.

Our experience managing claims on every major continent provides clients assurance of our ability to deliver leading results. We are committed to evolving our service model to meet changing needs, which we recently demonstrated through our acquisition of WeGoLook, a truly innovative business that uses a large and proficient on demand mobile workforce to expedite claims and other activities. We are proud to be both one of the oldest independent P&C claims management companies in the industry, and also one of the most forward-thinking, offering services and technology that position us to meet tomorrow's challenges today.

LARGE AND COMPLEX CLAIMS SERVICES



Meeting the toughest challenges.

Crawford Global Technical Services (GTS™) is our definitive solution for large and complex claims, providing the highest level of world-class talent to fulfill the needs of all major stakeholders.

Crawford maintains the industry's largest network of insurance professionals who specialize in managing major, complex losses around the globe. With a global network that includes some of the world's most experienced senior adjusters and industry specialists, we assist major stakeholders with strategic loss management stemming from significant claims.

We serve a wide variety of industries, ranging from agriculture and food, to banking and finance, aviation, building and construction, media, engineering, pharmaceutical, retail and technology, covering virtually every industry and every geographic region.

We offer real world understanding of how large losses impact the business of a corporation. Our professionals are sophisticated partners with requisite academic and industry qualifications. From forensics to engineering, accounting, chemistry and beyond, we bring the necessary expertise to every conceivable situation.



400+

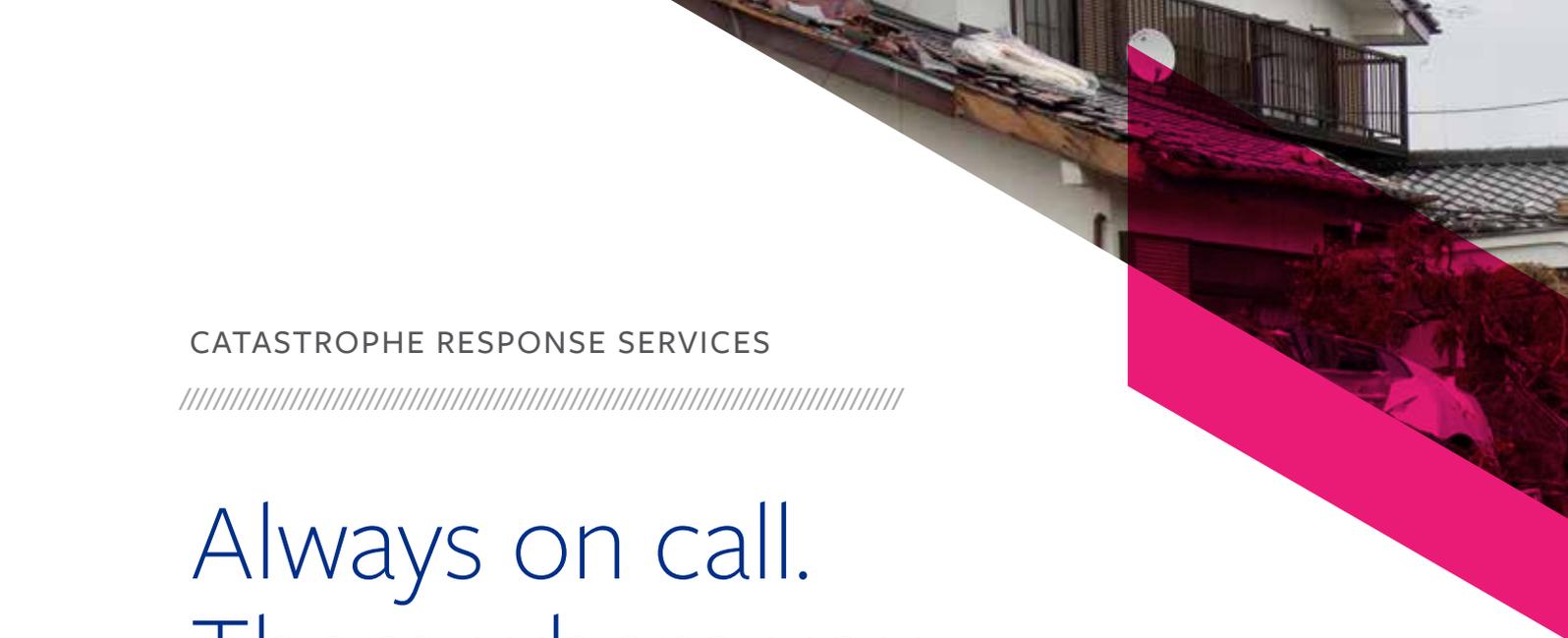
Global Technical Adjusters

2,500

Claims Managed

\$4.2 BILLION

Indemnity Dollars



CATASTROPHE RESPONSE SERVICES



Always on call. There where you need us.

Every day, Crawford does what it takes to be the insurance industry's leading independent claims adjuster for natural and man-made disasters.

In the aftermath of any catastrophic event, fast and responsive services are needed. Crawford is uniquely equipped to handle increases in volume, complexity and the additional strain put on carrier infrastructure.

We track weather patterns, storms and other severe weather globally, in real time. From there, we deploy a worldwide force of qualified adjusters equipped with fast, web-based and mobile intake tools to make initial contact with claimants within hours of receiving instructions.

As part of our comprehensive services, we utilize Contractor Connection, our managed repair services network, to help restore properties affected by catastrophes.

This integrated approach to managing national and multinational claims on every major continent distinguishes Crawford as the unparalleled global leader in claims and catastrophe response management.



\$449 MILLION

Fort McMurray
Incurred Losses Managed

\$95 MILLION

Hurricane Matthew
Incurred Losses Managed

\$280 MILLION

Payments Made on
Behalf of Clients for U.K. Flood



5,300

Credentialed
Contractors in Network

325,000

Assignments

\$2.4 BILLION

Total Project Costs



MANAGED REPAIR SERVICES



Rebuild, repair, renew— with confidence.

Contractor Connection is the industry leader in contractor managed repair, providing carriers and consumers a network of pre-screened residential and commercial contractors that are measured by performance, quality, timeliness, cost and customer satisfaction.

Contractor Connection maintains an extensive network of contractors who specialize in emergency response, general repairs, disaster restoration and all manner of general residential and commercial restoration work, backed by a three-year contractor workmanship warranty. While founded in the United States, Contractor Connection has expanded into additional countries, including Canada, U.K. and Australia.

In 2016, we received more than 325,000 assignments and completed more than \$2.4 billion in projects. We partnered with six of the top 10 J.D. Power & Associates-rated insurance carriers and our contact center is itself J.D. Power certified.

From emergency fire and smoke response to plumbing, textile and art restoration, tree removal, and beyond, we're helping return residential and commercial properties to pre-event conditions through reliable and managed contractors.

We also provide temporary housing to policyholders who have been displaced by adverse events. Our enhanced response network services are also designed to better serve policyholders during catastrophic events, putting in place proprietary technology that links predictive weather analytics with contractor network coverage.

THIRD PARTY ADMINISTRATION



Delivering global TPA services with a powerful value proposition

Through our Broadspire brand, Crawford provides third party administration for workers compensation, disability absence management, medical management, accident & health, and liability to corporations, brokers and insurers worldwide.

Broadspire's global footprint allows Crawford to consolidate data across numerous jurisdictions and currencies. We handle third party administration (TPA) programs with a single point of contact and unite multiple resources and vendors within a single claims program. We service multinational insurers and employers needing comprehensive solutions around the world. In 2016, we managed claims in 16 countries to support the needs of our clients.

In our workers compensation, disability and leave claim management practice we have developed a better way to help get employees back to productive work, yielding better health outcomes for employees and positive financial outcomes for employers. In our liability practice, we are incorporating medical reviews on certain losses to help bring down settlement costs at claim closure.

Every day, we assist large organizations in reducing the cost of risk through professional expertise, technology and data analytics. We are proud to average a client retention rate of 95 percent over the past five years, which is a testament to our people, to our medical and business expertise and to our data-driven management approach.



2.5 BILLION

Claims Paid

\$1 BILLION

Managed Medical Spend

400,000

Claims Managed



\$8.9 BILLION

Payments to Claimants

3 MILLION

Claims Processed

900,000

Calls Handled



Delivering critical legal administrative tasks efficiently and effectively

Garden City Group is a global provider for class action settlement administration, restructuring and bankruptcy matters, mass tort settlement programs, regulatory settlements and remediations, and data breach response programs.

Regardless of geography, scope or size, Crawford’s Garden City Group (GCG) provides industry-leading services for virtually every type of complex legal administration and business process outsourcing project requiring communication and outreach, intake services, claims review and processing, fulfillment and funds distribution. Consistent with each of our other services, GCG is expanding its brand and its services into additional countries where our services can fulfill market needs.

We partner with law firms, courts and government agencies to provide innovative and cost-effective back-office services delivered by an elite team of formerly practicing attorneys, paralegals, finance and banking experts, software engineers, in-house legal notice specialists, website designers, and contact center professionals hired, trained and managed by GCG. Serving as an integral part of our administration team, GCG’s notice and media experts provide comprehensive and customized outreach strategies to reach as many potential claimants as possible.

Our GCG team has administered some of the largest class actions of all time, including those involving antitrust, consumer, product defect, ERISA, employment, human rights and securities claims. Notably, no other administrator has handled more “Top 100” securities settlements than GCG. On the bankruptcy side, our experienced team provides novel and cutting-edge solutions for the administration of bankruptcy cases involving billions of dollars of liabilities. In fact, our restructuring team was recently honored by *The M&A Advisor* for 2016 Restructuring Deal of the Year (\$1B-5B) as well as Turnaround Product/Service of the Year – Information Management.

ON DEMAND FIELD SERVICES



Disrupting the industry through innovation.

Crawford’s commitment to stay at the forefront of the industry is evidenced by the creation of Crawford Innovative Ventures, a new entity that enables us to invest in strategic acquisitions and partnerships.

In January 2017, Crawford Innovative Ventures acquired a majority interest in Oklahoma-City based WeGoLook, a truly disruptive business that uses a large and proficient on demand mobile workforce to expedite claims and other activities.

This online and mobile collaborative economy platform allows Crawford to continue to revolutionize, automate and expedite the claims handling process. WeGoLook focuses on a key step in the claims process by deploying more than 30,000 independent contractors to collect and verify information on demand. Leveraging the gig economy, the company’s “Lookers” support the insurance industry and a broad range of traditional on demand field services within other industries that require custom tasking. Their cost-effective services allow Crawford to unlock the large, underserved market for high frequency / low complex claims, reduce claims handling fees and help guard against fraud.

As is the case with all Crawford services, WeGoLook inspection capabilities are comprehensive, covering all forms of real estate, auto and fleet inspections, financial services and heavy equipment verifications, as well as a broad range of individual inspection services.

The WeGoLook acquisition is the first for Crawford Innovative Ventures, but we continue to identify, examine and assess other opportunities to add value in the claims continuum – for our customers and for our shareholders.



30,000

Lookers in the Field

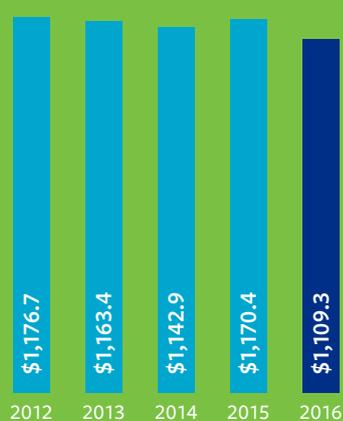
2 MILLION

Photographs Taken

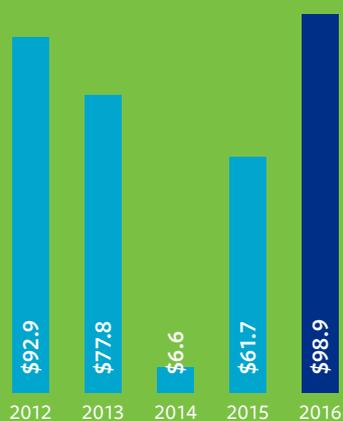
24/7

Around the Clock Support

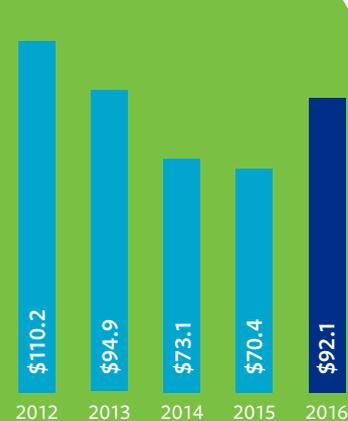
2016 Financial Highlights



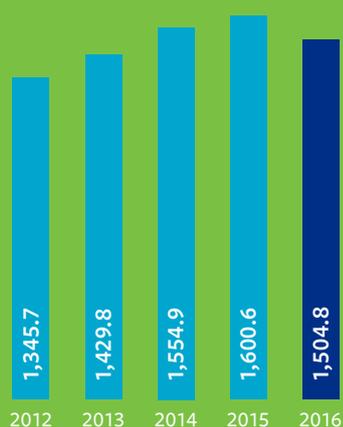
**REVENUES BEFORE⁽¹⁾
REIMBURSEMENTS**
(\$ in millions)



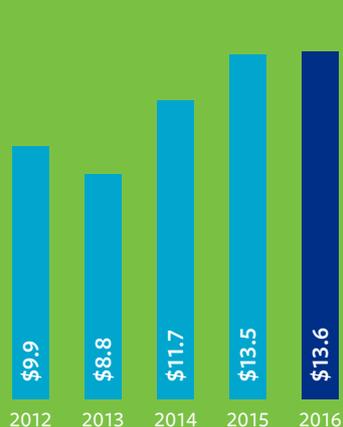
**CASH PROVIDED BY
OPERATING ACTIVITIES**
(\$ in millions)



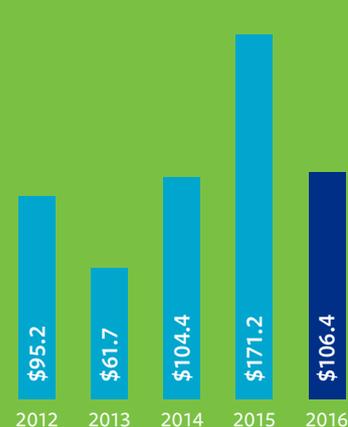
**CONSOLIDATED OPERATING
EARNINGS⁽¹⁾**
(\$ in millions)



CASES RECEIVED
(in thousands)



TOTAL CASH DIVIDENDS PAID
(\$ in millions)



NET DEBT⁽¹⁾
(\$ in millions)



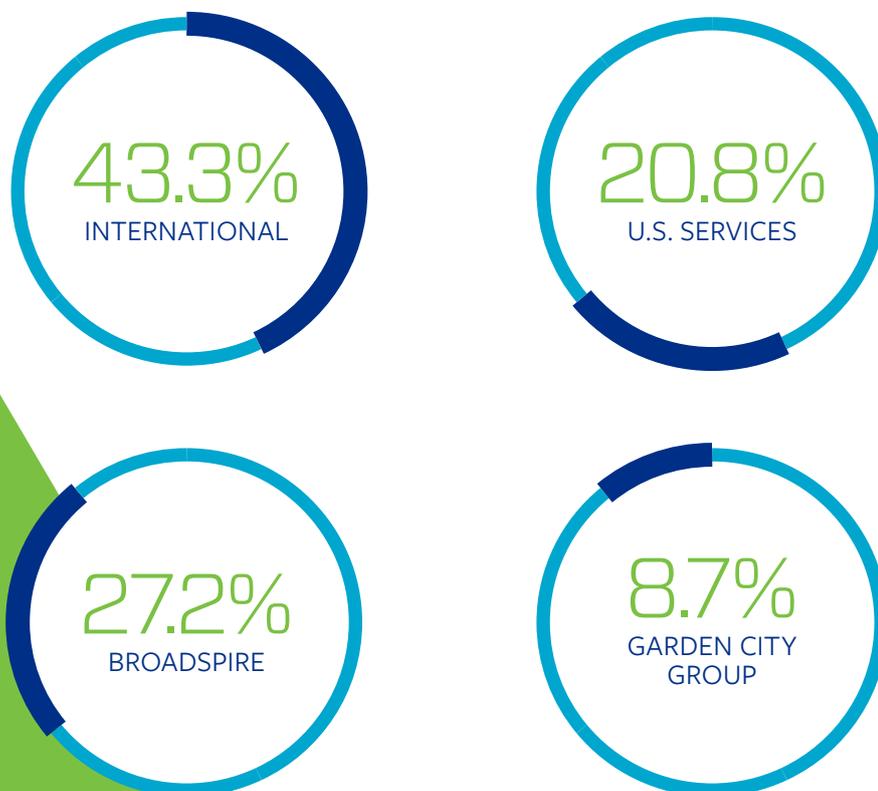
⁽¹⁾ Measurements of financial performance not calculated in accordance with U.S. Generally Accepted Accounting Principles ("GAAP") should be considered as supplements to, and not substitutes for, performance measurements calculated or derived in accordance with GAAP. Any such measures are not necessarily comparable to other similarly-titled measurements employed by other companies. For additional information about the non-GAAP financial information presented herein, see the Appendix shown on our website at crawfordandcompany.com/media/2237681/summaryannualreportappendix_2016.pdf

FOR THE YEARS ENDED DECEMBER 31,

(dollars in millions, except per share amounts)

(unaudited)	2016	2015
Revenues Before Reimbursements ⁽¹⁾	\$ 1,109.3	\$ 1,170.4
Net Income (Loss) Attributable to Shareholders of Crawford & Company	\$ 36.0	\$ (45.5)
Cash Provided by Operating Activities	\$ 98.9	\$ 61.7
Diluted Earnings (Loss) per Share – CRD-A	\$ 0.67	\$ (0.79)
Diluted Earnings (Loss) per Share – CRD-B	\$ 0.60	\$ (0.87)
Return on Average Shareholders’ Investment	26.9%	(31.7)%

Percentage of Total Company Revenues Before Reimbursement by Business Segment



Condensed Consolidated Statements of Operations (unaudited)

(In thousands, except per share amounts)

FOR THE YEAR ENDED DECEMBER 31,

2016

2015

2014

	2016	2015	2014
Revenues from Services:			
Revenues before reimbursements	\$ 1,109,286	\$ 1,170,385	\$ 1,142,851
Reimbursements	68,302	71,135	74,112
Total Revenues	1,177,588	1,241,520	1,216,963
Costs and Expenses:			
Costs of services provided, before reimbursements	788,373	869,217	840,702
Reimbursements	68,302	71,135	74,112
Total costs of services	856,675	940,352	914,814
Selling, general, and administrative expenses	239,852	241,602	237,880
Corporate interest expense, net of interest income of \$749, \$600, and \$781, respectively	9,185	8,383	6,031
Goodwill impairment charges	—	49,314	—
Restructuring and special charges	9,490	34,395	—
Total Costs and Expenses	1,115,202	1,274,046	1,158,725
Other Income	855	753	1,650
Income (Loss) Before Income Taxes	63,241	(31,773)	59,888
Provision for Income Taxes	25,565	13,832	28,780
Net Income (Loss)	37,676	(45,605)	31,108
Net (Income) Loss Attributable to Noncontrolling Interests	(1,710)	117	(484)
Net Income (Loss) Attributable to Shareholders of Crawford & Company	\$ 35,966	\$ (45,488)	\$ 30,624
Earnings (Loss) Per Share - Basic:			
Class A Common Stock	\$ 0.68	\$ (0.79)	\$ 0.58
Class B Common Stock	\$ 0.60	\$ (0.87)	\$ 0.52
Earnings (Loss) Per Share - Diluted:			
Class A Common Stock	\$ 0.67	\$ (0.79)	\$ 0.57
Class B Common Stock	\$ 0.60	\$ (0.87)	\$ 0.52
Weighted-Average Shares Used to Compute Basic Earnings (Loss) Per Share:			
Class A Common Stock	30,793	30,596	30,237
Class B Common Stock	24,690	24,690	24,690
Weighted-Average Shares Used to Compute Diluted Earnings (Loss) Per Share:			
Class A Common Stock	31,530	30,596	30,983
Class B Common Stock	24,690	24,690	24,690
Cash Dividends Per Share:			
Class A Common Stock	\$ 0.28	\$ 0.28	\$ 0.24
Class B Common Stock	\$ 0.20	\$ 0.20	\$ 0.18

This financial information should be read with the Company's audited consolidated financial statements and notes thereto, and related risks included in the Company's Annual Report on Form 10-K for the year ended December 31, 2016, as filed with the Securities and Exchange Commission.

Condensed Consolidated Statements of Comprehensive Income (Loss) (unaudited)

(In thousands)

YEAR ENDED DECEMBER 31,	2016	2015	2014
Net Income (Loss)	\$ 37,676	\$ (45,605)	\$ 31,108
Other Comprehensive Income (Loss):			
Net foreign currency translation loss, net of tax benefit of \$0, \$0, and \$91, respectively	(10,620)	(20,426)	(8,600)
Amounts reclassified into net income for defined benefit pension plans, net of tax provision of \$4,563, \$3,265, and \$3,039, respectively	8,623	10,806	8,636
Net unrealized gain (loss) on defined benefit plans arising during the year, net of tax (provision) benefit of \$(5,175), \$(2,349), and \$25,746, respectively	11,337	8,209	(43,181)
Other Comprehensive Income (Loss)	9,340	(1,411)	(43,145)
Comprehensive Income (Loss)	47,016	(47,016)	12,037
Comprehensive (income) loss attributable to noncontrolling interests	(192)	855	(87)
Comprehensive Income (Loss) Attributable to Shareholders of Crawford & Company	\$ 46,824	\$ (46,161)	\$ (12,124)

This financial information should be read with the Company's audited consolidated financial statements and notes thereto, and related risks included in the Company's Annual Report on Form 10-K for the year ended December 31, 2016, as filed with the Securities and Exchange Commission.

Condensed Consolidated Statements of Cash Flows (unaudited)

(In thousands)

FOR THE YEAR ENDED DECEMBER 31,

2016

2015

2014

	2016	2015	2014
Cash Flows from Operating Activities:			
Net income (loss)	\$ 37,676	\$ (45,605)	\$ 31,108
Reconciliation of net income (loss) to net cash provided by operating activities:			
Depreciation and amortization	40,743	43,498	37,644
Impairment of goodwill	—	49,314	—
Deferred income taxes	10,531	4,120	15,189
Gain on sale of interest in former corporate headquarters property	—	—	(836)
Stock-based compensation costs	5,252	3,229	1,189
Loss (gain) on disposals of property and equipment, net	66	(356)	(239)
Changes in operating assets and liabilities, net of effects of acquisitions and dispositions:			
Accounts receivable, net	2,781	26,526	(24,358)
Unbilled revenues, net	(7,782)	3,053	(1,216)
Accrued or prepaid income taxes	1,755	5,948	3,099
Accounts payable and accrued liabilities	17,120	(21,151)	(23,100)
Deferred revenues	(8,846)	363	(4,645)
Accrued retirement costs	(9,046)	(16,402)	(18,497)
Prepaid expenses and other operating activities	8,614	9,118	(8,732)
Net cash provided by operating activities	98,864	61,655	6,606
Cash Flows from Investing Activities:			
Acquisitions of property and equipment	(10,354)	(12,144)	(12,485)
Proceeds from disposals of property and equipment	—	—	1,289
Capitalization of computer software costs	(18,845)	(20,775)	(16,712)
Proceeds from sale of interest in former corporate headquarters property	—	—	836
Cash surrendered from sale of business	—	—	(1,554)
Payments for business acquisitions, net of cash acquired	(3,672)	(68,259)	(3,141)
Other investing activities	(95)	—	—
Net cash used in investing activities	(32,966)	(101,178)	(31,767)
Cash Flows from Financing Activities:			
Cash dividends paid	(13,565)	(13,511)	(11,717)
Payments related to shares received for withholding taxes under stock-based compensation plans	(1,342)	(479)	(2,085)
Proceeds from shares purchased under employee stock-based compensation plans	1,743	1,320	1,270
Decrease in note payable for share repurchase	(2,206)	—	—
Repurchases of common stock	—	(1,240)	(3,390)
Increases in short-term and revolving credit facility borrowings	80,164	147,509	121,110
Payments on short-term and revolving credit facility borrowings	(118,044)	(62,017)	(98,821)
Payments on capital lease obligations	(1,508)	(1,993)	(856)
Capitalized loan costs	(12)	(1,299)	(218)
Dividends paid to noncontrolling interests	(381)	(401)	(761)
Net cash (used in) provided by financing activities	(55,151)	67,889	4,532
Effects of exchange rate changes on cash and cash equivalents	(5,244)	(4,756)	(2,868)
Increase (Decrease) in Cash and Cash Equivalents	5,503	23,610	(23,497)
Cash and Cash Equivalents at Beginning of Year	76,066	52,456	75,953
Cash and Cash Equivalents at End of Year	\$ 81,569	\$ 76,066	\$ 52,456

This financial information should be read with the Company's audited consolidated financial statements and notes thereto, and related risks included in the Company's Annual Report on Form 10-K for the year ended December 31, 2016, as filed with the Securities and Exchange Commission.

Condensed Consolidated Balance Sheets (unaudited)

(In thousands, except par value amounts)

DECEMBER 31,	2016	2015
////////////////////////////////////		
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 81,569	\$ 76,066
Accounts receivable, less allowance for doubtful accounts of \$14,499 and \$13,133, respectively	153,566	164,596
Unbilled revenues, at estimated billable amounts	101,809	98,659
Income taxes receivable	3,781	4,255
Prepaid expenses and other current assets	24,006	26,601
Total Current Assets	364,731	370,177
Property and Equipment:		
Property and equipment	125,493	140,383
Less accumulated depreciation	(95,888)	(102,331)
Net Property and Equipment	29,605	38,052
Other Assets:		
Goodwill	91,750	95,616
Intangible assets arising from business acquisitions, net	86,931	104,861
Capitalized software costs, net	80,960	79,996
Deferred income tax assets	30,379	47,371
Other noncurrent assets	51,503	47,333
Total Other Assets	341,523	375,177
TOTAL ASSETS	\$ 735,859	\$ 783,406
LIABILITIES AND SHAREHOLDERS' INVESTMENT		
Current Liabilities:		
Short-term borrowings	\$ 30	\$ 19,958
Accounts payable	51,991	44,615
Accrued compensation and related costs	74,466	68,843
Self-insured risks	14,771	14,122
Income taxes payable	3,527	4,419
Deferred rent	12,142	13,303
Other accrued liabilities	34,922	44,577
Deferred revenues	37,456	46,552
Current installments of capital leases	982	1,959
Total Current Liabilities	230,287	258,348
Noncurrent Liabilities:		
Long-term debt and capital leases, less current installments	187,002	225,365
Deferred revenues	25,884	26,592
Accrued pension liabilities	105,175	121,732
Other noncurrent liabilities	28,247	27,018
Total Noncurrent Liabilities	346,308	400,707
Shareholders' Investment:		
Class A common stock, \$1.00 par value, 50,000 shares authorized; 31,296 and 30,537 shares issued and outstanding, respectively	31,296	30,537
Class B common stock, \$1.00 par value, 50,000 shares authorized; 24,690 shares issued and outstanding	24,690	24,690
Additional paid-in capital	48,108	41,936
Retained earnings	261,562	239,161
Accumulated other comprehensive loss	(211,773)	(222,631)
Shareholders' Investment Attributable to Shareholders of Crawford & Company	153,883	113,693
Noncontrolling interests	5,381	10,658
Total Shareholders' Investment	159,264	124,351
TOTAL LIABILITIES AND SHAREHOLDERS' INVESTMENT	\$ 735,859	\$ 783,406

This financial information should be read with the Company's audited consolidated financial statements and notes thereto, and related risks included in the Company's Annual Report on Form 10-K for the year ended December 31, 2016, as filed with the Securities and Exchange Commission.

Condensed Consolidated Statements of Shareholders' Investment (unaudited)

(In thousands)

	Common Stock		Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive (Loss) Income	Shareholders' Investment	Noncontrolling Interests	Total Shareholders' Investment
	Class A Non-Voting	Class B Voting				of Crawford & Company		
Balance at December 31, 2013	\$ 29,875	\$ 24,690	\$ 39,285	\$ 285,165	\$ (179,210)	\$ 199,805	\$ 7,728	\$ 207,533
Net income	—	—	—	30,624	—	30,624	484	31,108
Other comprehensive loss	—	—	—	—	(42,748)	(42,748)	(397)	(43,145)
Cash dividends paid	—	—	—	(11,717)	—	(11,717)	—	(11,717)
Stock-based compensation	—	—	1,189	—	—	1,189	—	1,189
Repurchases of common stock	(409)	—	—	(2,981)	—	(3,390)	—	(3,390)
Shares issued in connection with stock-based compensation plans, net	1,031	—	(1,857)	—	—	(826)	—	(826)
Decrease in value of noncontrolling interest due to sale of controlling interest	—	—	—	—	—	—	(638)	(638)
Dividends paid to noncontrolling interests	—	—	—	—	—	—	(761)	(761)
Balance at December 31, 2014	30,497	24,690	38,617	301,091	(221,958)	172,937	6,416	179,353
Net income	—	—	—	(45,488)	—	(45,488)	(117)	(45,605)
Other comprehensive loss	—	—	—	—	(673)	(673)	(738)	(1,411)
Cash dividends paid	—	—	—	(13,511)	—	(13,511)	—	(13,511)
Stock-based compensation	—	—	3,198	—	—	3,198	—	3,198
Repurchases of common stock	(517)	—	—	(2,931)	—	(3,448)	—	(3,448)
Shares issued in connection with stock-based compensation plans, net	557	—	121	—	—	678	—	678
Increase in value of noncontrolling interest due to acquisition of controlling interest	—	—	—	—	—	—	5,498	5,498
Dividends paid to noncontrolling interests	—	—	—	—	—	—	(401)	(401)
Balance at December 31, 2015	30,537	24,690	41,936	239,161	(222,631)	113,693	10,658	124,351
Net income	—	—	—	35,966	—	35,966	1,710	37,676
Other comprehensive income (loss)	—	—	—	—	10,858	10,858	(1,518)	9,340
Cash dividends paid	—	—	—	(13,565)	—	(13,565)	—	(13,565)
Stock-based compensation	—	—	5,252	—	—	5,252	—	5,252
Shares issued in connection with stock-based compensation plans, net	759	—	(368)	—	—	391	—	391
Decrease in value of noncontrolling interest due to sale of controlling interest	—	—	1,288	—	—	1,288	(5,088)	(3,800)
Dividends paid to noncontrolling interests	—	—	—	—	—	—	(381)	(381)
Balance at December 31, 2016	\$ 31,296	\$ 24,690	\$ 48,108	\$ 261,562	\$ (211,773)	\$ 153,883	\$ 5,381	\$ 159,264

This financial information should be read with the Company's audited consolidated financial statements and notes thereto, and related risks included in the Company's Annual Report on Form 10-K for the year ended December 31, 2016, as filed with the Securities and Exchange Commission.

Selected Financial Data (unaudited)

The following selected financial data should be read in conjunction with Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the audited consolidated financial statements and notes thereto contained in Item 8, "Financial Statements and Supplementary Data" included in the Company's Annual Report on Form 10-K for the year ended December 31, 2016, as filed with the Securities and Exchange Commission.

(In thousands, except per share amounts and percentages)

YEAR ENDED DECEMBER 31,	2016	2015	2014	2013	2012
Revenues before Reimbursements	\$ 1,109,286	\$ 1,170,385	\$ 1,142,851	\$ 1,163,445	\$ 1,176,717
Reimbursements	68,302	71,135	74,112	89,985	89,421
Total Revenues	1,177,588	1,241,520	1,216,963	1,253,430	1,266,138
Total Costs of Services	856,675	940,352	914,814	936,427	936,059
U.S. Services Operating Earnings ⁽¹⁾	35,716	32,702	18,039	11,895	13,164
International Operating Earnings ⁽¹⁾	42,538	18,799	25,344	38,795	47,195
Broadspire Operating Earnings ⁽¹⁾	30,003	24,017	15,469	8,245	21
Garden City Group Operating Earnings ⁽¹⁾	7,843	11,507	22,849	46,752	60,284
Unallocated Corporate and Shared Costs and Credits, Net	(23,971)	(16,605)	(8,582)	(10,829)	(10,504)
Net Corporate Interest Expense	(9,185)	(8,383)	(6,031)	(6,423)	(8,607)
Stock Option Expense	(621)	(433)	(859)	(948)	(408)
Amortization of Customer-Relationship Intangible Assets	(9,592)	(9,668)	(6,341)	(6,385)	(6,373)
Goodwill Impairment Charges	—	(49,314)	—	—	—
Restructuring and Special (Charges) Credits	(9,490)	(34,395)	—	—	(11,332)
Income Taxes	(25,565)	(13,832)	(28,780)	(29,766)	(33,686)
Net (Income) Loss Attributable to Noncontrolling Interests	(1,710)	117	(484)	(358)	(866)
Net Income (Loss) Attributable to Shareholders of Crawford & Company	\$ 35,966	\$ (45,488)	\$ 30,624	\$ 50,978	\$ 48,888
Earnings (Loss) Per CRD-B Share ⁽²⁾ :					
Basic	\$ 0.60	\$ (0.87)	\$ 0.52	\$ 0.91	\$ 0.88
Diluted	\$ 0.60	\$ (0.87)	\$ 0.52	\$ 0.90	\$ 0.87
Current Assets	\$ 364,731	\$ 370,177	\$ 367,583	\$ 369,681	\$ 386,765
Total Assets	\$ 735,859	\$ 837,406	\$ 789,319	\$ 790,058	\$ 847,415
Current Liabilities	\$ 230,287	\$ 258,348	\$ 259,559	\$ 317,393	\$ 318,174
Long-Term Debt, Less Current Installments	\$ 187,002	\$ 225,365	\$ 154,046	\$ 101,779	\$ 152,293
Total Debt	\$ 188,014	\$ 247,282	\$ 156,811	\$ 137,645	\$ 166,406
Shareholders' Investment Attributable to Shareholders of Crawford & Company	\$ 153,883	\$ 113,693	\$ 172,937	\$ 199,805	\$ 136,199
Total Capital	\$ 341,897	\$ 360,975	\$ 329,748	\$ 337,450	\$ 302,605
Current Ratio	1.6:1	1.4:1	1.4:1	1.2:1	1.2:1
Total Debt to Total Capital Ratio	55.0%	68.5%	47.6%	40.8%	55.0%
Return on Average Shareholders' Investment	26.9%	(31.7)%	16.4%	30.3%	36.3%
Cash Provided by Operating Activities	\$ 98,864	\$ 61,655	\$ 6,606	\$ 77,844	\$ 92,853
Cash Used in Investing Activities	\$ (32,966)	\$ (101,178)	\$ (31,767)	\$ (33,528)	\$ (33,803)
Cash (Used in) Provided By Financing Activities	\$ (55,151)	\$ 67,889	\$ 4,532	\$ (39,132)	\$ (64,918)
Shareholders' Investment Attributable to Shareholders of Crawford & Company Per Diluted Share	\$ 2.74	\$ 2.06	\$ 3.11	\$ 3.60	\$ 2.48
Cash Dividends Per Share:					
CRD-A	\$ 0.28	\$ 0.28	\$ 0.24	\$ 0.18	\$ 0.20
CRD-B	\$ 0.20	\$ 0.20	\$ 0.18	\$ 0.14	\$ 0.16
Weighted-Average Shares and Share-Equivalents:					
Basic	55,483	55,286	54,927	54,543	54,229
Diluted	56,220	55,286	55,673	55,545	54,965

⁽¹⁾ This is a segment financial measure calculated in accordance with ASC Topic 280, "Segment Reporting," and representing segment earnings before certain unallocated corporate and shared costs and credits, net corporate interest expense, stock option expense, amortization of customer-relationship intangible assets, goodwill impairment charges, restructuring and special charges and credits, income taxes, and net loss or income attributable to noncontrolling interests.

⁽²⁾ The Company computes earnings (loss) per share of CRD-A and CRD-B using the two-class method, which allocates the undistributed earnings (loss) for each period to each class on a proportionate basis. The Company's Board of Directors has the right, but not the obligation, to declare higher dividends on CRD-A than on CRD-B, subject to certain limitations. In periods when the dividend is the same for CRD-A and CRD-B or when no dividends are declared or paid to either class, the two-class method generally will yield the same earnings (loss) per share for CRD-A and CRD-B.

Board of Directors

- 1. Harsha V. Agadi**
President and
Chief Executive Officer,
Crawford & Company
- 2. P. George Benson**
Professor of Decision Sciences
and former President of the
College of Charleston
- 3. Jesse C. Crawford**
Chief Executive Officer,
Crawford Media Services, Inc.
- 4. Jesse C. Crawford, Jr**
Independent Investor
- 5. Roger A.S. Day**
Retired Executive,
ACE American Insurance Company
- 6. James D. Edwards**
Retired Partner,
Arthur Andersen, LLP
- 7. Joia M. Johnson**
Chief Administrative Officer,
General Counsel
and Corporate Secretary,
Hanesbrands, Inc.
- 8. Charles H. Ogburn**
Non-Executive Chairman
of the Board,
Crawford & Company
- 9. D. Richard Williams**
Non-Executive Chairman
of the Board,
Primerica, Inc.



Corporate Information

CORPORATE HEADQUARTERS

1001 Summit Boulevard
Atlanta, Georgia 30319
404.300.1000

INQUIRIES

Individuals seeking financial data should contact:
W. Bruce Swain
Investor Relations
Chief Financial Officer
404.300.1051

FORM 10-K

A copy of the Company's annual report on Form 10-K as filed with the Securities and Exchange Commission is available without charge upon request to:

Joseph O. Blanco
General Counsel
Crawford & Company
1001 Summit Boulevard
Atlanta, Georgia 30319
404.300.1021

Our Form 10-K is also available online at either www.sec.gov or in the Investor Relations section at www.crawfordandcompany.com

ANNUAL MEETING

The Annual Meeting of shareholders will be held at 2:00 p.m. on May 10, 2017, at the corporate headquarters of

Crawford & Company
1001 Summit Boulevard
Atlanta, Georgia 30319
404.300.1000

COMPANY STOCK

Shares of the Company's two classes of common stock are traded on the NYSE under the symbols CRD-A and CRD-B, respectively. The Company's two classes of stock are substantially identical, except with respect to voting rights and the Company's ability to pay greater cash dividends on the non-voting Class A Common Stock than on the voting Class B Common Stock, subject to certain limitations. In addition, with respect to mergers or similar transactions, holders of Class A Common Stock must receive the same type and amount of consideration as holders of Class B Common Stock, unless different consideration is approved by the holders of 75 percent of the Class A Common Stock, voting as a class.

TRANSFER AGENT

Wells Fargo Shareowner Services
P.O. Box 64854
St. Paul, Minnesota 55164-0854
1.800.468.9716
shareowneronline.com

INTERNET ADDRESS

www.crawfordandcompany.com

CERTIFICATIONS

In 2016, Crawford & Company's chief executive officer (CEO) provided to the New York Stock Exchange the annual CEO certification regarding Crawford's compliance with the New York Stock Exchange's corporate governance listing standards. In addition, Crawford's CEO and chief financial officer filed with the U.S. Securities and Exchange Commission all required certifications regarding the quality of Crawford's public disclosures in its fiscal 2016 reports.

FINANCIAL INFORMATION

The financial information contained herein should not be considered a substitute for the Company's audited financial statements, inclusive of footnotes and Management's Discussion and Analysis of Financial Condition and Results of Operations, included in the Company's annual report on Form 10-K, as filed with the Securities and Exchange Commission. The Form 10-K also contains detailed discussions of certain major uncertainties, contingencies, risks, and other issues the Company faces. A copy of the Form 10-K including the full financial statements, can be obtained by calling 404.300.1021 or accessing it online at either www.sec.gov or in the Investor Relations section at www.crawfordandcompany.com.

FORWARD-LOOKING STATEMENTS

This report contains forward-looking statements, including statements about the future financial condition, results of operations and earnings outlook of Crawford & Company. Statements, both qualitative and quantitative, that are not statements of historical fact may be "forward-looking statements" as defined in the Private Securities Litigation Reform Act of 1995 and other securities laws. Forward-looking statements involve a number of risks and uncertainties that could cause actual results to differ materially from historical experience or Crawford & Company's present expectations. Accordingly, no one should place undue reliance on forward-looking statements, which speak only as of the date on which they are made. Crawford & Company does not undertake to update forward-looking statements to reflect the impact of circumstances or events that may arise or not arise after the date the forward-looking statements are made. For further information regarding Crawford & Company, and the risks and uncertainties involved in forward-looking statements, please read Crawford & Company's reports filed with the SEC and available at www.sec.gov or in the Investor Relations section of Crawford & Company's website at www.crawfordandcompany.com.





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