

CRAWFORD & CO  
Form 10-K  
March 10, 2016  
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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, 2015  
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  
(State or other jurisdiction of incorporation or  
organization)  
1001 Summit Boulevard, Atlanta, Georgia  
(Address of principal executive offices)

58-0506554  
(I.R.S. Employer Identification Number)  
30319  
(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

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information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

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 <input type="radio"/>	Accelerated filer <input checked="" type="checkbox"/>	Non-accelerated filer <input type="radio"/>	Smaller reporting company <input type="radio"/>
		(Do not check if a smaller reporting company)	

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

The aggregate market value of the Registrant's voting and non-voting common stock held by non-affiliates of the Registrant was \$227,456,855 as of June 30, 2015, 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 March 4, 2016, was:

Class A Common Stock — \$1.00 Par Value — 30,548,075 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 2016 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 &amp; COMPANY

FORM 10-K

For The Year Ended December 31, 2015

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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, expectations regarding results, 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, our continued compliance with the financial and other covenants contained in our financing agreements, our expected future operating results and financial condition, expectations related to the timing, costs, and benefits of the integration of our acquisition of GAB Robins Holdings UK Limited ("GAB Robins"), expectations regarding the timing, costs and synergies from our global business services center, 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 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 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.

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PART I

ITEM 1. BUSINESS

Headquartered in Atlanta, Georgia, and founded in 1941, the Company is one of the world's largest independent providers of claims management solutions to the risk management and insurance industry, as well as to self-insured entities, with an expansive global network serving clients in more than 70 countries. For the year ended December 31, 2015, the Company reported total revenues before reimbursements of \$1.170 billion.

Shares of the Company's two classes of common stock are traded on the New York Stock Exchange ("NYSE") under the symbols CRDA and CRDB, 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<sup>SM</sup> 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 20.7% of the Company's revenues before reimbursements in 2015. The Company's U.S. Services segment provides claims management services in the U.S. Substantially all of the Company's U.S. Services segment revenues are derived from the insurance company market. These 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.

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®.

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U.S. Claims Field Operations is the largest service line of the Company's U.S. Services operations. Services provided by U.S. Claims Field Operations include property claims management, casualty claims management, and vehicle 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, and energy, among several others. This group is part of Crawford Global Technical Services ("GTS®"), a group of qualified adjusters with technical training and specialized expertise, such as in forensics, engineering, accounting, and chemistry, with relationships spanning the insurance industry and corporations in the Fortune 1000.

U.S. Catastrophe Services 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 solution for high-frequency, low-complexity claims optimizes 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.

INTERNATIONAL. The International segment accounted for 43.3% of the Company's revenues before reimbursements in 2015. International segment revenues are derived primarily from the insurance company and third-party administration markets. 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. The Broadspire segment, which operates in the U.S., accounted for 25.0% of the Company's revenues before reimbursements in 2015. Broadspire Services, Inc., a wholly-owned subsidiary of the Company, is a leading third-party administrator to employers and insurance companies, offering a comprehensive, integrated approach to workers' compensation, liability claims management, medical management, care management, and disability management services in the U.S. Major risk categories serviced by the Broadspire segment are:

Workers' Compensation — claims arising under state and federal workers' compensation laws.

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.

Through the Broadspire segment, the Company provides 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.



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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.

- Risk Management Information Services are provided 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, formerly known as "Legal Settlement Administration," accounted for 11.0% of the Company's revenues before reimbursements in 2015. The segment provides legal settlement administration services related to securities, anti-trust, employment, product liability, and other class action settlements, as well as mass tort and bankruptcy. These services include identifying and qualifying class members, determining and dispensing settlement payments, and administering settlement funds. Such services are generally referred to by the Company as class action services and are performed by Garden City Group, LLC, ("GCG"), a wholly-owned subsidiary of the Company. Since 1984, GCG has been focusing on diligently helping its clients bring their toughest cases to timely, positive conclusions. GCG provides field-experienced, multi-disciplined and technology-driven teams to support each case with appropriate administrative services and resources. GCG offers solutions in three 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 under Chapter 11.

- **GCG Communications** — legal notice programs for successful case administration.

**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,	2015		2014		2013	
U.S. Services	20.7	%	18.9	%	17.5	%
International	43.3	%	42.7	%	42.0	%
Broadspire	25.0	%	23.5	%	21.7	%
Garden City Group	11.0	%	14.9	%	18.8	%
	100.0	%	100.0	%	100.0	%

Financial results from the Company's operations outside of the U.S., Canada, and the Caribbean, and from 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, 2015, 2014, and 2013 consolidated financial statements include the financial position of such operations as of October 31, 2015 and 2014, respectively, and the results of such operations and cash flows for the fiscal periods ended October 31, 2015, 2014, and 2013, 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

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, 2015, 2014, and 2013, Garden City Group derived more than 10% of its revenues from each of the Deepwater Horizon class action settlement projects and from another non-Gulf related class action settlement project. The revenues from each of these projects were individually less than 10% of our consolidated revenues in each of 2015, 2014, and 2013. We expect activity on these projects to continue in 2016, although at further reduced rates.

In addition, for the years ended December 31, 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 relationships, or replace any lost revenues from these projects as they 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 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. 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 them a competitive advantage. The Company does not believe that 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 the Company 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 smaller 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 securities and product liability 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