CRAWFORD & CO
Form 10-K
February 27, 2017
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UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D. C. 20549
Form 10-K

x ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 2016
o TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from to
Commission file number 1-10356
CRAWFORD & COMPANY
(Exact name of Registrant as specified in its charter)

Georgia	58-0506554
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification Number)
1001 Summit Boulevard, Atlanta, Georgia	30319
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code
(404) 300-1000
Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Name of Each Exchange on Which Registered
Class A Common Stock — $1.00 Par Value	New York Stock Exchange
Class B Common Stock — $1.00 Par Value	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act:
None
(Title of Class)

Indicate by check mark if the Registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes o No x
Indicate by check mark if the Registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes o No x
Indicate by check mark whether the Registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes x No o
Indicate by check mark whether the Registrant has submitted electronically and posted on its corporate website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the Registrant was required to submit and post such files). Yes x No o
Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) is not contained herein, and will not be contained, to the best of Registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. o

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definitions of "large accelerated filer," "accelerated filer," "non-accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer o	Accelerated filer x	Non-accelerated filer o (Do not check if a smaller reporting company)	Smaller reporting company o

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes o   No x

The aggregate market value of the Registrant's voting and non-voting common stock held by non-affiliates of the Registrant was $233,300,307 as of June 30, 2016, based upon the closing prices of such stock as reported on the NYSE on such date. For purposes hereof, beneficial ownership is determined under rules adopted pursuant to Section 13 of the Securities Exchange Act of 1934, and excludes voting and non-voting common stock beneficially owned by the directors and executive officers of the Registrant, some of whom may not be deemed to be affiliates upon judicial determination.

The number of shares outstanding of each class of the Registrant's common stock, as of February 17, 2017, was:

Class A Common Stock — $1.00 Par Value — 31,407,399 Shares

Class B Common Stock — $1.00 Par Value — 24,690,172 Shares

Documents incorporated by reference:

Portions of the Registrant's proxy statement for its 2017 annual shareholders' meeting, which proxy statement will be filed within 120 days of the Registrant's year end, are incorporated by reference into Part III hereof.

CRAWFORD & COMPANY

FORM 10-K
For The Year Ended December 31, 2016

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We use the terms "Crawford", "the Company", "the Registrant", "we", "us" and "our" to refer to the business of Crawford & Company, its subsidiaries, and variable interest entities.

Cautionary Statement Concerning Forward-Looking Statements

This report contains and incorporates by reference forward-looking statements within the meaning of that term in the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933, and Section 21E of the Securities Exchange Act of 1934. Statements contained or incorporated by reference in this report that are not statements of historical fact are forward-looking statements made pursuant to the "safe harbor" provisions thereof. These statements may relate to, among other things, our expected future operating results and financial condition, our ability to grow our revenues and reduce our operating expenses, expectations regarding our anticipated contributions to our underfunded defined benefit pension plans, collectability of our billed and unbilled accounts receivable, financial results from our recent acquisitions, our continued compliance with the financial and other covenants contained in our financing agreements, expectations regarding the timing, costs and synergies from our global business and technology services centers, and our other long-term capital resource and liquidity requirements. These statements may also relate to our business strategies, goals and expectations concerning our market position, future operations, margins, case and project volumes, profitability, contingencies, liquidity position, and capital resources. The words "anticipate", "believe", "could", "would", "should", "estimate", "expect", "intend", "may", "plan", "goal", "strategy", "predict", "project", "will" and similar terms and phrases, or the negatives thereof, identify forward-looking statements in this report and in the statements incorporated by reference in this report. These risks and uncertainties include, but are not limited to, those described in Part I, "Item 1A. Risk Factors" and elsewhere in this report and those described from time to time in our other reports filed with the Securities and Exchange Commission.

Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate and the forward-looking statements based on these assumptions could prove to be incorrect. Our operations and the forward-looking statements related to our operations involve risks and uncertainties, many of which are outside our control, and any one of which, or a combination of which, could materially adversely affect our financial condition and results of operations, and whether the forward-looking statements ultimately prove to be correct. As a result, undue reliance should not be placed on any forward-looking statements. Actual results and trends in the future may differ materially from those suggested or implied by the forward-looking statements. Forward-looking statements speak only as of the date they are made and we undertake no obligation to publicly update any of these forward-looking statements in light of new information or future events.

PART I

ITEM 1. BUSINESS

Headquartered in Atlanta, Georgia, and founded in 1941, the Company is the world's largest publicly traded independent provider of claims management solutions to insurance companies and self-insured entities, with an expansive global network serving clients in more than 70 countries. For the year ended December 31, 2016, the Company reported total revenues before reimbursements of $1.109 billion.

Shares of the Company's two classes of common stock are traded on the New York Stock Exchange ("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% of the Class A Common Stock, voting as a class.

DESCRIPTION OF SERVICES

The Crawford Solution® offers comprehensive, integrated claims services, business process outsourcing and consulting services for major product lines including property and casualty claims management; workers' compensation claims and medical management; and legal settlement administration. The Crawford Solution is delivered to clients through the Company's four operating segments: U.S. Services, which serves the U.S. property and casualty insurance company markets; International, which serves the property and casualty insurance company and self-insurance markets outside of the U.S.; Broadspire®, which serves the self-insurance marketplace, primarily in the U.S.; and Garden City Group, which serves the class action, regulatory, mass tort, bankruptcy, and other legal administration markets, primarily in the U.S.

A significant portion of our revenues are derived from international operations. For a discussion of certain risks attendant to international operations, see Item 1A, "Risk Factors."

U.S. SERVICES. The U.S. Services segment accounted for 20.8% of the Company's revenues before reimbursements in 2016. The Company's U.S. Services segment provides claims management services in the U.S. The Company's U.S. Services segment revenues are substantially derived from the insurance company market. Insurance companies customarily manage their own claims administration function, but often rely upon third-parties for certain services which the Company provides, primarily with respect to field investigation, evaluation and resolution of property and casualty insurance claims, and the provision of outsourced managed contractor services.

Claims management services offered by our U.S. Services segment are provided to clients pursuant to a variety of different referral assignments which generally are classified by the underlying insured risk categories used by insurance companies. These major risk categories are:

- Property — losses caused by physical damage to commercial or residential real property and certain types of personal property.

- Catastrophe — losses caused by all types of natural disasters, such as hurricanes, earthquakes and floods, and man-made disasters such as oil spills, chemical releases, and explosions.

- Public Liability — a wide range of non-automobile liability claims such as product liability; owners, landlords and tenants liabilities; and comprehensive general liability.

- Automobile — all types of losses involving use of an automobile, including bodily injury, physical damage, medical payments, collision, fire, theft, and comprehensive liability.

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U.S. Services is comprised of four major service lines: U.S. Claims Field Operations, U.S. Technical Services, U.S. Catastrophe Services, and U.S. Contractor Connection®.

- U.S. Claims Field Operations is the largest service line of the Company's U.S. Services segment. Solutions provided by U.S. Claims Field Operations include property claims management, casualty claims management, and vehicle claims services.

- U.S. Technical Services is focused on large, complex losses with a national team of technical adjusters and industry experts servicing a broad range of industries, including commercial property, aviation, forensic accounting, marine and transportation, retail, building and construction, cyber and energy. This service line is part of Crawford Global Technical Services ("GTS®"), a group of skilled adjusters with technical training and specialized expertise, such as in forensics, engineering, accounting, or chemistry, with relationships spanning the insurance industry and Fortune 1000 corporations.

- U.S. Catastrophe Services, operating through our wholly owned subsidiary Crawford Catastrophe Services, LLC, provides independent adjusting resources and temporary services for insurance claims management in response to natural or man-made disasters. We have one of the largest trained and credentialed field forces in the industry. U.S. Catastrophe Services utilizes a proprietary response mechanism to ensure prompt, effective management of catastrophic events for our clients.

- U.S. Contractor Connection is the largest independently managed contractor network in the industry, with approximately 4,800 credentialed residential and commercial contractors. This innovative service provides a customer-centric solution for a wide range of loss types from high-frequency, low-complexity claims to large complex repairs, optimizing the time and work process needed to resolve property claims. U.S. Contractor Connection supports our business process outsourcing strategy by providing high-quality outsourced contractor management to national and regional insurance carriers as well as directly to consumer markets.

INTERNATIONAL. The International segment accounted for 43.3% of the Company's revenues before reimbursements in 2016. International segment revenues are primarily derived from the property and casualty insurance company markets, with additional revenues from the self-insured markets in the U.K., Canada, Asia-Pacific (which includes Australia and New Zealand, as well as the Middle East and Africa), and Europe and Rest of World (which together consist of continental Europe and Latin America). The major elements of international claims management services are substantially the same as those provided to U.S. property and casualty insurance company clients by our U.S. Services segment. The International segment also derives revenues from third-party administration services provided under the Broadspire brand.

BROADSPIRE. Our Broadspire segment, which operates in the U.S., accounted for 27.2% of the Company's revenues before reimbursements in 2016. Broadspire Services, Inc., a wholly-owned subsidiary of the Company, is a leading third-party administrator to employers and insurance companies.

Through the Broadspire segment, we provide a complete range of claims and risk management services to clients in the self-insured or commercially insured marketplace. In addition to field investigation and evaluation of claims, Broadspire also offers initial loss reporting services for claimants; loss mitigation services, such as medical bill review, medical case management and vocational rehabilitation; risk management information services; and administration of trust funds established to pay claims. Broadspire services are provided through three major service lines: Workers' Compensation, Disability, and Liability Claims Management; Medical Management; and Risk Management Information Services.

- The Workers' Compensation, Disability, and Liability Claims Management service line offers a comprehensive, integrated approach to workers' compensation, disability, and liability claims management. This service line also includes Accident & Health claims programs, including affinity-type claims, and disability and leave management services to help employees return to their jobs as soon as possible.
- The Medical Management service line offers case managers who proactively manage medical treatment while facilitating an understanding of, and participation in, the rehabilitation process. These programs aim to help employees recover as quickly as possible in a cost-effective method.

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- Risk Management Information Services are provided to the existing client base of the Company through Risk Sciences Group, Inc. ("RSG"), a wholly-owned subsidiary of the Company. RSG is a leading risk management information systems software and services company with a history of providing customized risk management solutions to Fortune 1000 companies, insurance carriers, and brokers.

GARDEN CITY GROUP. The Garden City Group segment accounted for 8.7% of the Company's revenues before reimbursements in 2016. Since 1984, Garden City Group, LLC ("GCG"), a wholly-owned subsidiary of the Company, has helped law firms, corporations, government agencies, and courts bring their toughest national and international legal settlement administration projects to timely, positive conclusions by providing essential notification, claims processing, and distribution services related to securities, antitrust, employment, product liability, and other class action settlements, as well as mass tort, bankruptcy, regulatory, and data breach matters. GCG's services include identifying and qualifying class members, handling all written, electronic, and telephonic communications with claimants, and determining and dispensing settlement payments. Such services are generally referred to by the Company as class action services. GCG further provides back-office Business Process Outsourcing ("BPO") services via its Contact Center located in Dublin, Ohio. GCG provides field-experienced, multi-disciplined and technology-driven teams to support cases or projects with appropriate administrative services and resources. GCG offers solutions in several core areas:

- Class Action Services — technology-intensive administrative services for plaintiff and defense counsel as well as corporate defendants and federal and state regulators to expedite high-volume class action and regulatory settlements.

- Bankruptcy Services — cost-effective, end-to-end solutions for managing the administration of bankruptcy and other restructuring events.

- GCG Communications — legal notice and customer outreach programs for successful case and communication program administration.

- GCG Solutions — BPO services encompassing fulfillment, mail intake, call center and multimedia outreach solutions, payment distribution, and product recall needs.

FINANCIAL RESULTS

The percentages of the Company's total revenues before reimbursements derived from each operating segment are shown in the following table:

Year Ended December 31,	2016	2015	2014
U.S. Services	20.8 %	20.7 %	18.9 %
International	43.3 %	43.3 %	42.7 %
Broadspire	27.2 %	25.0 %	23.5 %
Garden City Group	8.7 %	11.0 %	14.9 %
	100.0%	100.0%	100.0%

Financial results from the Company's operations outside of the U.S., Canada, the Caribbean, and certain subsidiaries in the Philippines, are reported and consolidated on a two-month delayed basis in accordance with the provisions of Accounting Standards Codification ("ASC") 810, "Consolidation," in order to provide sufficient time for accumulation of their results and, accordingly, the Company's December 31, 2016, 2015, and 2014 consolidated financial statements include the financial position of such operations as of October 31, 2016 and 2015, respectively, and the results of such operations and cash flows for the fiscal periods ended October 31, 2016, 2015, and 2014, respectively.

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In the normal course of the Company's business, it sometimes incurs certain out-of-pocket expenses that are thereafter reimbursed by its clients. Under generally accepted accounting principles in the U.S. ("GAAP"), these out-of-pocket expenses and associated reimbursements are required to be included when reporting expenses and revenues, respectively, in the Company's consolidated results of operations. However, because the amounts of reimbursed expenses and related revenues offset each other in the accompanying consolidated statements of operations with no impact to net income or operating earnings, management does not believe it is informative or beneficial to include these amounts in expenses and revenues, respectively. As a result, unless otherwise indicated, revenue amounts on a consolidated basis and for each of our operating segments described herein exclude reimbursements for out-of-pocket expenses. A reconciliation of revenues before reimbursements to consolidated revenues determined in accordance with GAAP is self-evident from the face of the accompanying consolidated financial statements.

Additional financial information regarding each of the Company's segments and geographic areas, including the information required by Item 101(b) of Regulation S-K, is included in Note 13, "Segment and Geographic Information," to the audited consolidated financial statements included in Item 8 of this Annual Report on Form 10-K.

MATERIAL CUSTOMERS

No single customer accounted for 10% or more of our consolidated revenues in 2016, 2015 or 2014. However, revenues and operating earnings from the Garden City Group operating segment are project based and can vary significantly from period to period depending on the timing of project engagement and the work performed in a given period. During the years ended December 31, 2016, 2015, and 2014, Garden City Group derived more than 10% of its revenues from the Deepwater Horizon class action settlement project, and during the years 2015 and 2014 also derived more than 10% of its revenue from another non-Gulf related class action settlement project. We expect activity on the Deepwater Horizon class action settlement project to continue in 2017, although at further reduced rates.

In addition, for the years ended December 31, 2016, 2015, and 2014, our U.S. Services segment derived in excess of 10% of its revenue from each of two customers, although individually neither of these customers accounted for in excess of 10% of our consolidated revenues. The services provided to these customers are primarily project based and are covered by the terms of multiple contractual arrangements which expire at various times in the future.

In the event we are not able to retain these significant relationships, or replace any lost revenues from such relationships as the projects reach their respective end dates, revenues and operating earnings within these segments, and possibly for the Company as a whole, could be materially adversely affected.

INTELLECTUAL PROPERTY AND TRADEMARKS

The Company's intellectual property portfolio is an important asset which it seeks to expand and protect globally through a combination of trademarks, trade names, copyrights and trade secrets. The Company owns a number of active trademark applications and registrations which expire at various times. As the laws of many countries do not protect intellectual property to the same extent as the laws of the U.S., the Company cannot ensure that it will be able to adequately protect its intellectual property assets outside of the U.S. The failure to protect our intellectual property assets could have a material adverse affect on our business, however the loss of any single patent, trademark or service mark, taken alone, would not have a material adverse effect on any of our segments or on the Company as a whole.

SERVICE DELIVERY

The Company's claims management services are offered primarily through its global network serving clients in more than 70 countries. Contractor Connection services are offered by providing high-quality outsourced contractor management to national and regional insurance carriers.

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COMPETITION

The global claims management services market is highly competitive and comprised of a large number of companies of varying size and that offer a varied scope of services. The demand from insurance companies and self-insured entities for services provided by independent claims service firms like us is largely dependent on industry-wide claims volumes, which are affected by, among other things, the insurance underwriting cycle, weather-related events, general economic activity, overall employment levels, and workplace injury rates. Demand is also impacted by decisions insurance companies and self-insured entities make with respect to the level of claims outsourced to independent claim service firms as opposed to those handled by their own in-house claims adjusters. In addition, our ability to retain clients and maintain or increase case referrals is also dependent in part on our ability to continue to provide high-quality, competitively priced services and effective sales efforts.

We typically earn our revenues on an individual fee-per-claim basis for claims management services we provide to insurance companies and self-insured entities. Accordingly, the volume of claim referrals to us is a key driver of our revenues. Generally, fees are earned on cases as services are provided, which generally occurs in the period the case is assigned to us, although sometimes a portion or substantially all of the revenues generated by a specific case assignment will be earned in subsequent periods. We cannot predict the future trend of case volumes for a number of reasons, including the frequency and severity of weather-related cases and the occurrence of natural and man-made disasters, which are a significant source of cases for us and are not subject to accurate forecasting.

The Company competes with a substantial number of smaller local and regional claims management services firms located throughout the U.S. and internationally. Many of these smaller firms have rate structures that are lower than the Company's or may, in certain markets, have local knowledge which provides a competitive advantage. We do not believe these smaller firms offer the broad spectrum of claims management services in the range of locations the Company provides and, although such firms may secure business which has a local or regional source, the Company believes its quality product offerings, broader scope of services, and geographically dispersed offices provide us with an overall competitive advantage in securing business from both U.S. and international clients. There are also national and global independent companies that provide a similar broad spectrum of claims management services and who directly compete with the Company.

The legal settlement administration market within which our Garden City Group segment operates is also highly competitive but is comprised of a limited number of specialized entities. The demand for legal settlement administration services is generally not directly tied to or affected by the insurance underwriting cycle. The demand for these services is largely dependent on the volume of class action settlements, the volume of bankruptcy filings and the resulting settlements, volume of mass torts and general economic conditions. Competition in this segment is primarily on pricing, resource allocation ability, and experience servicing similar matters. We believe our experienced leadership, coupled with global resources and state-of-the-art technology, provide a competitive advantage in this market.

EMPLOYEES

At December 31, 2016, our total number of full-time equivalent employees ("FTEs") was 9,190. In addition, the Company also from time to time uses the resources of a pool of temporary employees and a network of independent contractors, as and when the demand for services requires. These temporary employees primarily provide catastrophe adjuster services. The Company, through Crawford Educational Services, provides many of its employees with formal classroom training in basic and advanced skills relating to claims administration and healthcare management services. In many cases, employees are required to complete these or other professional courses in order to qualify for promotions. The Company generally considers its relations with its employees to be good.

BACKLOG

Backlog is not meaningful other than in our Garden City Group segment. At December 31, 2016 and 2015, our Garden City Group segment had an estimated revenue backlog related to projects awarded totaling approximately $81 million at each year end. Additional information regarding this backlog is contained in Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations" of this Annual Report on Form 10-K under the caption "Garden City Group."

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AVAILABLE INFORMATION

The Company, a Georgia corporation, is required to file annual, quarterly and current reports, proxy statements and other information with the Securities and Exchange Commission ("SEC"). The public may read and copy any materials that the Company files with the SEC at the SEC's Public Reference Room at 100 F Street, N.E., Washington, D.C. 20549. Information on the operation of the Public Reference Room may be obtained by calling the SEC at 1-800-SEC-0330.

The Company's Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and amendments to reports filed pursuant to Sections 13(a) and 15(d) of the Securities Exchange Act of 1934 are available free of charge on our website , www.crawfordandcompany.com via a link to a third-party website with SEC filings, as soon as reasonably practicable after these reports are electronically filed or furnished to the SEC. The information contained on, or hyperlinked from, our website is not a part of, nor is it incorporated by reference into, this Annual Report on Form 10-K. In addition, the SEC maintains an Internet site that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC at http://www.sec.gov. Copies of the Company's Annual Report will also be made available, free of charge, upon written request to Corporate Secretary, Legal Department, Crawford & Company, 1001 Summit Boulevard, Atlanta, Georgia 30319.

ITEM 1A. RISK FACTORS

You should carefully consider the risks described below, together with the other information contained or incorporated by reference in this Annual Report on Form 10-K and in our other filings with the SEC from time to time when evaluating our business and prospects. Any of the events discussed in the risk factors below may occur, and our business, results of operations or financial condition could be materially adversely affected. Additional risks and uncertainties not presently known to us, or that we currently deem immaterial, may also materially adversely affect our financial condition or results of operations.

MARKET CONDITIONS

We depend on case volumes for a significant portion of our revenues. Case volumes are not subject to accurate forecasting, and a decline in case volumes may materially adversely affect our financial condition and results of operations.

Because we depend on case volume for revenue streams, a reduction in case referrals for any reason may materially adversely impact our results of operations and financial condition. We are unable to predict case volumes for a number of reasons, including the following:

- changes in the degree to which property and casualty insurance carriers or self-insured entities outsource, or intend to outsource, their claims handling functions are generally not disclosed in advance;
- we cannot predict the length or timing of any insurance cycle, described below;
- changes in the overall employment levels and associated workplace injury rates could impact the number of total claims and our case volumes and are not subject to accurate forecasting in the U.S.
-

the frequency and severity of weather-related, natural, and man-made disasters, which are a significant source of cases for us, are also generally not subject to accurate forecasting;

- potential consolidation of clients in the markets we operate could impact the volume of cases referred to providers;

- major insurance carriers, underwriters, and brokers could elect to expand their activities as administrators and adjusters, which would directly compete with our business; and

- we may not desire to or be able to renew existing major contracts with clients.

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If our case volume referrals decline for any of the foregoing, or any other reason, our revenues may decline, which could materially adversely affect our financial condition and results of operations.

In recent periods, we have derived a material amount of our revenues from a limited number of clients and projects. As these projects near completion, if we are not able to replace these revenues, our financial condition and results of operations could be materially adversely affected.

From time to time, we derive a material portion of our revenues from a limited number of clients. For example, for the years ended December 31, 2016, 2015, and 2014, our Garden City Group segment derived more than 10% of its revenues from one project, and during 2015 and 2014 also derived more than 10% of its revenue from a separate class action settlement project. Revenues and operating earnings from these projects in 2016 were at a reduced rate as compared to 2015 and 2014. We expect activity on the Deepwater Horizon class action settlement project to continue in 2017, although at further reduced rates.

In addition, for the years ended December 31, 2016, 2015, and 2014, our U.S. Services segment derived in excess of 10% of its revenue from each of two customers, although individually neither of these customers accounted for in excess of 10% of our consolidated revenues. The services provided to these customers are primarily project based and are covered by the terms of multiple contractual arrangements which expire at various times in the future.

In the event we are not able to retain these significant relationships, or replace any lost revenues from such relationships as the projects reach their respective end dates, revenues and operating earnings within these segments, and possibly for the Company as a whole, could be materially adversely affected.

Garden City Group service revenues are project-based and can fluctuate significantly from period to period.

Our Garden City Group service revenues are project-based and can fluctuate significantly from period to period. Revenues from this segment are in part dependent on product liability, anti-trust, employment, mass tort, bankruptcy and securities class action cases and settlements. Legislation or a change in market conditions could curtail, slow or limit growth of this part of our business. Tort reforms in the U.S., at either the national or state levels, could limit the number and size of future class action cases and settlements. Any slowdown in the referral of projects to the Garden City Group segment or the commencement of services under the projects in any period, including for reasons outside of our control, could materially adversely impact our financial condition and results of operations.

We are subject to insurance underwriting market cycle risks. We may not be able to identify new revenue sources not directly tied to this cycle and, in that event, would remain subject to its risks.

Although the insurance industry underwriting cycle has been characterized in recent years as soft, the property-casualty underwriting cycle remains volatile and could rapidly transition to a harder market due to certain factors such as the occurrence of significant catastrophic losses or the performance of capital markets. In softer insurance markets, insurance premiums and deductible levels are generally in decline and industry-wide claim volumes generally increase, which should increase claim referrals to us, provided property and casualty insurance carriers do not reduce the number of claims they outsource to independent firms such as ours. Because the underwriting cycle can change suddenly due to unforeseen events in the financial markets or catastrophic claims activity, we cannot predict what impact the current market may have on us in the future or the timing of when the market may change in the future. Indicators of a hard insurance underwriting cycle generally include higher premiums, higher deductibles, lower liability limits, increased excluded coverages, increased reservation of rights letters, and more unpaid claims. During a hard insurance underwriting market, insurance companies typically become very selective in the risks they underwrite, and insurance premiums and policy deductibles increase. This often results in a reduction in industry-wide claims volumes, which reduces claim referrals to us unless we are able to grow in our market share.

We try to mitigate this risk exposure through the development and marketing of services that are not affected by the insurance underwriting cycle. However, there can be no assurance that our mitigation efforts will be effective with respect to eliminating or reducing underwriting market cycle risk. To the extent we cannot effectively minimize the risk through diversification, our financial condition and results of operations could be materially adversely impacted by, or during, future hard market cycles.

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TECHNOLOGY AND DATA SECURITY

We manage a large amount of highly sensitive and confidential consumer information including personally identifiable information, protected health information and financial information. Unauthorized access to, alteration or disclosure of this data, whether as a result of criminal conduct, advances in computer hacking or otherwise, could result in a material loss of business, substantial legal liability or significant harm to our reputation.

We manage a large amount of highly sensitive and confidential consumer information including personally identifiable information, protected health information and financial information. We use computers in substantially all aspects of our business operations. We also use mobile devices, social networking and other online activities to connect with our employees and our customers. Such uses give rise to cybersecurity risks, including security breach, espionage, system disruption, theft and inadvertent release of information.

While we have implemented measures to prevent security breaches and cyber incidents, and although we maintain cyber and crime insurance, our preventative measures and incident response efforts may not be entirely effective. The theft, destruction, loss, misappropriation, or release of sensitive and/or confidential information or intellectual property, or interference with our information technology systems or the technology systems of third parties on which we rely, could result in business disruption, negative publicity, brand damage, violation of privacy laws, loss of customers, potential liability and competitive disadvantage.

We currently operate on multiple proprietary software platforms to support our service offerings and internal corporate systems. The failure or obsolescence of any of these platforms, if not remediated or replaced, could materially adversely affect our business, results of operations, and financial condition.

We currently utilize multiple software platforms to support our service offerings. We believe certain of these software platforms distinguish our service offerings from our competitors. The failure of one or more of our software platforms to function properly, or the failure of these platforms to remain competitive, could materially adversely affect our business, results of operations, and financial condition.

We may not be able to develop or acquire necessary IT resources to support and grow our business. Our failure to do this could materially adversely affect our business, results of operations, and financial condition.

We have made substantial investments in software and related technologies that are critical to the core operations of our business. These IT resources will require future maintenance and enhancements, potentially at substantial costs. Additionally, these IT resources may become obsolete in the future and require replacement, potentially at substantial costs. We may not be able to develop, acquire replacement resources or identify new technology resources necessary to support and grow our business. Any failure to do so, or to do so in a timely manner or at a cost considered reasonable by us, could materially adversely affect our business, results of operations, and financial condition.

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If we do not protect our proprietary information and technology resources and prevent third parties from making unauthorized use of our proprietary information, intellectual property, and technology, our financial results could be harmed.

We rely on a combination of trademark, trade name, copyright and trade secret laws to protect our proprietary information, intellectual property, and technology. However, all of these measures afford only limited protection and may be challenged, invalidated or circumvented by third parties. Third parties may copy aspects of our processes, products or materials, or otherwise obtain and use our proprietary information without authorization. Unauthorized copying or use of our intellectual property or proprietary information could materially adversely affect our financial condition and results of operations. Third parties may also develop similar or superior technology independently, including by designing around any of our proprietary technology. Furthermore, the laws of some foreign countries do not offer the same level of protection of our proprietary rights as the laws of the U.S., and we may be subject to unauthorized use of our intellectual property in those countries. Any legal action that we may bring to protect intellectual property and proprietary information could be unsuccessful, expensive and may distract management from day-to-day operations.

BUSINESS AND OPERATIONS

A significant portion of our operations are international. These international operations subject us to political, legal, operational, exchange rate and other risks not generally present in U.S. operations, which could materially negatively affect those operations or our business as a whole.

Our international operations subject us to political, legal, operational, exchange rate and other risks that we do not face in our domestic operations. We face, among other risks, the risk of discriminatory regulation; nationalization or expropriation of assets; changes in both domestic and foreign laws regarding taxation, trade and investment abroad; potential loss of proprietary information due to piracy, misappropriation or laws that may be less protective of our intellectual property rights; or price controls and exchange controls or other restrictions that could prevent us from transferring funds from these operations out of the countries in which they were earned or converting local currencies we hold into U.S. dollars or other currencies.

International operations also subject us to numerous additional laws and regulations that are in addition to, or may be different from, those affecting U.S. businesses, such as those related to labor, employment, worker health and safety, antitrust and competition, trade restriction, environmental protection, consumer protection, import/export and anti-corruption, including but not limited to the Foreign Corrupt Practices Act ("FCPA"). Although we have put into place policies and procedures aimed at ensuring legal and regulatory compliance, our employees, subcontractors, and agents could inadvertently or intentionally take actions that violate any of these requirements. Violations of these regulations could impact our ability to conduct business, or subject us to criminal or civil enforcement actions, any of which could have a material adverse effect on our business, financial condition or results of operations.

We currently, and from time to time in the future may, outsource a portion of our internal business functions to third-party providers. Outsourcing these functions has significant risks, and our failure to manage these risks successfully could materially adversely affect our business, results of operations, and financial condition.

We currently, and from time to time in the future may, outsource significant portions of our internal business functions to third-party providers. Third-party providers may not comply on a timely basis with all of our requirements, or may not provide us with an acceptable level of service. In addition, our reliance on third-party providers could have significant negative consequences, including significant disruptions in our operations and significantly increased costs to undertake our operations, either of which could damage our relationships with our customers. As a result of our outsourcing activities, it may also be more difficult for us to recruit and retain qualified employees for our business needs at any time. Our failure to successfully outsource any material portion of our business functions could materially adversely affect our business, results of operations, and financial condition.

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We are continuing to ramp up and integrate our Global Business Services Center in Manila, Philippines and a Global Technology Services Center in Pune, India (the "Centers"). If we are unable to timely and cost effectively ramp up and integrate operations at the Centers, or fail to achieve the expected operational synergies therefrom on a timely basis or at all, or if the tax rules relating to international operations change, our results of operations and financial condition may be materially adversely affected.

In 2014, we established a wholly-owned global business services center in Manila, Philippines. We have subsequently expanded our offshore operations to include Information Technology services performed in Pune, India. The Centers provide us venues for global consolidation of certain business functions, shared services, and currently outsourced processes. The Centers, which are expected to be phased in through 2018, are expected to allow us to continue to strengthen our client service, realize additional operational efficiencies, and invest in new capabilities for growth. No assurances can be provided of our ability to timely or cost effectively complete and ramp up operations at the Centers, or to achieve expected cost savings on a timely basis, or at all.

We may not be able to have the Centers fully staffed and operational on a timely basis, or at presently anticipated costs. In addition, our anticipated efficiencies and future estimated cost savings are based on several assumptions that may prove to be inaccurate, including, but not limited to, our expectations about the tax deductibility of certain costs, and, as a result, there can be no assurance that we will realize these efficiencies and cost savings in the expected time line or at all. Our inability to have the Centers staffed and operational within our presently anticipated time frame or at presently anticipated costs, or our failure or delays in achieving projected levels of efficiencies and cost savings from such measures, including as a result of developments outside of our control, or any unanticipated inefficiencies resulting from establishing the Centers, could materially adversely affect our results of operations and financial condition.

We are, and may become, party to lawsuits or other claims that could adversely impact our business.

In the normal course of the claims administration services business, we are from time to time named as a defendant in suits by insureds or claimants contesting decisions by us or our clients with respect to the settlement of claims. Additionally, our clients have in the past brought, and may, in the future bring, claims for indemnification on the basis of alleged actions on our part or on the part of our agents or our employees in rendering services to clients. There can be no assurance that additional lawsuits will not be filed against us. There also can be no assurance that any such lawsuits will not have a disruptive impact upon the operation of our business, that the defense of the lawsuits will not consume the time and attention of our senior management and financial resources or that the resolution of any such litigation will not have a material adverse effect on our business, financial condition and results of operations.

LIQUIDITY AND CAPITAL

Our U.S. qualified defined benefit pension plan (the "U.S. Qualified Plan") and international defined benefit plans in Germany, Norway, and the Philippines (the "other international plans") are underfunded. Future funding requirements, including those imposed by any further regulatory changes, could restrict cash available for our operating, financing, and investing requirements.

At the end of the most recent measurement periods for our U.S. Qualified Plan and certain of our other international defined benefit pension plans, the projected benefit obligations for these specific plans were underfunded by $105.2 million. In recent years we have been required to make significant contributions to these plans and will have to make significant future contributions. Crawford expects contributions of $9.0 million per annum to the U.S. Qualified Plan for the next three fiscal years to improve the funded status of the plan and minimize future required contributions. In addition, regulatory requirements in the U.K. require us to make additional contributions to our U.K. Plans, even though they have assets in excess of their projected benefit obligations as of December 31, 2016. Volatility in the capital markets and future legislation may have a negative impact on our U.S. and U.K. pension plans, which may further increase the underfunded portion of our pension plans and our attendant funding obligations. Expected and required contributions to our underfunded defined benefit pension plans will reduce our liquidity, restrict available cash for our operating, financing, and investing needs and may materially adversely affect our financial condition and our ability to deploy capital to other opportunities.

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While we intend to comply with our future funding requirements through the use of cash from operations, there can be no assurance that we will generate enough cash to do so. Our inability to fund these obligations through cash from operations could require us to seek funding from other sources, including through additional borrowings under our Credit Facility (defined below), if available, proceeds from debt or equity financings, or asset sales. There can be no assurance that we would be able to obtain any such external funding in amounts, at times and on terms that we deem commercially reasonable, in order for us to meet these obligations. Furthermore, any of the foregoing could materially increase our outstanding debt or debt service requirements, or dilute the value of the holdings of our current shareholders, as the case may be. Our inability to comply with any funding obligations in a timely manner could materially adversely affect our financial condition.

We have debt covenants in our credit facility that require us to maintain compliance with certain financial ratios and other requirements. If we are not able to maintain compliance with these requirements, all of our outstanding debt could become immediately due and payable.

We are party to a credit facility, dated December 8, 2011, with Wells Fargo Bank, N.A., Bank of America, N.A., RBS Citizens, N.A., and the other lenders a party thereto, (as amended, the "Credit Facility"). The Credit Facility contains various representations, warranties and covenants, including covenants limiting liens, indebtedness, guarantees, mergers and consolidations, substantial asset sales, investments and loans, sale and leasebacks, restrictions on dividends and distributions, and other fundamental changes in our business. Additionally, the Credit Facility contains covenants requiring us to remain in compliance with a maximum leverage ratio and a minimum fixed charge coverage ratio. If we do not maintain compliance with the covenant requirements, we will be in default under the Credit Facility. In such an event, the lenders under the Credit Facility would generally have the right to declare all then-outstanding amounts thereunder immediately due and payable. If we could not obtain a required waiver on satisfactory terms, we could be required to renegotiate the terms of the Credit Facility or immediately repay this indebtedness. Any such renegotiation could result in less favorable terms, including additional fees, higher interest rates and accelerated payments, and would necessitate significant time and attention of management, which could divert their focus from business operations. Any required payment may necessitate the sale of assets or other uses of resources that we do not believe would be in our best interests. While we do not presently expect to be in violation of any of these requirements, no assurances can be given that we will be able to continue to comply with them in the future. Any failure to continue to comply with such requirements could materially adversely affect our borrowing ability and access to liquidity, and thus our overall financial condition, as well as our ability to operate our business.

Control by a principal shareholder could adversely affect the Company and our other shareholders.

As of December 31, 2016, Jesse C. Crawford, a member of our Board of Directors, and the father of Jesse C. Crawford, Jr., who is also a member of the Board of Directors, beneficially owned approximately 52% of our outstanding voting Class B Common Stock. As a result, he has the ability to control substantially all matters submitted to our shareholders for approval, including the election and removal of directors. He also has the ability to control our management and affairs. As of December 31, 2016, Mr. Crawford also beneficially owned approximately 34% of our outstanding non-voting Class A Common Stock. This concentration of ownership of our stock may delay or prevent a change in control; impede a merger, consolidation, takeover, or other business combination involving us; discourage a potential acquirer from making a tender offer or otherwise attempting to obtain control of us; reduce the liquidity, and thus the trading price, of our stock; or result in other actions that may be opposed by, or not be in the best interests of, the Company and our other shareholders.

In recent periods we have incurred impairment charges that reduced the carrying value of our intangible assets and goodwill; in the future we may be required to incur additional impairment charges on a portion or all of the carrying value of our intangible assets and goodwill, which may adversely affect our financial condition and results of operations.

Each year, and more frequently on an interim basis if appropriate, we are required by ASC Topic 350, "Intangibles--Goodwill and Other," to assess the carrying value of our intangible assets and goodwill to determine whether the carrying value of those assets is impaired. Such assessment and determination involves significant judgments to estimate the fair value of our reporting units, including estimating future cash flows, near term and long term revenue growth, and determining appropriate discount rates, among other assumptions. If our future financial results deteriorate or our estimations or assumptions prove to be incorrect, we could be required to take additional impairment charges. Any such charges could materially adversely affect our financial results in the periods in which they are recorded.

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COMPETITION AND EMPLOYEES

We operate in highly competitive markets and face intense competition from both established entities and new entrants into those markets. Our failure to compete effectively may adversely affect us.

The claims management services market, both in the U.S. and internationally, is highly competitive and comprised of a large number of companies of varying size and that offer a varied scope of services. The demand from insurance companies and self-insured entities for services provided by independent claims service firms like us is largely dependent on industry-wide claims volumes, which are affected by, among other things, the insurance underwriting cycle, weather-related events, general economic activity, overall employment levels, and associated workplace injury rates. We are also impacted by decisions insurance companies and self-insured entities may make with respect to the level of claims outsourced to independent claim service firms as opposed to those handled by their own in-house claims adjusters. Accordingly, we are limited in our ability to predict case volumes and, consequently, our revenues, in any period. Our ability to retain clients and maintain and increase case referrals is also dependent in part on our ability to continue to provide high-quality, competitively priced services and effective sales efforts.

We may not be able to recruit, train, and retain qualified personnel, including retaining a sufficient number of on-call claims adjusters, to respond to catastrophic events that may, singularly or in combination, significantly increase our clients' needs for adjusters.

Our catastrophe related work and revenues can fluctuate dramatically based on the frequency and severity of natural and man-made disasters. When such events happen, our clients usually require a sudden and substantial increase in the need for catastrophic claims services, which can strain our capacity. Our internal resources are sometimes not sufficient to meet these sudden and substantial increases in demand. When these situations occur, we must retain outside adjusters (temporary employees and contractors) to increase our capacity. There can be no assurance that we will be able to retain such outside adjusters with the requisite qualifications, at the times needed or on terms that we believe are economically reasonable. Insurance companies and other loss adjusting firms also aggressively compete for these independent adjusters, who often command high prices for their services at such times of peak demand. Such competition could reduce availability, increase our costs and reduce our revenues. Our failure to timely, efficiently, and competently provide these services to our clients could result in reduced revenues, loss of customer goodwill and a materially negative impact on our results of operations.

The risks described above are not the only ones we face, but are the ones currently deemed the most material by us based on available information. New risks may emerge from time to time, and it is not possible for management to predict all such risks, nor can we assess the impact of known risks on our business or the extent to which any factor or combination of factors may cause actual results to differ materially from those contained in any forward-looking statement.

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ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 2. PROPERTIES

As of December 31, 2016, the Company owned an office in Kitchener, Ontario. As of December 31, 2016, the Company leased approximately 300 other office locations under various leases with varying terms. For additional information on the Company's significant operating leases and subleases, see Note 6 "Commitments Under Operating Leases" of our accompanying audited consolidated financial statements included in Item 8 of this Annual Report on Form 10-K. Other office locations are occupied under various short-term rental arrangements. The Company generally believes that its office locations are sufficient for its operations and that, if it were necessary to obtain different or additional office locations, such locations would be available at times, and on commercially reasonable terms, as would be necessary for the conduct of its business. No assurances can be given, however, that the Company would be able to obtain such office locations as and when needed, or on terms it considered to be reasonable, if at all.

ITEM 3. LEGAL PROCEEDINGS

In the normal course of the claims administration services business, the Company is from time to time named as a defendant in suits by insureds or claimants contesting decisions by the Company or its clients with respect to the settlement of claims. Additionally, clients of the Company have, in the past, brought and may, in the future bring, claims for indemnification on the basis of alleged actions on the part of the Company, its agents or its employees in rendering service to clients. The majority of these claims are of the type covered by insurance maintained by the Company; however, the Company is responsible for the deductibles and self-insured retentions under its various insurance coverages. In the opinion of the Company, adequate reserves have been provided for such known risks. No assurances can be provided, however, that the result of any such action, claim or proceeding, now known or occurring in the future, will not result in a material adverse effect on our business, financial condition or results of operations.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

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PART II

ITEM 5. MARKET FOR THE REGISTRANT'S COMMON EQUITY, RELATED SHAREHOLDER MATTERS, AND ISSUER PURCHASES OF EQUITY SECURITIES

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% of the Class A Common Stock, voting as a class.

The following table sets forth, for the quarterly periods indicated, the high and low sales prices per share for CRD-A and CRD-B, as reported on the NYSE:

2016	First	Second	Third	Fourth
CRD-A — High	$6.02	$ 7.89	$9.72	$10.47
CRD-A — Low	$3.89	$ 5.65	$7.70	$8.57
CRD-B — High	$6.48	$ 8.57	$12.09	$13.66
CRD-B — Low	$4.03	$ 6.14	$8.48	$10.90

2015	First	Second	Third	Fourth
CRD-A — High	$8.57	$ 8.04	$7.54	$5.96
CRD-A — Low	$7.40	$ 7.22	$5.53	$4.95
CRD-B — High	$10.19	$ 8.97	$8.49	$6.45
CRD-B — Low	$8.26	$ 7.29	$5.61	$5.08

During the year ended December 31, 2016, we declared and paid quarterly cash dividends totaling $0.28 per share and $0.20 per share on CRD-A and CRD-B, respectively. During the year ended December 31, 2015, we declared and paid quarterly cash dividends totaling $0.28 per share and $0.20 per share on CRD-A and CRD-B, respectively. In addition, during the quarter ending March 31, 2017, we declared cash dividends of $0.07 per share on CRD-A and $0.05 per share on CRD-B, which dividends are payable on March 10, 2017 to shareholders of record at the close of business on February 27, 2017.

Our Board of Directors makes dividend decisions from time to time based in part on an assessment of current and projected earnings and cash flows. Our ability to pay dividends in the future could be impacted by many factors including the funding requirements of our defined benefit pension plans, required or planned repayments of outstanding borrowings, levels of cash expected to be generated by our operating activities, and covenants and other restrictions contained in our Credit Facility or other applicable documents. The covenants in our Credit Facility limit dividend payments to shareholders. See Note 4, "Short-Term and Long-Term Debt, Including Capital Leases" to the audited consolidated financial statements included in Item 8 of this Annual Report on Form 10-K.

The number of record holders of each class of the Company's common stock as of December 31, 2016 was as follows: CRD-A — 2,828 and CRD-B — 447.

The Company's share repurchase authorization, approved in August 2014, provides the Company with the ability to repurchase up to 2,000,000 shares of CRD-A or CRD-B (or both) through July 2017 (the "2014 Repurchase

Authorization"). Under the 2014 Repurchase Authorization, repurchases may be made in open market or privately negotiated transactions at such times and for such prices as management deems appropriate, subject to applicable contractual and regulatory restrictions.

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Through December 31, 2016, the Company had repurchased 544,700 shares of CRD-A and 0 shares of CRD-B under the 2014 Repurchase Authorization at an average cost of $6.76 per CRD-A share. As of December 31, 2016, the Company's authorization to repurchase shares of its common stock was limited to an additional 1,455,300 shares. There were no share repurchases during the year ended December 31, 2016.

The following graph and table show the value as of December 31, 2016 of a $100 investment in the Company's Class B common stock as of December 31, 2011 as compared to a similar investment in each of (i) the S&P 500 Index, and (ii) the S&P 500 Property-Casualty Insurance Index, in each case on a total return basis assuming the reinvestment of all dividends. We caution you not to draw any conclusions from the data in this performance graph, as past results do not necessarily indicate future performance.

Comparison of Cumulative Five Year Total Return
nCrawford & Company (Class B) tS&P 500 Index lS&P Property-Casualty Insurance Index

TOTAL RETURN TO SHAREHOLDERS
(Includes reinvestment of dividends)

	Base Period	INDEXED RETURNS YEARS ENDED DECEMBER 31,				
Company / Index	2011	2012	2013	2014	2015	2016
Crawford & Company (Class B)	100.00	133.86	157.73	178.88	95.13	230.65
S&P 500 Index	100.00	116.00	153.57	174.60	177.01	198.18
S&P Property-Casualty Insurance Index	100.00	120.11	166.10	192.26	210.58	243.66

The foregoing graph and table are not, and shall not be deemed to be, filed as part of the Company's annual report on Form 10-K. Such graph and table do not constitute soliciting material and should not be deemed filed or incorporated by reference into any filing of the Company under the Securities Act of 1933, or the Securities Exchange Act of 1934, except to the extent specifically incorporated by reference therein by the Company.

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ITEM 6. SELECTED FINANCIAL DATA

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" of this Annual Report on Form 10-K.

Year Ended December 31,	2016	2015	2014	2013	2012
	(In thousands, except per share amounts and percentages)				
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	$783,406	$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)
	$2.74	$2.06	$3.11	$3.60	$2.48

Shareholders' Investment Attributable to Shareholders of Crawford & Company Per Diluted Share					
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

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(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.

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ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") is intended to help the reader understand Crawford & Company, our operations, and our business environment. This MD&A is provided as a supplement to — and should be read in conjunction with — our audited consolidated financial statements and the accompanying notes thereto contained in Item 8, "Financial Statements and Supplementary Data," of this Annual Report on Form 10-K. As described in Note 1, "Significant Accounting and Reporting Policies," of those accompanying audited consolidated financial statements, financial results from our operations outside of the U.S., Canada, the Caribbean, and certain subsidiaries in the Philippines, are reported and consolidated on a two-month delayed basis in accordance with the provisions of ASC 810, "Consolidation," in order to provide sufficient time for accumulation of their results. Accordingly, the Company's December 31, 2016, 2015, and 2014 consolidated financial statements include the financial position of such operations as of October 31, 2016 and 2015, respectively, and the results of their operations and cash flows for the fiscal periods ended October 31, 2016, 2015 and 2014, respectively.

Business Overview

Based in Atlanta, Georgia, Crawford & Company (www.crawfordandcompany.com) is the the world's largest publicly traded independent provider of claims management solutions to insurance companies and self-insured entities, with an expansive global network serving clients in more than 70 countries. The Crawford Solution® offers comprehensive, integrated claims services, business process outsourcing and consulting services for major product lines including property and casualty claims management; workers' compensation claims and medical management; and legal settlement administration.

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% of the Class A Common Stock, voting as a class.

As discussed in more detail in subsequent sections of this MD&A, we have four operating segments: U.S. Services, International, Broadspire, and Garden City Group. Our four operating segments represent components of the Company for which separate financial information is available, and which is evaluated regularly by our chief operating decision maker ("CODM") in deciding how to allocate resources and in assessing operating performance. U.S. Services primarily serves the U.S. property and casualty insurance company markets. International serves the property and casualty insurance company and self-insurance markets outside the U.S. Broadspire serves the U.S. self-insurance marketplace. Garden City Group serves the class action, regulatory, mass tort, bankruptcy, and other legal administration markets, primarily in the U.S.

Insurance companies rely on us for certain services such as field investigation and the evaluation of property and casualty insurance claims. We continue to experience increased utilization by insurance companies of the managed repair network provided by our Contractor Connection division.

Self-insured entities typically rely on us for a broader range of services. In addition to field investigation and claims evaluation, we may also provide initial loss reporting services for their claimants, loss mitigation services such as medical bill review, medical case management and vocational rehabilitation, risk management information services, and trust fund administration to pay their claims.

We also perform legal settlement administration services related to class action settlements, mass tort claims and bankruptcies, including identifying and qualifying class members, determining and dispensing settlement payments, and administering settlement funds.

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The global claims management services market is highly competitive and comprised of a large number of companies of varying size and that offer a varied scope of services. The demand from insurance companies and self-insured entities for services provided by independent claims service firms like us is largely dependent on industry-wide claims volumes, which are affected by, among other things, the insurance underwriting cycle, weather-related events, general economic activity, overall employment levels, and workplace injury rates. Demand is also impacted by decisions insurance companies and self-insured entities make with respect to the level of claims outsourced to independent claim service firms as opposed to those handled by their own in-house claims adjusters. In addition, our ability to retain clients and maintain or increase case referrals is also dependent in part on our ability to continue to provide high-quality, competitively priced services and effective sales efforts.

We typically earn our revenues on an individual fee-per-claim basis for claims management services we provide to insurance companies and self-insured entities. Accordingly, the volume of claim referrals to us is a key driver of our revenues. Generally, fees are earned on cases as services are provided, which generally occurs in the period the case is assigned to us, although sometimes a portion or substantially all of the revenues generated by a specific case assignment will be earned in subsequent periods. We cannot predict the future trend of case volumes for a number of reasons, including the frequency and severity of weather-related cases and the occurrence of natural and man-made disasters, which are a significant source of cases for us and are not subject to accurate forecasting.

The legal settlement administration market within which our Garden City Group segment operates is also highly competitive but is comprised of a limited number of specialized entities. The demand for legal settlement administration services is generally not directly tied to or affected by the insurance underwriting cycle. The demand for these services is largely dependent on the volume of class action settlements, the volume of bankruptcy filings and the resulting settlements, volume of mass torts and general economic conditions. Our revenues for legal settlement administration services are largely project-based and we earn these revenues as we perform individual tasks and deliver the outputs as outlined in each project.

On December 1, 2014, we acquired 100% of the capital stock of GAB Robins, a loss adjusting and claims management provider headquartered in the U.K. which reports through our International segment. We believe the GAB Robins acquisition has enabled Crawford to significantly expand its claims handling business across a wide range of product lines in the U.K. and bolster its global specialty lines claims business.

In 2014, we established a wholly-owned global business services center in Manila, Philippines. We have subsequently expanded our offshore operations to include Information Technology services performed in Pune, India. The Centers provide us venues for global consolidation of certain business functions, shared services, and currently outsourced processes. The Centers, which are expected to be phased in through 2018, are expected to allow us to continue to strengthen our client service, realize additional operational efficiencies, and invest in new capabilities for growth. No assurances can be provided of our ability to timely or cost effectively complete and ramp up operations at the Centers, or to achieve expected cost savings on a timely basis, or at all. Costs associated with the establishment and phase-in of the Centers were $3.7 million in 2016 and $4.4 million in 2015, and another $3.0 million of costs are expected in 2017.

In 2015 we also announced various restructuring plans intended to, among other things, reduce overhead costs in certain functions and in our business segments, and streamline senior management to reduce costs and further improve execution. These plans included integration costs related to the GAB Robins acquisition and other special charges discussed in Note 16, "Restructuring and Special Charges" to the audited consolidated financial statements included in Item 8 of this Annual Report on Form 10-K. Restructuring and special charges, exclusive of costs related to the establishment and phase-in of the Centers, for these plans totaled $5.8 million in 2016 and $30.0 million in 2015, and another $10.0 million of costs are expected in 2017.

The Company recorded non-cash goodwill impairment charges in 2015 of $49.3 million. There were no goodwill impairment charges in 2016 or 2014. See Note 1, "Significant Accounting and Reporting Policies" and Note 3, "Goodwill and Intangible Assets" of our accompanying audited consolidated financial statements included in Item 8 of this Annual Report on Form 10-K for further discussion about the 2015 goodwill impairment charges.

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Results of Operations

Executive Summary

Consolidated revenues before reimbursements were $1.109 billion in 2016, a decrease of 5.2% compared with $1.170 billion in 2015. Net income attributable to Crawford & Company was $36.0 million in 2016, compared with a net loss of $(45.5) million in 2015. During 2016, the Company recorded restructuring and special charges of $9.5 million compared to $34.4 million in 2015. The Company recorded non-cash goodwill impairment charges of $49.3 million in 2015. There were no similar goodwill impairment charges in 2016.

Segment operating earnings (a measure of segment operating performance used by our management that is defined and discussed in more detail below) improved in our U.S. Services, International, and Broadspire segments from 2015 to 2016. We experienced an operating earnings decline in our Garden City Group segment from 2015 to 2016.

Compared with 2015, our consolidated revenues before reimbursements decreased 5.2% in 2016 due primarily to revenue declines in the Garden City Group, U.S. Services and International segments partially offset by an increase in revenues in the Broadspire segment. Changes in foreign exchange rates decreased our International segment revenues by $29.6 million, or approximately 5.8%, for 2016 compared with 2015.

In the U.S. Services segment, operating earnings improved from 2015 to 2016 due to continued growth in our U.S. Contractor Connection managed repair network and the impact of cost reduction initiatives undertaken in 2015.

Operating earnings in our International segment increased in 2016 compared to 2015 also due to the impact of cost reduction initiatives implemented in 2015, as well as operating margin improvements primarily in the U.K. and Australia.

Broadspire's operating earnings improved from 2015 to 2016. The improvements were due to higher revenues from both new and existing clients, and improved control over operating expenses.

As expected, Garden City Group's operating earnings declined in 2016 compared to 2015, reflecting a decline in revenues from a major special project. Garden City Group revenues from the Deepwater Horizon class action settlement project continued to decline in 2016, reducing operating earnings. This reduction was partially offset by a reduction in expenses.

Selling, general and administrative ("SG&A") expenses were 0.7% lower in 2016 than in 2015. The decrease in 2016 was due to a decrease in administrative compensation expense resulting from cost reduction initiatives during 2015, partially offset by an increase in professional fees.

Segment Operating Earnings

We believe that a discussion and analysis of the segment operating earnings of our four operating segments is helpful in understanding the results of our operations. Operating earnings is our segment measure of profitability as discussed in Note 13, "Segment and Geographic Information," to the accompanying audited consolidated financial statements included in Item 8 of this Annual Report on Form 10-K. Operating earnings is the primary financial performance measure used by our senior management and CODM to evaluate the financial performance of our operating segments and make resource allocation and certain compensation decisions.

We believe operating earnings is a measure that is useful to others in that it allows them to evaluate segment operating performance using the same criteria used by our senior management and CODM. Segment operating earnings represent segment earnings, including the direct and indirect costs of certain administrative functions required to operate our business, but excludes 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, income taxes, and net income or loss attributable to noncontrolling interests.

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For most of our international operations and for Garden City Group, many administrative functions, such as finance, human resources, information technology, quality and compliance, are embedded in those locations and are considered direct costs of those operations. For our domestic operations (primarily Broadspire and the U.S. Services segments), we have a centralized shared-services arrangement for most of these administrative functions, and we allocate the costs of those services to the segments as indirect costs based on usage. Although some of the administrative services in our shared-services center benefit, and are allocated to, more than one of our operating segments, the majority of these shared services are allocated to the Broadspire and U.S. Services segments.

Income taxes, net corporate interest expense, stock option expense, and amortization of customer-relationship intangible assets are recurring components of our net income, but they are not considered part of our segment operating earnings because they are managed on a corporate-wide basis. Income taxes are calculated for the Company on a consolidated basis based on statutory rates in effect in the various jurisdictions in which we provide services, and vary significantly by jurisdiction. Net corporate interest expense results from capital structure decisions made by senior management and the Board of Directors, affecting the Company as a whole. Stock option expense represents the non-cash costs generally related to stock options and employee stock purchase plan expenses which are not allocated to our operating segments. Amortization expense is a non-cash expense for finite-lived customer relationship and trade name intangible assets acquired in business combinations. None of these costs relate directly to the performance of our services or operating activities and, therefore, are excluded from segment operating earnings in order to better assess the results of each segment's operating activities on a consistent basis.

Although associated with particular operating segments, goodwill impairment charges are not allocated to any particular segment since they do not impact our performance and are not expected to impact our future performance.

Restructuring and special charges arise from time to time from events (such as internal restructurings, losses on subleases, establishment of new operations, and asset impairments) that are not allocated to any particular segment since they historically have not regularly impacted our performance and are not expected to impact our future performance on a regular basis.

Unallocated corporate and shared costs and credits include expenses and credits related to our chief executive officer and Board of Directors, certain provisions for bad debt allowances or subsequent recoveries such as those related to bankrupt clients, defined benefit pension costs or credits for our frozen U.S. pension plan, certain unallocated professional fees, and certain self-insurance costs and recoveries that are not allocated to our individual operating segments.

Additional discussion and analysis of our income taxes, net corporate interest expense, stock option expense, amortization of customer-relationship intangible assets, unallocated corporate and shared costs and credits, goodwill impairment, restructuring and special charges follows the discussion and analysis of the results of operations of our four operating segments.

Segment Revenues

In the normal course of business, our operating segments incur certain out-of-pocket expenses that are thereafter reimbursed by our clients. Under GAAP, these out-of-pocket expenses and associated reimbursements are required to be included when reporting expenses and revenues, respectively, in our consolidated results of operations. In the discussion and analysis of results of operations which follows, we do not include a gross up of expenses and revenues for these pass-through reimbursed expenses. The amounts of reimbursed expenses and related revenues offset each other in our results of operations with no impact to our net income or operating earnings. A reconciliation of revenues before reimbursements to consolidated revenues determined in accordance with GAAP is self-evident from the face of the accompanying statements of income. Unless noted in the following discussion and analysis, revenue amounts exclude reimbursements for out-of-pocket expenses.

Segment Expenses

Our discussion and analysis of segment operating expenses is comprised of two components. "Direct Compensation, Fringe Benefits & Non-Employee Labor" and "Expenses Other Than Direct Compensation, Fringe Benefits & Non-Employee Labor".

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"Direct Compensation, Fringe Benefits & Non-Employee Labor" includes direct compensation, payroll taxes, and benefits provided to the employees of each segment, as well as payments to outsourced service providers that augment our staff in each segment. As a service company, these costs represent our most significant and variable operating expenses. In our International and Garden City Group segments, these costs include direct compensation, payroll taxes, and benefits of certain administrative functions that are embedded in those locations and are considered direct operating costs of those locations. In our U.S. Services and Broadspire operations, certain administrative functions are performed by centralized headquarters staff. These costs are considered indirect and are not included in "Direct Compensation, Fringe Benefits & Non-Employee Labor". Accordingly, the "Direct Compensation, Fringe Benefits & Non-Employee Labor" and "Expenses Other Than Direct Compensation, Fringe Benefits & Non-Employee Labor" components are not comparable across segments, but are comparable within each segment across periods.

The allocated indirect costs of our shared-services infrastructure are included in "Expenses Other Than Direct Compensation, Fringe Benefits & Non-Employee Labor." In addition to allocated corporate and shared costs, "Expenses Other Than Direct Compensation, Fringe Benefits & Non-Employee Labor" includes travel and entertainment, office rent and occupancy costs, automobile expenses, office operating expenses, data processing costs, cost of risk, professional fees, and amortization and depreciation expense other than amortization of customer-relationship intangible assets.

Unless noted in the following discussion and analysis, revenue amounts exclude reimbursements for out-of-pocket expenses and expense amounts exclude reimbursed out-of-pocket expenses.

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Operating results for our segments reconciled to income before income taxes and net income attributable to shareholders of Crawford & Company, are as shown in the following table.

Year Ended December 31,	2016	2015	2014	% Change from Prior Year 2016	% Change from Prior Year 2015
	(In thousands, except percentages)				
Revenues Before Reimbursements:					
U.S. Services	$231,198	$242,488	$215,385	(4.7)%	12.6%
International	479,884	506,650	488,284	(5.3)%	3.8%
Broadspire	301,977	293,032	268,890	3.1%	9.0%
Garden City Group	96,227	128,215	170,292	(24.9)%	(24.7)%
Total, before reimbursements	1,109,286	1,170,385	1,142,851	(5.2)%	2.4%
Reimbursements	68,302	71,135	74,112	(4.0)%	(4.0)%
Total Revenues	$1,177,588	$1,241,520	$1,216,963	(5.1)%	2.0%
Direct Compensation, Fringe Benefits & Non-Employee Labor:					
U.S. Services	$136,060	$149,742	$133,935	(9.1)%	11.8%
% of related revenues before reimbursements	58.9%	61.8%	62.2%		
International	305,282	337,125	340,010	(9.4)%	(0.8)%
% of related revenues before reimbursements	63.6%	66.5%	69.6%		
Broadspire	167,037	159,169	149,733	4.9%	6.3%
% of related revenues before reimbursements	55.4%	54.3%	55.7%		
Garden City Group	63,681	90,363	117,625	(29.5)%	(23.2)%
% of related revenues before reimbursements	66.1%	70.5%	69.1%		
Total	$672,060	$736,399	$741,303	(8.7)%	(0.7)%
% of Revenues before reimbursements	60.6%	62.9%	64.9%		
Expenses Other than Direct Compensation, Fringe Benefits & Non-Employee Labor:					
U.S. Services	$59,422	$60,044	$63,411	(1.0)%	(5.3)%
% of related revenues before reimbursements	25.7%	24.7%	29.4%		
International	132,064	150,726	122,930	(12.4)%	22.6%
% of related revenues before reimbursements	27.5%	29.8%	25.2%		
Broadspire	104,937	109,846	103,688	(4.5)%	5.9%
% of related revenues before reimbursements	34.7%	37.5%	38.5%		
Garden City Group	24,703	26,345	29,818	(6.2)%	(11.6)%
% of related revenues before reimbursements	25.7%	20.5%	17.5%		
Total, before reimbursements	321,126	346,961	319,847	(7.4)%	8.5%
% of Revenues before reimbursements	28.9%	29.6%	28.0%		
Reimbursements	68,302	71,135	74,112	(4.0)%	(4.0)%
Total	$389,428	$418,096	$393,959	(6.9)%	6.1%
% of Revenues	33.1%	33.7%	32.4%		
Segment Operating Earnings:					
U.S. Services	$35,716	$32,702	$18,039	9.2%	81.3%
% of related revenues before reimbursements	15.4%	13.5%	8.4%		
International	42,538	18,799	25,344	126.3%	(25.8)%
% of related revenues before reimbursements	8.9%	3.7%	5.2%		
Broadspire	30,003	24,017	15,469	24.9%	55.3%
% of related revenues before reimbursements	9.9%	8.2%	5.8%		
Garden City Group	7,843	11,507	22,849	(31.8)%	(49.6)%

% of related revenues before reimbursements	8.2	%	9.0	%	13.4	%				
Deduct:										
Unallocated corporate and shared costs and credits, net	(23,971	)	(16,605	)	(8,582	)	44.4	%	93.5	%
Net corporate interest expense	(9,185	)	(8,383	)	(6,031	)	9.6	%	39.0	%
Stock option expense	(621	)	(433	)	(859	)	43.4	%	(49.6	)%
Amortization of customer-relationship intangible assets	(9,592	)	(9,668	)	(6,341	)	(0.8	)%	52.5	%
Goodwill impairment charges	—		(49,314	)	—		nm		nm	
Restructuring and special charges	(9,490	)	(34,395	)	—		(72.4	)%	nm	
Income (Loss) Before Income Taxes	63,241		(31,773	)	59,888		299.0	%	(153.1	)%
Income taxes	(25,565	)	(13,832	)	(28,780	)	84.8	%	(51.9	)%
Net Income (Loss)	37,676		(45,605	)	31,108		182.6	%	(246.6	)%
Net (income) loss attributable to noncontrolling interests	(1,710	)	117		(484	)	1,561.5	%	(124.2	)%
Net Income (Loss) Attributable to Shareholders of Crawford & Company	$									