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, 2002

[ ] 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)
5620 Glenridge Dr., N.E., Atlanta, Georgia	30342
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code (404) 256-0830

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 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 [ ]

Indicate by check mark whether the registrant is an accelerated filer (as defined in Exchange Act Rule 12b-2). Yes [X] No [ ]

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K 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. [X]

The aggregate market value of the voting and non-voting stock held by nonaffiliates* of the Registrant was $124,221,536 as of June 28, 2002, based upon the closing price as reported on NYSE on such date. *All shareholders, other than Directors, Executive Officers, and 10% beneficial owners.

The number of shares outstanding of each of the Registrant's classes of common stock, as of March 20, 2003, was:

Class A Common Stock - $1.00 Par Value - 23,925,383 Shares
Class B Common Stock - $1.00 Par Value - 24,697,172 Shares

Documents incorporated by reference:

(1) Annual Report to Shareholders for the Year Ended December 31, 2002, Part II - Items 5, 6, 7, 7A and 8; Part IV - Item 15, and

(2) Proxy Statement for the Annual Meeting of Shareholders to be held April 29, 2003, Part III -Items 10, 11, 12, and 13.

PART I

ITEM 1. BUSINESS

Crawford & Company (the "Registrant"), founded in 1941, is the world's largest (based on annual revenues) independent provider of claims management solutions to insurance companies and self-insured entities, with a global network of more than 700 offices in 67 countries. Major service lines include workers' compensation claims administration and healthcare management services, property and casualty claims management, class action services and risk management information services.

DESCRIPTION OF SERVICES

The percentages of consolidated revenues before reimbursements, derived from the Registrant's U. S. and international operations are shown in the following schedule:

	Years Ended December 31,		
	2002	2001	2000
U. S. Operations	72.7%	73.7%	72.9%
International Operations	27.3%	26.3%	27.1%
	100.0%	100.0%	100.0%

U.S. OPERATIONS. Claims management services are provided by the Registrant in the United States to three different markets. Insurance companies, which represent the major source of revenues, customarily manage their own claims administration function, but require limited services which the Registrant provides. The Registrant services clients in the self-insured or commercially insured market through alternative loss funding methods, and provides them with a more complete range of services, including the supervision of field locations, information services and medical cost-containment. The Registrant also performs administrative services for class actions settlements including those for product liability, bankruptcy noticing and distribution, and other legal settlements.

The major elements of U.S. claims management services (which include the limited services required by most property and casualty insurance company clients as well as the expanded services required by self-insured clients) are:

- Initial Reporting - the Registrant's XPressLink(SM) service provides 24-hour receipt, acknowledgment, and distribution of claims information through Electronic Data Interchange, customized reporting and referral programs, call center reporting, and facsimile receipt and distribution.

- Investigation - the development of information necessary to determine the cause and origin of loss.

- Evaluation - the determination of the extent and value of damage incurred and the coverage, liability, and compensability relating to the parties involved.

- Disposition - the resolution of the claim, whether by negotiation and settlement, by denial, or by other means.

Expanded services provided primarily, but not exclusively, to the Registrant's self-insured clients include:

- Information Services - through the Registrant's information system, SISDAT(SM), it provides reports of detailed claims information of both a statistical and financial nature to self-insured entities and insurance companies.

- Management - the coordination and supervision of all parties involved in the claims settlement process, including the adjusting personnel directly involved in handling the claim. Typically, this management function is performed by an independent administrative unit within the Registrant which is not involved in the initial investigation of a claim.

- Auditing Services - the Registrant's provider and hospital bill audit programs assist clients in controlling medical costs associated with workers' compensation and liability claims by comparing fees charged by health care providers and hospitals with maximum fee schedules prescribed by statutory regulations as well as usual and customary charges in non-fee-schedule states. The Registrant also provides a preferred provider organization through an affiliation with the First Health Group.

- Managed Care Services - provides a broad range of cost containment and utilization review services to insurance companies, service organizations and self-insured corporations. These services, which are designed to both control the cost and enhance the efficient delivery of medical benefits, include early medical intervention, triage, assessment, case management, PPO channeling, and bill review.

- Vocational Services - provides vocational evaluation in order to assess an injured employee's potential to return to work. These services involve diagnostic testing and occupational, personal and motivational counseling of the employee. Vocational, medical and employment consultants assist in the re-employment and preparation of injured individuals to return to work.

- Medical Case Management Services - are typically provided by rehabilitation nurses who work closely with attending physicians and other medical personnel in order to expedite the injured person's physical recovery and rehabilitation and maximize the opportunity for the person to return to work. These services also involve coordinating and monitoring treatment plans and related costs to insure that such treatment is appropriate and necessary in the circumstances.

- Long-Term Care - offers a full menu of long-term care services including comprehensive on-site assessments, complete care coordination, and on-going care monitoring. These services are provided through experienced health care professionals with an insight to local quality care needs and are offered primarily to senior citizens and their children, attorneys, and trust officers.

The claims administration services described above are provided to clients for a variety of different referral assignments which generally are classified as to the underlying insured risk categories used by insurance companies. The major categories are described below:

- Automobile - relates to all types of losses involving use of the automobile. Such losses include bodily injury, physical damage, medical payments, collision, fire, theft, and comprehensive liability.

- Property - relates to losses caused by physical damage to commercial or residential real property and certain types of personal property. Such losses include those arising from fire, windstorm, or hail damage to commercial and residential property, burglary, robbery or theft of personal property, and damage to property under inland marine coverage.

- Workers' Compensation - relates to claims arising under state and federal workers' compensation laws.

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

- Catastrophe - covers all types of natural disasters, such as hurricanes, earthquakes and floods, and man-made disasters such as oil spills, chemical releases, and explosions, where the Registrant provides specially trained catastrophe teams to handle claims, as well as to manage the recovery efforts.

- Surveillance and Forensic Investigation - provides discrete surveillance operations to confirm suspicious claims and forensic cause and origin investigations.

The major elements of class action services are as follows:

- Administration - provided by The Garden City Group, Inc. ("GCG"), a wholly owned subsidiary of the Registrant, acquired by the Registrant in January of 1999. GCG handles the administrative functions related to securities, product liability and other class action settlements, including qualifying class members, dispensing payments, and administering the settlement funds. With the field operations of the Registrant, GCG and the Registrant offer comprehensive programs to integrate the field inspection and administrative functions in a single source for product liability class action settlements.

- Inspection - the determination of the extent and value of damage incurred, liability, and compensability primarily related to product liability class action settlements.

ADDITIONAL RISK MANAGEMENT AND OTHER SERVICES. The Registrant provides the following additional risk management and other related services, which support and supplement the claims and risk management services offered:

- Risk Sciences Group, Inc. ("RSG"), a wholly-owned subsidiary of the Registrant, is a software applications and consulting firm. RSG provides customized computer-based information systems and analytical forecasting services to the risk management and insurance industry. It manages the Registrant's basic information systems, SISDAT(SM), and has developed the SIGMA ENCORE (SM) system, an on-line risk management information system which supports multiple sources of claims, locations, risk control, medical, litigation, exposure, and insurance policy information. RSG serves a variety of clients with specialized computer programs for long-term risk management planning, data and systems integration, development of historical claims/loss databases, claims administration and management, regulatory reporting, insurance and risk management cost control, and actuarial and financial analysis required for loss forecasting, reserve estimation and financial reporting.

- The PRISM Network, Inc., a wholly-owned subsidiary of the Registrant acquired in August of 1999, contracts with a network of contractors ("Contractor Connection(SM)") to provide property damage repair services at agreed contract rates for property damage losses. The Registrant and The PRISM Network, Inc. market Contractor Connection to property and casualty insurance companies to facilitate faster, more economical resolution of smaller property damage claims under home-owner policies.

- Education Services are provided by Crawford University, an internal program that provides education for professionals engaged in service delivery for all lines of business to assure consistent quality in the Registrant's work products. In addition, the University provides continuing education in support of career paths, management and supervisory training, and the opportunity to obtain professional certification through IIA/CPCU. Clients have the opportunity to attend Crawford University education programs and access the Crawford University continuing education curriculum in a variety of risk management subjects.

INTERNATIONAL OPERATIONS. Substantially all of the Registrant's international revenues are derived from the insurance company market. The Registrant divides its operations outside the United States into four geographic regions: the Americas (excluding the U.S.); the United Kingdom; Continental Europe, which also includes the Middle East and Africa; and Asia/Pacific, which includes Australia. The major services offered by the Registrant through its international operations are listed below:

- Property and Casualty - provides loss adjusting services for property, general liability, professional indemnity for directors and officers, product liability and medical malpractice.

- Oil, Energy & Engineering - provides loss adjusting for oil, gas, petrochemicals, other energy risks, utilities and mining industries, as well as marine and off-shore risks.

- Environmental Pollution - provides cost-containment and claims management services with respect to environmental related losses.

- Construction - provides loss adjusting services under contractors' all risk, engineering all risk, and contractors' liability coverages. Additionally, evaluates machinery breakdown claims and provides peripheral services including plant valuation and loss prevention surveys.

- Catastrophe - organizes major loss teams to provide claims management and cost containment services through proprietary information systems.

- Class Action Administration - handles the administrative functions related to product liability and other class action settlements, including qualifying class members, dispersing payments, and administering the settlement funds.

- Marine - provides loss adjusting services for freight carriers liability, loss investigations, recoveries, salvage disposal, yacht and small craft, cargo, container, discharge, draft, general average, load, trailer and on/off live surveys, ship repairer liability and port stevedore liability.

- Specie and Fine Art - provides loss adjusting services under fine art dealers' block and jewelry and furriers' block policies.

- Entertainment Industry - provides a broad range of loss adjusting services for television, commercial and educational film production, and theater and live events.

- Aviation - manages salvage removal and sale and provides loss adjusting services for hull related risks, as well as cargo and legal liability, hangar and airport owners'/operators' liability policies.

- Banking, Financial and Political Risks - performs loss adjusting functions under bankers blanket bond, political risk, and financial contingency policies.

- Livestock - performs loss adjusting on bloodstock, and liability/equestrian activity.

- Security Consultancy - performs loss prevention and bank surveys and adjusts cash-in-transit losses.

- Reinsurance - provides external audits, portfolio analyses, and management and marketing research. Additionally provides underwriting review, cash control and management of discontinued operations.

- Medical and Vocational Case Management Services - provides specialized return to work and expert testimony services in the employer liability and auto liability markets.

During the 2002 fiscal year, a subsidiary of the Registrant acquired the operations of Robertson & Company Group in Australia, a multi-line adjusting company.

Revenues and expenses outside of North America and the Caribbean are reported on a two-month delayed basis and, accordingly, the Registrant's December 31, 2002, 2001, and 2000 consolidated financial statements reflect the non-North American financial position as of October 31, 2002, 2001, and 2000, respectively, and the results of non-North American operations and cash flows for the 12-month periods ended October 31, 2002, 2001, and 2000, respectively.

SERVICE DELIVERY - The Registrant's claims management services are offered primarily through its more than 400 branch offices throughout the United States and approximately 300 offices in 66 countries throughout the rest of the world.

The Registrant has a branch profit-sharing compensation policy covering most of its branch managers in the United States, under which those managers participate in the profits of their respective branches. This policy provides a formula for the determination of branch office profits and pays the manager a percentage, generally forty percent (40%), of those profits.

COMPETITION, EMPLOYMENT AND OTHER FACTORS

The claims services markets, both in the U. S. and internationally, are highly competitive and are composed of a large number of companies of varying size and scope of services. These include large insurance companies and insurance brokerage firms which, in addition to their primary services of insurance underwriting or insurance brokerage, also provide services such as claims administration, health and disability management, and risk management information systems, which compete with services offered by the Registrant. Many of these companies are larger than the Registrant in terms of annual revenues and total assets; however, based on experience in the market, the Registrant believes that few, if any, such organizations derive revenues from independent claims administration activities which equal those of the Registrant.

The majority of property and casualty insurance companies maintain their own staffs of salaried adjusters, with field adjusters located in those areas in which the volume of claims justifies maintaining a salaried staff. These companies utilize independent adjusters to service claims when the volume of claims exceeds the capacity of their staffs and when claims arise in areas not serviced by staff adjusters. The volume of property claim assignments referred to the Registrant fluctuates primarily depending on the occurrence of severe weather.

The United States insurance industry generally uses internal adjusting personnel to make automobile and smaller property damage claims adjustments by telephone and may assign the limited function of appraising physical damage to outside service organizations, such as the Registrant. The Registrant believes that such limited assignments from automobile and property insurers may continue, reflecting a perception by insurance companies that they can reduce adjusting expenses in amounts greater than the higher losses associated with telephone adjusting. In certain instances, however, insurers have attempted to reduce the fixed cost of their claims departments by increasing outside assignments to independent firms such as the Registrant.

When insurance premiums have increased and corporate risk management personnel have become more aware of alternative methods of financing losses (alternative risk programs), there has been a trend toward higher retention levels of risk insurance or implementation of self-insurance programs by large corporations and governmental entities. These alternative risk programs generally utilize an insurance company which writes specialized policies that permit each client to select its own level of risk retention, and may permit certain risk management services to be provided to the client by service companies independent of the insurance company or broker. In addition to providing full claims administration services for such clients, the Registrant generally provides statistical data such as loss experience analysis. The services are usually the subject of a contractual agreement with the specialty insurance company or the self-insured client that specifies the claims to be administered by the Registrant and the fee to be paid for its services (generally a fixed rate per assignment within the various risk classifications). These alternative risk programs are sensitive to changes in premiums charged for full coverage

insurance. In softer insurance markets, as were experienced during the 1990's, these alternative risk programs tend to be less attractive to potential clients and are replaced by full traditional insurance and, accordingly, reduce the number of alternative risk programs in which the Registrant can participate.

In addition to large insurance companies and insurance brokerage firms, the Registrant competes with a great number of smaller local and regional risk management services firms located throughout the United States and internationally. Many of these smaller firms have rate structures that are lower than the Registrant's, but do not offer the broad spectrum of risk management services which the Registrant provides and, although such firms may secure business which has a local or regional source, the Registrant believes its broader scope of services and its large number of geographically dispersed offices provide it with a competitive advantage in securing business from national and international clients. There are also national independent companies who provide a similar broad spectrum of risk management services and who directly compete with the Registrant.

At December 31, 2002, the total number of full-time equivalent employees was 8,269 compared with 8,569 at December 31, 2001. In addition, the Registrant has available a significant number of on-call employees as and when the demand for services requires. The Registrant, through Crawford University, provides many of its employees with formal classroom training in basic and advanced skills relating to claims administration and healthcare management services. Such training is generally provided at the Registrant's education facility in Atlanta, Georgia, although much of the material is also available through correspondence courses and the Internet. In many cases, employees are required to complete these or other professional courses in order to qualify for promotion from their existing positions.

In addition to technical training through Crawford University, the Registrant also provides ongoing professional education for certain of its management personnel on general management, marketing, and sales topics. These programs involve both in-house and external resources.

Special Note Regarding Forward-Looking Statements and Analysts' Reports

Certain written and oral statements made or incorporated by reference from time to time by the Registrant in this report, other reports, filings with the Securities and Exchange Commission, press releases, conferences, or otherwise, are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements include, without limitation, any statement that may predict, forecast, indicate or imply future results, performance or achievements. Forward-looking statements may be identified, without limitation, by the use of such words as "anticipates", "estimates", "expects", "intends", "plans", "predicts", "projects", "believes", or words or phrases of similar meaning.

Forward-looking statements include risks and uncertainties which could cause actual results or outcomes to differ materially from those expressed in the forward-looking statements. In addition to other factors and matters discussed elsewhere herein, some of the important factors that could cause actual results to differ materially from those discussed in the forward-looking statements include the following:

- Changes in general economic conditions in the Registrant's major geographic markets, which include the United States, the United Kingdom, and Canada, as well as, to a lesser extent, the other areas throughout the world in which the Registrant does business;

- Occurrences of weather-related, natural and man-made disasters;

- Changes in the degree to which property and casualty insurance carriers outsource their claims handling functions;

- Decisions by major insurance carriers and underwriters and brokers to expand their activities as third party administrators and adjusters, which would directly compete with the Registrant's business;

- Continued growth in product liability and securities class actions and the possibility that legislation may curtail or limit that growth;

- The growth of the alternative risk program and the use of independent third party administrators such as the Registrant, as opposed to administrators affiliated with brokers or insurance carriers;

- Ability to develop or acquire information technology resources to support and grow the Registrant's businesses;

- The ability to recruit, train, and retain qualified personnel;

- The renewal of existing major contracts with clients and the Registrant's ability to obtain such renewals and new contracts on satisfactory financial terms and the credit worthiness of its major clients;

- Changes in accounting principles or application of such principles to the Registrant's business;

- General risks associated with doing business outside the United States, including without limitation, restrictions on foreign-owned or controlled entities conducting loss adjusting activities in those jurisdictions, exchange rate fluctuations and currency restrictions;

- The outcome of the federal investigation discussed under "ITEM 3. LEGAL PROCEEDINGS" below; and

- Any other factors referenced or incorporated by reference in this report and any other publicly filed report.

The risks included above are not exhaustive. Other sections of this report may include additional factors which could adversely impact the Registrant's business and financial performance. Moreover, the Registrant operates in a very competitive and rapidly changing environment. New risk factors emerge from time to time, and it is not possible for management to predict all such risk factors, nor can it assess the impact of known risk factors on the Registrant's 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. The Registrant undertakes no obligation to revise or publicly release the results of any revisions to forward-looking statements or to identify any new risk factors which may arise. Given these risks and uncertainties, investors should not place undue reliance on forward-looking statements as a prediction of actual future results.

Investors should also be aware that while the Registrant does, from time to time, communicate with securities analysts, it is against the Registrant's policy to disclose to them any material, non-public information or other confidential commercial information. Accordingly, investors should not assume that the Registrant agrees with any statement or report issued by any analyst irrespective of the content of the statement or report. Furthermore, the Registrant has a policy against issuing or confirming financial forecasts or projections issued by others. Thus, to the extent that the reports issued by securities analysts contain any projections, forecasts, or opinions, such reports are not the responsibility of the Registrant.

Available Information

The Registrant's Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and amendments to reports filed pursuant to Section 13(a) and 15(d) of the Securities Exchange Act of 1934, as amended, are available on our website at www.crawfordandcompany.com via a link to a third party website with SEC filings. These reports are made available at no cost.

ITEM 2. PROPERTIES

The Registrant's home office and educational facilities are owned by the Registrant and located in Atlanta, Georgia. Registrant also owns its Canadian home office facility located in Kitchener, Ontario and an additional office location in Stockport, England. As of December 31, 2002, the Registrant leased approximately 593 office locations under leases with remaining terms ranging from a few months to ten years. The remainder of its office locations are occupied under various short-term rental arrangements.

ITEM 3. LEGAL PROCEEDINGS

In the normal course of the claims administration services business, the Registrant is named as a defendant in suits by insureds or claimants contesting decisions by the Registrant or its clients with respect to the settlement of claims. Additionally, clients of the Registrant have brought actions for indemnification on the basis of alleged negligence on the part of the Registrant, 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 Registrant; however, the Registrant is self-insured for the deductibles under its various insurance coverages. In the opinion of the Registrant, adequate reserves have been provided for such self-insured risks.

In 2000, the Registrant received federal grand jury subpoenas requesting certain business and financial records dating back to 1992. Additional document requests and grand jury subpoenas were received in 2001 and continued to be received in 2002. The Registrant has been advised by the U.S. Department of Justice Fraud Section that the subpoenas issued by the Fraud Section and local U.S. Attorney offices were issued in connection with a nationwide investigation into the billings for services in some of the Registrant's U.S. Claims Management and Healthcare Management Services branch offices. The Registrant is cooperating fully with the government's inquiry and has retained outside counsel to conduct an internal investigation into its billing practices under the direction of the Board of Directors. In addition, the Registrant has issued written corporate billing policies in order to clarify its billing practices and eliminate inconsistencies in their application, and continues to strengthen its internal audit and branch inspection procedures.

The Registrant cannot predict when the government's investigation will be completed, its ultimate outcome or its effect on the Registrant's financial condition or results of operations. However, the investigation could cause disruption in the delivery of the Registrant's services, and ultimately result in the imposition of civil, administrative or criminal fines or sanctions, as well as potential reimbursements to clients and loss of existing or prospective clients or business opportunities. Any such result could have a material adverse effect on the Registrant's financial condition and results of operation.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

No matters were submitted to security holders for a vote during the fourth quarter of 2002.

EXECUTIVE OFFICERS OF THE REGISTRANT

The following are the names, positions held, and ages of each of the executive officers of the Registrant:

Name	Office	Age
G. L. Davis	Chairman, President and Chief Executive Officer	51
J. T. Bowman	President - Crawford & Company International, Inc.	49
S. V. Festa	Executive Vice President - Risk Management Services	43
J. F. Giblin	Executive Vice President - Finance	46
Victoria Holland	Executive Vice President - Healthcare Management Services	58
J. F. Osten	Executive Vice President - General Counsel & Corporate Secretary	61
H. L. Rogers	Executive Vice President - Claims Management Services	46
W. L. Beach	Senior Vice President - Human Resources	58

Mr. Davis was appointed Chairman of the Board effective October 28, 2002, Chief Executive Officer effective April 1, 2001 and was President and Chief Operating Officer from July 27,

1999. From November 1, 1998 to July 27, 1999 he was Senior Vice President of the Claims Management Services product line, a position he also held from August 1, 1997 to April 1, 1998. From April 2, 1998 to October 31, 1998 Mr. Davis was Manager of the Registrant's Dallas Service Center. From May of 1996 to August of 1997 he was Vice President - National Sales Manager for Claims Management Services and from July 1994 to May of 1996 he was a Regional Manager in Claims Management Services operations, first as an Assistant Vice President and then Vice President.

Mr. Bowman was appointed to his present position effective April 1, 2001. From August of 1997, first as a Vice President and then in August 1999 as a Senior Vice President, he was Regional Managing Director - Americas. From January 1, 1996 to August, 1997 he was Vice President in charge of International Strategic

Planning.

Mr. Festa was appointed to his present position with the Registrant on July 27, 1999. Prior to July 1999 and from November 1998 he was Senior Vice President - Risk Management Services. From April 1998 to November 1998, he was a Vice President and Director of the Registrant's Risk Management Service Centers. Prior to April 1998 and for more than five years Mr. Festa was involved in the operations of the Registrant's Risk Management Services product line first as an Operations Supervisor, then in June of 1996 as an Assistant Vice President and in August of 1997 as a Vice President.

Mr. Giblin has been with the Registrant for more than five years, serving as Controller until his appointment to his present position in June 1998.

Ms. Holland was appointed to her present position with the Registrant on July 27, 1999. From August 1, 1997 to July 27, 1999, she was a Senior Vice President in the Healthcare Management Services product line. Prior to August 1997 and for more than five years, Ms. Holland was a Vice President in the Healthcare Management Services product line.

Mr. Osten had served in this position with the Registrant for more than five years, but ended his employment with the Registrant as of January 15, 2003.

Mr. Rogers was appointed to his present position with the Registrant on May 1, 2002. Prior to May 1, 2002 and from April 15, 2001 he was Executive Vice President - Business Solutions Group. Prior to April, 2001 and from July 27, 1999 he was Executive Vice President - Property & Catastrophe Services and from November 1998 he was Senior Vice President - Property & Catastrophe Services. From February 1, 1997 to November 1, 1998, he was a Vice President in Catastrophe Services operations and from April 1, 1996 to February, 1997 he was an Assistant Vice President in Catastrophe Services operations.

Mr. Beach was hired by the Registrant as its Chief Learning & Resources Officer in September 1996 and was appointed Senior Vice President - Human Resources in October of 1997. For more than five years prior to that, he was a partner of Southern Consulting Group in Atlanta, Georgia.

Officers of the Registrant are appointed annually by the Board of Directors of the Registrant, except for Mr. Bowman, who is appointed by the Board of Directors of Crawford & Company International, Inc.

PART II

ITEM 5. MARKET FOR THE REGISTRANT'S COMMON EQUITY AND RELATED SHAREHOLDER MATTERS

The information required by this Item is included on page 52 of the Registrant's Annual Report to Shareholders for the year ended December 31, 2002, under the caption "Quarterly Financial Data (unaudited), Dividend Information and Common Stock Quotations" and is incorporated herein by reference.

ITEM 6. SELECTED FINANCIAL DATA

The information required by this Item is included on page 51 of the Registrant's Annual Report to Shareholders for the year ended December 31, 2002, under the caption "Selected Financial Data" and is incorporated herein by reference.

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

The information required by this Item is included on pages 18-28 of the Registrant's Annual Report to Shareholders for the year ended December 31, 2002, under the caption "Management's Discussion and Analysis of Financial Condition and Results of Operations" and is incorporated herein by reference.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT MARKET RISK

The information required by this Item is included on page 27 of the Registrant's Annual Report to Shareholders for the year ended December 31, 2002, under the caption "Market Risk" and is incorporated herein by reference.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The information required by this Item is included on pages 29-52 of the Registrant's Annual Report to Shareholders for the year ended December 31, 2002, under the captions "Consolidated Statements of Income", "Consolidated Balance Sheets", "Consolidated Statements of Shareholders' Investment", "Consolidated Statements of Cash Flows", "Notes to Consolidated Financial Statements", "Quarterly Financial Data (unaudited), Dividend Information and Common Stock Quotations", and "Report of Ernst & Young LLP, Independent Auditors", and is incorporated herein by reference.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

On April 23, 2002, the Registrant determined not to renew the engagement of its independent auditors, Arthur Andersen LLP ("Andersen"), and appointed Ernst & Young LLP ("Ernst & Young") as its new independent auditors, effective immediately. This determination followed

Registrant's decision to seek proposals from independent auditors to audit Registrant's financial statements for the fiscal year ending December 31, 2002. The decision not to renew the engagement of Andersen and to retain Ernst & Young was approved by Registrant's Board of Directors upon the recommendation of its Audit Committee.

Andersen's reports on the Registrant's consolidated financial statements for the fiscal years ended December 31, 2000 and December 31, 2001 did not contain any adverse opinion or disclaimer of opinion, nor were they qualified or modified as to uncertainty, audit scope or accounting principles.

During the Registrant's two most recent fiscal years that Andersen was engaged as independent auditor, there were no disagreements with Andersen on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure which, if not resolved to Andersen's satisfaction, would have caused it to make reference to the subject matter in connection with its report on the Registrant's consolidated financial statements for such years; and there were no reportable events, as listed in Item 304(a)(1)(v) of Regulation S-K.

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

The information required by this Item is included on page 2 under the caption "Nominee Information" of the Registrant's Proxy Statement for the Annual Meeting of Shareholders to be held April 29, 2003, and is incorporated herein by reference. For other information required by this Item, see "Executive Officers of the Registrant" on pages 12-13 herein.

ITEM 11. EXECUTIVE COMPENSATION

The information required by this Item is included on pages 4-8 under the captions "Executive Compensation and Other Information" and "Report of the Senior Compensation and Stock Option Committee of the Board of Directors on Executive Compensation" and on page 13 under the caption "Five Year Comparative Stock Performance Graph" of the Registrant's Proxy Statement for the Annual Meeting of Shareholders to be held April 29, 2003, and is incorporated herein by reference.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The information required by this Item is included on pages 9-11 under the caption "Stock Ownership Information" of the Registrant's Proxy Statement for the Annual Meeting of Shareholders to be held April 29, 2003, and is incorporated herein by reference.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

The information required by this item is included on page 11 under the caption "Information with Respect to Certain Business Relationships" of the Registrant's

Proxy Statement for the Annual Meeting of Shareholders to be held April 29, 2003, and is incorporated herein by reference.

ITEM 14. CONTROLS AND PROCEDURES

As required by SEC rules, the Registrant has evaluated the effectiveness of the design and operation of its disclosure controls and procedures within 90 days of the filing of this annual report. This evaluation was carried out under the supervision and with the participation of the Registrant's management, including its principal executive officer and principal financial officer. Based on this evaluation, these officers have concluded that the design and operation of the Registrant's disclosure controls and procedures are effective. There were no significant changes to its internal controls or in other factors that could significantly affect internal controls subsequent to the date of their evaluation.

Disclosure controls and procedures are the Registrant's controls and other procedures that are designed to ensure that information required to be disclosed by it in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by the Registrant in the reports that it files under the Exchange Act is accumulated and communicated to its management, including its principal executive officer and principal financial officer, as appropriate, to allow timely decisions regarding required disclosure.

PART IV

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES, AND REPORTS ON FORM 8-K

(a) The following documents are filed as part of this report:

1. Financial Statements
The Registrant's 2002 Annual Report to Shareholders contains the consolidated balance sheets as of December 31, 2002 and 2001, the related consolidated statements of income, shareholders' investment and cash flows for each of the three years in the period ended December 31, 2002, and the related reports of Ernst & Young LLP and Arthur Andersen LLP on the financial statements. These financial statements and the reports of Ernst & Young LLP and Arthur Andersen LLP are incorporated herein by reference and included as Exhibit 13.1 to this Form 10-K. The financial statements, incorporated by reference, include the following:

- Consolidated Balance Sheets as of December 31, 2002 and 2001

- Consolidated Statements of Income for the Years Ended December 31, 2002, 2001, and 2000

- Consolidated Statements of Shareholders' Investment for the Years Ended December 31, 2002, 2001, and 2000

- Consolidated Statements of Cash Flows for the Years Ended December 31, 2002, 2001, and 2000

- Notes to Consolidated Financial Statements - December 31, 2002, 2001, and 2000

2. Financial Statement Schedule

- Schedule Number V - Valuation and Qualifying Accounts - Information required by this schedule is included on page 35 of the Registrant's Annual Report to

Shareholders for the year ended December 31, 2002, and is incorporated herein by reference.

Schedules I through IV and VI not listed above have been omitted because they are not applicable.

3. Exhibits filed with this report.

Exhibit No.	Document
3.1	Restated Articles of Incorporation of the Registrant, as amended (incorporated by reference to Exhibit 19.1 to the Registrant's quarterly report on Form 10-Q for the quarter ended June 30, 1991).
3.2	Restated By-laws of the Registrant, as amended.
10.1*	Crawford & Company 1990 Stock Option Plan, as amended (incorporated by reference to Exhibit 10.5 to the Registrant's annual report on Form 10-K for the year ended December 31, 1992).
10.2*	Crawford & Company 1997 Key Employee Stock Option Plan, as amended (incorporated by reference to Appendix A on page A-1 of the Registrant's Proxy Statement for the Annual Meeting of Shareholders held on April 25, 2000).
10.3*	Crawford & Company 1997 Non-Employee Director Stock Option Plan (incorporated by reference to Appendix B on page B-1 of the Registrant's Proxy Statement for the Annual Meeting of Shareholders held on April 22, 1997).
10.4*	Amended and Restated Supplemental Executive Retirement Plan.
10.5*	Crawford & Company 1996 Employee Stock Purchase Plan (incorporated by reference to Appendix A on page A-1 of Registrant's Proxy Statement for the Annual Meeting of Shareholders held on April 18, 1996).

Exhibit No.	Document
10.6*	Amended and Restated Crawford & Company Medical Reimbursement Plan (incorporated by reference to Exhibit 10.9 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 1994).
10.7*	Discretionary Allowance Plan (incorporated by reference to Exhibit 10.10 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 1994).
10.8*	Deferred Compensation Plan (incorporated by reference to Exhibit 10.11 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 1994).
10.9*	Crawford & Company 1996 Incentive Compensation Plan, as amended (incorporated by reference to Exhibit 10.11 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 1999).
13.1	The Registrant's Annual Report to Shareholders for the year ended December 31, 2002 (only those portions incorporated herein by reference).
21.1	Subsidiaries of Crawford & Company.
23.1	Consent of Ernst & Young LLP.
24.1-7	Powers of Attorney.

99.1 Certification pursuant to 18 U.S.C. Section 1850, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

99.2 Certification pursuant to 18 U.S.C. Section 1850, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

* Management contract or compensatory plan required to be filed as an exhibit pursuant to Item 601 of Regulation S-K.

(b) No reports on Form 8-K were filed during the last quarter of the year ended December 31, 2002.

(c) The Registrant has filed the Exhibits listed in Item 14(a)(3).

(d) Separate financial statements of Crawford & Company have been omitted since it is primarily an operating company. All significant subsidiaries included in the consolidated financial statements are wholly-owned.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

CRAWFORD & COMPANY

Date March 24, 2003	By /s/ Grover L. Davis
	GROVER L. DAVIS., Chairman and Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

	NAME AND TITLE
Date March 24, 2003	/s/ Grover L. Davis GROVER L. DAVIS, Chairman and Chief Executive Officer (Principal Executive Officer) and Director
Date March 24, 2003	/s/ J. F. Giblin J. F. GIBLIN, Executive Vice President-Finance (Principal Financial Officer)
Date March 24, 2003	/s/ W. B. Swain W. B. SWAIN, Senior Vice President and Controller (Principal Accounting Officer)

NAME AND TITLE

Date	March 24, 2003	*
		J. HICKS LANIER, Director
Date	March 24, 2003	*
		CHARLES FLATHER, Director
Date	March 24, 2003	*
		LINDA K. CRAWFORD, Director
Date	March 24, 2003	*
		JESSE C. CRAWFORD, Director
Date	March 24, 2003	*
		LARRY L. PRINCE, Director
Date	March 24, 2003	*
		JOHN A. WILLIAMS, Director
Date	March 24, 2003	*
		E. JENNER WOOD, III, Director
Date	March 24, 2003	By /s/ Peter J. Rescigno
		*Peter J. Rescigno - As attorney-in-fact for the Directors above whose name an asterisk appears.

CERTIFICATION

I, Grover L. Davis, certify that:

1. I have reviewed this annual report on Form 10-K of Crawford & Company;

2. Based on my knowledge, this annual report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this annual report;

3. Based on my knowledge, the financial statements, and other financial information included in this annual report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this annual report;

4. The Registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the Registrant and

have:

a. Designed such disclosure controls and procedures to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this annual report is being prepared;

b. Evaluated the effectiveness of the Registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this annual report (the "Evaluation Date"); and

c. Presented in this annual report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The Registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the Registrant's auditors and the audit committee of Registrant's board of directors (or persons performing the equivalent functions):

a. All significant deficiencies in the design or operation of internal controls which could adversely affect the Registrant's ability to record, process, summarize and report financial data and have identified for the Registrant's auditors any material weaknesses in internal controls; and

b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal controls; and

6. The Registrant's other certifying officers and I have indicated in this annual report whether there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: March 24, 2003 /s/ Grover L. Davis

Grover L. Davis
Chairman and Chief Executive Officer
(Principal Executive Officer)

CERTIFICATION

I, John F. Giblin, certify that:

1. I have reviewed this annual report on Form 10-K of Crawford & Company;

2. Based on my knowledge, this annual report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this annual report;

3. Based on my knowledge, the financial statements, and other financial information included in this annual report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this annual report;

4. The Registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the Registrant and have:

a. Designed such disclosure controls and procedures to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this annual report is being prepared;

b. Evaluated the effectiveness of the Registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this annual report (the "Evaluation Date"); and

c. Presented in this annual report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The Registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the Registrant's auditors and the audit committee of Registrant's board of directors (or persons performing the equivalent functions):

a. All significant deficiencies in the design or operation of internal controls which could adversely affect the Registrant's ability to record, process, summarize and report financial data and have identified for the Registrant's auditors any material weaknesses in internal controls; and

b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal controls; and

6. The Registrant's other certifying officers and I have indicated in this annual report whether there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: March 24, 2003

/s/ J. F. Giblin

John F. Giblin
Executive Vice President - Finance
(Principal Financial Officer)

EXHIBIT INDEX

Exhibit No.	Description of Exhibit	Sequential Page Number of Exhibit
3.1	Restated Articles of Incorporation of the Registrant, as amended (incorporated by reference to Exhibit 19.1 to the Registrant's quarterly report on Form 10-Q for the quarter ended June 30, 1991).	
3.2	Restated By-laws of the Registrant, as amended.	25-33
10.1	Crawford & Company 1990 Stock Option Plan, as amended (incorporated by reference to Exhibit 10.5 to the Registrant's annual report on Form 10-K for the year ended December 31, 1992).	
10.2	Crawford & Company 1997 Key Employee Stock Option Plan, as amended (incorporated by reference to Appendix A on page A-1 of the Registrant's Proxy Statement for the Annual Meeting of Shareholders held on April 25, 2000).	
10.3	Crawford & Company 1997 Non-Employee Director Stock Option Plan (incorporated by reference to Appendix B on page B-1 of the Registrant's Proxy Statement for the Annual Meeting of Shareholders held on April 22, 1997).	
10.4	Amended and Restated Supplemental Executive Retirement Plan.	34-38
10.5	Crawford & Company 1996 Employee Stock Purchase Plan (incorporated by reference to Appendix A on page A-1 of Registrant's Proxy Statement for the Annual Meeting of Shareholders held on April 18, 1996).	
10.6	Amended and Restated Crawford & Company Medical Reimbursement	

	Plan (incorporated by reference to Exhibit 10.9 to the Registrant's annual report on Form 10-K for the year ended December 31, 1994).
10.7.1	Discretionary Allowance Plan (incorporated by reference to Exhibit 10.10 to the Registrant's annual report on Form 10-K for the year ended December 31, 1994).
10.8	Deferred Compensation Plan (incorporated by reference to Exhibit 10.11 to the Registrant's annual report on Form 10-K for the year ended December 31, 1994).

EXHIBIT INDEX

Exhibit No.	Description of Exhibit	Sequential Page Number of Exhibit
10.9	Crawford & Company 1996 Incentive Compensation Plan, as amended (incorporated by reference to Exhibit 10.11 to the Registrant's annual report on Form 10-K for the year ended December 31, 1999).	
13.1	The Registrant's Annual Report to Shareholders for the year ended December 31, 2002 (only those portions incorporated hereby by reference).	39-74
21.1	Subsidiaries of Crawford & Company.	75
23.1	Consent of Ernst & Young LLP.	76
24.1-7	Powers of Attorney.	77-83
99.1	Certification by Chief Executive Officer	84
99.2	Certification by Chief Financial Officer	85

EXHIBIT 3.2

RESTATED BY-LAWS
OF
CRAWFORD & COMPANY
(reflecting amendments made through January 28, 2003)

ARTICLE I

SHAREHOLDERS

Section 1. Annual Meeting. The annual meeting of the shareholders for the election of directors and for the transaction of such other business as may properly come before the meeting shall be held at such place, either within or without the State of Georgia, on such date, and at such time, as the Board of Directors or its Executive Committee may by resolution provide, or if the Board of Directors or Executive Committee fails to provide for such meeting by action by April 1 of any year, then such meeting shall be held at the principal office of the Company in Atlanta, Georgia at 11:00 a.m. on the third Tuesday in April of each year, if not a legal holiday under the laws of the State of Georgia, and if a legal holiday, on the next succeeding business day. The Board of Directors may specify by resolution prior to any special meeting of shareholders held within the year that such meeting shall be in lieu of the annual meeting.

Section 2. Special Meetings. Except as otherwise provided by law, special meetings of the shareholders may be called by the Board of Directors, or its Executive Committee, or by the Chairman of the Board, or by the President, or by the holders of record of at least one-fourth (1/4) of the outstanding stock entitled to vote at such meeting. Such meeting may be held in such place, either within or without the State of Georgia, as is stated in the call and notice thereof.

Section 3. Notice of Meeting. Written notice of each meeting of shareholders, stating the date, time and place of the meeting, and describing the purpose or purposes of the meeting if it is a special meeting, shall be mailed to each shareholder entitled to vote at such meeting at such shareholder's address shown on the Company's current record of shareholders not less than ten (10) nor more than sixty (60) days prior to such meeting. If an amendment to the Articles of Incorporation, a plan of merger or share exchange, or a sale of assets of the Company is to be considered at any annual or special meeting, the written notice shall state that consideration of such action is one of the purposes of such meeting. A shareholder may waive notice of a meeting before or after the meeting. The waiver must be in writing, must be signed by the shareholder entitled to the notice, and must be delivered to the Company for inclusion in the minutes or filing with the corporate records. A shareholder's attendance at a meeting (1) waives objection to lack of notice or defective notice of the meeting, unless the shareholder at the beginning of the meeting objects to holding a meeting or transacting business at the meeting, and (2) waives objection to consideration of a particular matter at the meeting, that is not within the purpose or purposes described in the meeting notice, unless the shareholder objects to considering the matter when it is presented. Neither the business transacted at, nor the purpose of, any meeting need be stated in a waiver of notice of a meeting, except that, with respect to a waiver of notice of a meeting at which an amendment to the Articles of Incorporation, a plan of merger or share exchange, sale of assets, or any other action that would entitle the shareholder to dissenter's rights, is submitted to a vote of shareholders, the same material that the Georgia Business Corporation Code would have required to be sent to the shareholder in a notice of the meeting must be delivered to the shareholder prior to such shareholder's execution of the waiver of notice, or the waiver itself must expressly waive the right to such material.

Notice of any meeting may be given by or at the direction of the Secretary or by the person or persons calling such meeting, if the Secretary fails to give such notice within twenty (20) days after the call of a meeting. No notice need be given of the new date, time or place of reconvening any adjourned meeting, if the new date, time and place to which the meeting is adjourned are announced at the adjourned meeting before adjournment, except that, if a new record date for the adjourned meeting is or must be fixed under the applicable provisions of the Georgia Business Corporation Code, notice of the adjourned meeting must be given to persons who are shareholders as of the new record date.

Notwithstanding the foregoing, notice of any meeting of the shareholders may be given by electronic or any other means to the extent that delivery of such notice by those means is not precluded by the Georgia Business Corporation Code or the rules and regulations of The New York Stock Exchange or the United States Securities and Exchange Commission.

Section 4. Quorum. A majority in interest of the issued and outstanding capital stock of the Company entitled to vote at any annual or special meeting of shareholders and represented either in person or by proxy shall constitute a quorum for the transaction of business at such annual or special meeting. Once a share is represented for any purpose at a meeting other than solely to object to holding the meeting or transacting business at the meeting, it is deemed present for quorum purposes for the remainder of the meeting and for any adjournment of that meeting unless a new record date is or must be (under the provisions of the Georgia Business Corporation Code) set for that adjourned meeting. If a quorum shall not be present, the holders of a majority of the stock represented may adjourn the meeting to some later time. When a quorum is present, a vote of a majority of the stock represented in person or by proxy shall determine any question, except as otherwise provided by the Articles of Incorporation, these By-laws, or by law.

Section 5. Proxies. A shareholder may vote, execute consents, waivers and releases and exercise any of his other rights, either in person or by proxy duly executed in writing by the shareholder. A proxy for any meeting shall be valid for any adjournment of such meeting. Unless otherwise provided in the proxy, it shall confer discretionary authority to vote on any proposal by a shareholder not included with the proxy materials accompanying the notice and proxy if the Company did not have notice of that matter at least 120 days before the date on which the Company first mailed its proxy materials for the prior year's annual meeting of shareholders.

Section 6. Record Date. The Board shall have power to close the stock transfer books of the Company for a period not to exceed fifty (50) days preceding the date of any meeting of shareholders, or the date for payment of any dividend, or the date for the allotment of rights, or the date when any change or conversion or exchange of capital stock shall go into effect; provided, however, that in lieu of closing the stock transfer books as aforesaid, the Board may fix in advance a date, not exceeding seventy (70) days preceding the date of any meeting of shareholders, or the date of the payment of any dividend, or the date for the allotment of rights, or the date when any change or conversion or exchange of capital stock shall go into effect, as a record date for the determination of the shareholders entitled to notice of, and to vote at, any such meeting, or entitled to receive payment of any such dividend, or to any such allotment of rights, or to exercise the rights in respect of any such change, conversion or exchange of capital stock, and in such case only such shareholders as shall be shareholders of record on the date so fixed shall be entitled to such notices of, and to vote at, such meeting, or to receive payment of such dividend, or to receive such allotment of rights, or to exercise such rights, as the case may be, notwithstanding any transfer of any stock on the books of the Company after any such record date fixed as aforesaid.

ARTICLE II

DIRECTORS

Section 1. Powers of Directors. The Board of Directors shall have the management of the business of the Company, and, subject to any restrictions imposed by law, by the charter, or by these By-Laws, may exercise all the power of the corporation.

Section 2. Number and Term of Directors. The number of Directors which shall constitute the full Board shall be eight (8), but the number may be increased or decreased by amendment of these By-Laws either by the Board of Directors or by the affirmative vote of a majority of the voting power of the outstanding stock of the Company entitled to vote generally in the election of Directors, voting as a class. At each annual meeting the shareholders entitled to vote thereon shall elect the Directors, who shall serve until their successors are elected and qualified; provided that the shareholders entitled to vote thereon at any special meeting may remove any Director, with or without cause, and may fill any vacancy created thereby. Any vacancy in the Board of Directors occurring between meetings of the shareholders may be filled by the vote of a majority of the remaining Directors, though less than a quorum.

Section 3. Meetings of the Directors. The Board may by resolution provide for the time and place of regular meetings, and no notice need be given of such regular meetings. Special meetings of the Directors may be called by the full Board of Directors, by the Executive Committee of the Board of Directors, by the Chairman of the Board, by the President, or by at least any two (2) of the Directors. There shall be an annual meeting of the Board of Directors at the place of and immediately following the annual meeting of shareholders.

Section 4. Quorum. A majority of the number of Directors fixed as herein provided or fixed as otherwise provided by law shall constitute a quorum for the transaction of business at any meeting thereof. If a quorum shall not be present, a majority of the Directors present at any such meeting may adjourn the meeting to some later time.

Section 5. Action. When a quorum is present, the vote of a majority of the Directors present shall be the act of the Board of Directors, unless a greater vote is required by law, by the Articles of Incorporation or by these By-Laws.

Section 6. Notice of Meetings. Notice of each meeting of the Board shall be given by the Secretary by mailing the same at least five (5) days before the meeting or by telephone or telegraph or in person at least two (2) days before the meeting, to each Director, except that no notice need be given of regular meetings fixed by the resolution of the Board. Any Director may waive notice, either before or after any meeting, and shall be deemed to have waived notice if he is present at the meeting. If the Secretary fails to give such notice in the manner specified in the call, within five (5) days after receiving notice of the call, the person or persons calling such meetings, or any person designated by him or them may give such notice. Neither the business to be transacted at or the purpose of any regular or special meeting of the Board need be specified in the notice or waiver of notice of such meeting.

Section 7. Committees. The Board may by resolution provide for an Executive Committee and one or more other committees, each consisting of such Directors as are designated by the Board. Any vacancy in such Committee may be filled by the Board. Except as otherwise provided by law, by these By-Laws, or by resolution of the full Board, such Executive Committee shall have and may exercise the full powers of the Board of Directors during the interval between the meetings of the Board and wherever by these By-Laws, or by resolution of the shareholders, the Board of Directors is authorized to take action or to make a determination, such action or determination may be taken or made by such Executive Committee, unless these By-Laws or such resolution expressly require that such action or determination be taken or made by the full Board of Directors. The Executive Committee, or other Committee, shall by resolution fix its own rules of procedure, and the time and place of its meetings, and the person or persons who may call, and the method of call, of its meetings.

Section 8. Compensation. A fee for serving as a Director and reimbursement for expenses for attendance at meetings of the Board of Directors or any Committee thereof may be fixed by resolution of the full Board.

Section 9. Qualifications of Directors

(a) Corporate Officers. Except as provided in subsection (c) below, no person who is or has been an officer of the Company shall be eligible for nomination or renomination as a member of the Board of Directors of the Company at any time after the earlier of the following occurrences: (i) such person has attained the age of seventy (70), or (ii) the second anniversary of the date of such person's retirement, resignation or removal as an officer of the Company.

(b) Other Directors. Except as provided in subsection (c) below, no person shall be eligible for nomination or renomination as a member of the Board of Directors of the Company at any time after the earlier of the following occurrences: (i) such person has attained the age of seventy (70), or (ii) the second anniversary of the termination by retirement of the "Principal Employment" (as hereinafter defined) of such person. As used herein, the term "Principal Employment" means the principal employment, professional affiliation or business activity as set forth in the Company's Proxy Statement dated March 24, 1986 (in the case of directors holding office on April 22, 1986) or the first Proxy Statement of the Company that contains such information (in the case of directors first elected after April 22, 1986).

(c) Exceptions. The provisions of subsection (a) and (b) above shall not apply to (i) any person who, at the time of such person's nomination or re-nomination as a member of the Board of Directors of the Company, is the beneficial owner of ten percent (10%) or more of the voting power of the outstanding stock of the Company entitled to vote generally in the election of Directors; or (ii) Forrest L. Minix.

Section 10. Honorary Directors. The Board of Directors shall have the authority to appoint honorary members of the Board of Directors and to further designate any such honorary member as an "Emeritus" officer of the Company. It shall not be a requirement that any such honorary member be qualified to be a member of the Board of Directors. An honorary member shall be entitled to notice of and attendance at all meetings of the Board of Directors and to participate in such meetings, except that such honorary member shall have no voting rights nor shall such honorary member be included in determining a quorum under Section 4.

ARTICLE III

OFFICERS

Section 1. Officers. The officers of the Company shall consist of a Chairman of the Board, a Chief Executive Officer, a corporate President, one or more business unit Presidents, one or more Vice President, a Secretary, a Comptroller, a Treasurer, and such other officers or assistant officers as may be elected by the Board of Directors. Any two (2) or more offices may be held by the same person. The Board may designate one or more Vice Presidents as Executive Vice President or Senior Vice President, and may designate the order in which the Vice Presidents may act.

Section 2. Chairman of the Board. The Chairman of the Board shall preside at all meetings of the Board of Directors and the shareholders at which he is present and shall exercise the other powers and perform the other duties as the Board of Directors may from time to time assign to him.

Section 3. Chief Executive Officer. Subject to the control of the Board of Directors and the Chairman of the Board, the Chief Executive Officer shall give supervision and direction to the affairs of the Company.

Section 4. Corporate President. The corporate President shall be the chief operating officer of the Company and shall give general supervision and administrative direction to the affairs of the Company, subject to the direction of the Chief Executive Officer.

Section 5. Business Unit President. A business unit President shall be the chief operating officer of the designated major business unit of the Corporation, reporting to the Chief Executive Officer or the corporate President, as the Board of Directors shall designate. Business units need not have a President, and in the absence of such an officer, will be managed by one or more Vice Presidents.

Section 6. Vice President. A Vice President shall have such powers and perform such duties as the Board of Directors, corporate President, or, in the case of the business unit Vice President, as that business unit President may prescribe. A Vice President shall act in case of the absence or disability of the corporate President or business unit President. If there is more than one Vice President, such Vice Presidents shall act in the order of precedence as set out by the Board of Directors, or in the absence of such designation, as designated by the corporate President or business unit President.

Section 7. Treasurer. The Treasurer shall receive and have the custody of all moneys and securities of the Company, shall pay such dividends as may be declared from time to time by the Board of Directors, and do and perform all such duties as may be required of him by its Board of Directors, and such other duties as usually devolve upon such officers.

Section 8. Comptroller. The Comptroller shall be responsible for the maintenance of proper financial books and records of the Company.

Section 9. Secretary. The Secretary shall keep the minutes of the meetings of the shareholders, the Directors, the Executive Committee, and the other committees of the Board and shall have custody of the seal of the Company.

Section 10. Assistant Secretaries. The Assistant Secretaries, in the order of their seniority, shall, in the absence or disability of the Secretary, perform the duties and exercise the powers of the Secretary, and shall perform such other duties as the Board of Directors shall prescribe.

Section 11. Assistant Treasurers. The Assistant Treasurers, in the order of their seniority, shall, in the absence or disability of the Treasurer, perform the duties and exercise the powers of the Treasurer, and shall perform such other duties as the Board of Directors shall prescribe.

Section 12. Other Duties and Authorities. Each officer, employee and agent shall have such other duties and authorities as may be conferred on them by the Board of Directors and, subject to any directions of the Board, by the Chairman of the Board, the corporate President, and any business unit President.

Section 13. Removal. Any officer may be removed at any time by the Board of Directors and such vacancy may be filled by the Board of Directors. A contract of employment for a definite term shall not prevent the removal of any officer; but this provision shall not prevent the making of a contract of employment with any officer and any officer removed in breach of his contract of employment shall have a cause of action therefore.

Section 14. Salary. The salaries of all officers of the Company shall be fixed by the Board of Directors or by a duly authorized Committee of the Board.

ARTICLE IV

DEPOSITORIES, SIGNATURES AND SEAL

Section 1. Depositories. All funds of the Company shall be deposited in the name of the Company in such depository or depositories as the Board may designate and shall be drawn out on checks, drafts or other orders signed by such officer, officers, agent or agents as the Board may from time to time authorize.

Section 2. Contracts. All contracts and other instruments shall be signed on behalf of the Company by such officer, officers, agent or agents, as the Board may from time to time by resolution provide.

Section 3. Seal. The corporate seal of the Company shall be as follows, or in such other form as the Board may from time to time by resolution provide:

(Imprint of Seal)

If the seal is affixed to a document, the signature of the Secretary or an Assistant Secretary shall attest the seal. The seal and its attestation may be lithographed or otherwise printed on any document and shall have, to the extent permitted by law, the same force and effect as if it had been affixed and attested manually.

ARTICLE V

STOCK TRANSFERS

Section 1. Form and Execution of Certificates. The certificates of shares of capital stock of the Company shall be in such form as may be approved by the Board of Directors and shall be signed by the Chairman of the Board or the President and by the Secretary or any Assistant Secretary or Treasurer or any Assistant Treasurer, provided that any such certificate may be signed by the facsimile of the signature of either or both of such officers imprinted thereon if the same is countersigned by a transfer agent of the Company, and provided further that certificates bearing the facsimile of the signature of such officers imprinted thereon shall be valid in all respects as if such person or persons were still in office, even though such officer or officers have died or otherwise ceased to be officers.

Section 2. Transfer of Shares. Shares of stock in the Company shall be transferable only on the books of the Company by proper transfer signed by the holder of record thereof or by a person duly authorized to sign for such holder of record. The Company or its transfer agent shall be authorized to refuse any transfer unless and until it is furnished such evidence as it may reasonably require showing that the requested transfer is proper. Upon the surrender of a certificate for transfer of shares of stock, such certificate shall at once be conspicuously marked on its face "Cancelled" and filed with the permanent stock records of the Company.

Section 3. Lost, Destroyed or Mutilated Certificates. The Board may by resolution provide for the issuance of certificates in lieu of lost, destroyed or mutilated certificates and may authorize such officer or agent as it may designate to determine the sufficiency of the evidence of such loss, destruction or mutilation and the sufficiency of any security furnished to the Company and to determine whether such duplicate certificate should be issued.

Section 4. Transfer Agent and Registrar. The Board may appoint a transfer agent or agents and a registrar or registrars of transfers, and may require that all stock certificates bear the signature of such transfer agent or such transfer agent and registrar.

ARTICLE VI

INDEMNIFICATION

Section 1. The Company shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Company) by reason of the fact that he is or was a director, officer, employee or agent of the Company, or is or was serving at the request of the Company as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including court costs and attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Company, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the Company, and, with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful.

Section 2. The Company shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the Company to procure a judgment in its favor by reason of the fact that he is or was a director, officer, employee or agent of the Company, or is or was serving at the request of the Company as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against expenses (including court costs and attorneys' fees) actually and reasonably incurred by him in connection with the defense or settlement of such action or suit if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Company and except that no such indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable for negligence or misconduct in the performance of his duty to the Company unless and only to the extent that the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which such court shall deem proper.

Section 3. To the extent that a director, officer, employee or agent of the Company shall be successful on the merits or otherwise in defense of any action, suit or proceeding referred to in Sections 1 and 2 of this Article, or in defense of any claim, issue or matter therein, he shall be indemnified against expenses (including court costs and attorneys' fees) actually and reasonably incurred by him in connection therewith.

Section 4. Any indemnification under Sections 1 and 2 of this Article (unless ordered by a court) shall be made by the Company only as authorized in the specific case upon a determination that indemnification of the director, officer, employee or agent is proper in the circumstances because he has met the applicable standard of conduct set forth in said Sections 1 and 2. Such determination shall be made (1) by the Board of Directors by a majority vote of a quorum consisting of directors who were not parties to such action, suit or proceeding, or (2) if

such a quorum is not obtainable, or, even if obtainable a quorum of disinterested directors so directs, by independent legal counsel in a written opinion, or (3) by the shareholders.

Section 5. Expenses incurred in defending a civil or criminal action, suit or proceeding may be paid by the Company in advance of the final disposition or such action, suit or proceeding as authorized by the Board of Directors in the manner provided in Section 4 of this Article upon receipt of an undertaking by or on behalf of the director, officer, employee or agent to repay such amount unless it shall ultimately be determined that he is entitled to be indemnified by the Company as authorized in this Article, and, if such person is a director, upon receipt of a written affirmation of such director's good faith belief that he or she has met the standards of conduct required by the Georgia Business Corporation Code.

Section 6. The indemnification provided by this Article shall not be deemed exclusive of any other rights to which those indemnified may be entitled under any agreement, vote of shareholders or disinterested directors, or otherwise, both as to action in his official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of the heirs, executors and administrators of such a person.

Section 7. The Board of Directors may authorize, by a vote of a majority of the full Board, the Company to purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the Company, or is or was serving at the request of the Company as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against him and incurred by him in any such capacity, or arising out of his status as such, whether or not the Company would have the power to indemnify him against such liability under the provisions of this Article.

ARTICLE VII

AMENDMENT

Section 1. The Board of Directors or the shareholders entitled to vote thereon shall have the power to alter, amend or repeal the By-laws or adopt new by-laws. The shareholders may prescribe that any by-law or by-laws adopted by them shall not be altered, amended or repealed by the Board of Directors. Action by the Board of Directors with respect to by-laws shall be taken by an affirmative vote of a majority of all directors then holding office. An action by the shareholders with respect to by-laws shall be taken by the affirmative vote of a majority of the shares then issued and outstanding and entitled to vote.

EXHIBIT 10.4

CRAWFORD & COMPANY
SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN
AS AMENDED AND RESTATED AS OF JANUARY 1, 2003

Section 1. PURPOSE

Crawford & Company hereby amends and restates the Crawford & Company Supplemental Executive Retirement Plan as originally effective as of January 1, 1986 and as thereafter amended. The primary purpose of this SERP is to provide a supplemental retirement benefit to the Participants described in Exhibit A to supplement certain benefits payable to each of them under the Savings Plan, Deferred Compensation Plan or Retirement Plan to the extent payment of such benefits is limited by the application of Code Sections 401(a)(17) and 415.

Section 2. DEFINITIONS

The capitalized terms used in this SERP shall have the same meanings assigned to those terms in the Retirement Plan except that the following terms shall have the following meanings:

2.1 SERP - means this Crawford & Company Supplemental Executive Retirement Plan, as amended from time to time.

2.2 Retirement Plan - means the Crawford & company Retirement Plan and Trust Agreement, as amended from time to time.

2.3 Deferred Compensation Plan - means the Crawford & Company Deferred Compensation Plan, and any successor plan, as amended from time to time.

2.4 Savings Plan - means the Crawford Savings and Investment Plan, as amended from time to time.

Section 3. PARTICIPATION

The Senior Compensation and Stock Option Committee of the Board of Directors shall have the power to designate an executive as a Participant in this SERP and such designations shall be reflected on Exhibit A to this SERP.

Section 4. BENEFIT

4.1 SERP Benefit.

a. SERP Retirement Benefit. A benefit shall be payable under this SERP to, or on behalf of, each Participant, which benefit shall equal the excess, if any, of (1) over (2) where

(1) equals the aggregate of (i) the benefits which would have been payable to him, or on his behalf, under the Retirement Plan, plus (ii) Restoration Benefits under the Deferred Compensation Plan in the form elected by him, or his Beneficiary, under the terms of the Retirement Plan and Deferred Compensation Plan absent the limitations of Code Sections 401(a)(17) and 415, without regard to when such executive became a participant; and

(2) equals the aggregate benefits actually payable to him, or on his behalf, in such form under (i) the Retirement Plan, and (ii) the Restoration Benefits provisions of the Deferred Compensation Plan.

b. SERP Service Credit Benefit. On and after January 1, 2003, the Company will make a SERP Service Credit on behalf of each Participant for each Plan Year, which will be equal to the excess of (1) over (2) where

(1) equals the amount that would have been allocated to the Participant's account as a "service contribution" under the

Savings Plan for such Plan Year if "compensation" under the Savings Plan had been determined without regard to the Participant's deferrals under the Deferred Compensation Plan for such Plan Year and without regard to the limitations of Code Sections 401(a)(17) and 415 and

(2) equals the sum of the amount actually allocated for such Plan Year (i) as a "service contribution" to the Participant's account under the Savings Plan and (ii) as a "service credit" to the Participant's account under the Deferred Compensation Plan.

Each Participant's SERP Service Credit shall be allocated to a bookkeeping account maintained as a part of the Company's books and records to show as of any date the interest of each Participant in this SERP Service Credit Benefit, which is referred to as such Participant's SERP account. Deemed interest shall be credited to each such SERP account at the same rate and in the same manner that deemed interest is credited to accounts maintained under the Deferred Compensation Plan. Crawford & Company shall furnish a statement to each Participant annually, which shows the deemed SERP account balance at the end of the Plan Year preceding the statement date and, at Crawford & Company's discretion, such other account data as Crawford & Company deems appropriate.

4.2 Payment of SERP Retirement Benefit. The SERP Retirement Benefit payable to, or on behalf of, a Participant under this Section 4 shall be paid as of the same date, in the same benefit payment form and to the same person as his or her benefit under the Retirement Plan or Deferred Compensation Plan, and no payment shall be made to, or on behalf of, a Participant under this Section 4 unless a benefit is paid to him or her or on his or her behalf under the Retirement Plan.

4.3 Payment of SERP Service Credit Benefit. The SERP Service Credit benefit payable to, or on behalf of, a Participant under this Section 4 shall be paid as of the later of the date the Participant terminates his or her employment with Crawford & Company and its affiliates or the date the Participant attains age 55. Each Participant may elect to have his SERP account distributed in the same manner as a "retirement distribution" under Section 7.3 of the Deferred Compensation Plan.

4.4 Previously Retired Participants. Notwithstanding Section 4.4, if an executive, at the time of his designation as a Participant, is currently receiving benefits under the Retirement Plan, he shall not receive any SERP Retirement Benefit until such time as such Participant's employment terminates following his or her designation as a Participant ("Subsequent Retirement"). Such Participant's SERP Retirement Benefit under Section 4.1(a) shall, at the time of the Subsequent Retirement, be determined by including all periods of employment up to the Subsequent Retirement, without regard to any previous retirement, as if the Participant first started receiving benefits under the Retirement Plan as of the time of his or her Subsequent Retirement. Any Participant who retires and then returns to employment shall receive additional SERP benefits in accordance with this Section 4 with respect to such period of subsequent employment if designated a continuing Participant by the Committee.

Section 5. SOURCE OF BENEFIT PAYMENTS

All benefits payable under the terms of this SERP shall be paid by Crawford & Company from its general assets. No person shall have any right or interest or claims whatsoever to the payment of a benefit under this SERP from any person whomsoever other than Crawford & Company, and no Participant or beneficiary shall have any right or interest whatsoever to the payment of a benefit under this SERP which is superior in any manner to the right of any other general and unsecured creditor of Crawford & Company.

Section 6. NOT A CONTRACT OF EMPLOYMENT

Participation in this SERP shall not grant to any Participant the right to remain an employee for any specific term of employment or in any specific capacity or at any specific rate of compensation.

Section 7. NO ALIENATION OR ASSIGNMENT

A Participant or a beneficiary under this SERP shall have no right or power to alienate, commute, anticipate or otherwise assign at law or equity all or any portion of any benefit otherwise payable under this SERP, and the Senior Compensation and Stock Option Committee of the Board of Directors shall have the right in light of any such action to suspend temporarily or terminate permanently the payment of benefits to, or on behalf of, any Participant or beneficiary who attempts to do so.

Section 8. ERISA

Crawford & Company intends that this SERP come within the various exceptions and exemptions of ERISA and for an unfunded deferred compensation plan maintained primarily for a select group of management or highly compensated employees within the meaning of ERISA Section 201(2), Section 302(a)(3) and Section 401(a)(1) and any ambiguities in this SERP shall be construed to effect that intent.

Section 9. ADMINISTRATION, AMENDMENT AND TERMINATION

Crawford & Company shall have all powers necessary to administer this SERP in its absolute discretion and shall have the right, by action of the Senior Compensation and Stock Option Committee of the Board of Directors, to amend this SERP from time to time in any respect whatsoever and to terminate this SERP at any time; provided, however, that any such amendment or termination shall not be applied retroactively to deprive a Participant of benefits accrued under this Plan to the date of such amendment or termination. This SERP shall be binding on any successor in interest to Crawford & Company.

Section 10. CONSTRUCTION

This SERP shall be construed in accordance with the laws of the State of Georgia, and the masculine shall include the feminine and the singular the plural whenever appropriate.

Section 11. EXECUTION

Crawford & Company, as the SERP sponsor, has executed this SERP to evidence the adoption of this amendment and restatement by the Senior Compensation and Stock Option Committee of its Board of Directors this 28th day of January, 2003.

CRAWFORD & COMPANY

By: /s/ Grover L. Davis

Title: Chairman and CEO

EXHIBIT A

CRAWFORD & COMPANY SUPPLEMENTAL RETIREMENT PLAN
AS AMENDED AND RESTATED EFFECTIVE
AS OF JANUARY 1, 2003

Name of Participant

T. G. Germany
F. L. Minix
R. P. Albright
P. A. Bollinger
D. R. Chapman
J. F. Osten
D. A. Smith

J. F. Giblin
A. L. Meyers, Jr.
G. L. Davis
J. A. McGee
H. L. Rogers
S. V. Festa
Victoria Holland
Gregory P. Hodson

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EXHIBIT 13.1

2002

Crawford & Company

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MANAGEMENT'S DISCUSSION AND ANALYSIS of Financial Condition and Results of Operations

Consolidated net income was $24,512,000 for 2002 as compared to $29,445,000 in 2001 and $25,348,000 in 2000. Consolidated net income for 2002 includes a payment received from a former vendor in full settlement of a business dispute of $3.8 million, net of related income tax expense. There were no such payments received in 2001 or 2000. In addition, our adoption of Statement of Financial Accounting Standards ("SFAS") No. 142 "Goodwill and Other Intangible Assets" eliminated the requirement to amortize goodwill which increased our 2002 net income by approximately $3.0 million as compared to 2001 and 2000. Consolidated 2000 net income includes a charge related to the write down of the carrying value of costs associated with internal use software formerly under development. This non-cash charge, net of related income tax benefits, totaled $10.3 million.

Operating earnings is one of the key performance measures used by our management and chief decision maker to evaluate the performance of our business and make resource allocation decisions. We believe this measure is useful to investors in that it allows them to evaluate our performance using the same criteria our management uses. Following is a reconciliation of consolidated net income to operating earnings for 2002, 2001, 2000, 1999, and 1998:

	2002	2001	2000	1999	1998
(in thousands)					
Net income	$ 24,512	$29,445	$25,348	$39,264	$ 27,465
Add/(deduct):					
Special credits and charges	(6,000)	--	16,740	--	--
Restructuring charges	--	--	--	--	14,873
Minority interest in loss of joint venture	--	--	--	--	(1,177)
Year 2000 expense	--	--	--	5,181	7,201
Amortization of goodwill	--	3,448	3,203	2,790	1,911
Net corporate interest	4,706	4,779	4,476	2,762	(526)

Income taxes	14,029	18,356	15,802	24,480	16,395
Operating Earnings	$ 37,247	$56,028	$65,569	$74,477	$ 66,142

The following is a discussion and analysis of the consolidated financial condition and results of operations of our two reportable segments: United States ("U.S.") operations and international operations. Our reportable segments represent components of our business for which separate financial information is available that is evaluated regularly by our chief decision maker in deciding how to allocate resources and in assessing performance. The individual services that are listed on the inside cover of this annual report do not represent separate reportable segments. Rather, they describe the various claims administration services that are performed within our approximately 700 field branches around the world. Revenue amounts exclude reimbursements for out-of-pocket expenses. Expense amounts exclude special credits and charges, amortization of goodwill, net corporate interest, and income taxes.

Our discussion and analysis of operating expenses is comprised of two components. Compensation and fringe benefits include all compensation, payroll taxes, and benefits provided to our employees, which as a service company, represents our most significant and variable expense. Expenses other than reimbursements, compensation, and fringe benefits include office rent and occupancy costs, other office operating expenses, and depreciation. This discussion should be read in conjunction with our consolidated financial statements and the accompanying footnotes.

RESULTS OF OPERATIONS

Operating results for our U.S. and international operations were as follows:

Years Ended December 31	2002	2001	2000	% Change From Prior Year 2002	% Change From Prior Year 2001
(in thousands)					
Revenues:					
U.S.	$508,734	$534,671	$519,150	(4.9%)	3.0%
International	190,656	190,868	193,024	(0.1%)	(1.1%)
Total	699,390	725,539	712,174	(3.6%)	1.9%
Compensation & Fringe Benefits:					
U.S.	320,475	331,116	316,398	(3.2%)	4.7%
% of Revenues	62.9%	61.9%	60.9%		
International	130,886	125,862	123,331	4.0%	2.1%
% of Revenues	68.6%	65.9%	63.9%		
Total	451,361	456,978	439,729	(1.2%)	3.9%
% of Revenues	64.5%	63.0%	61.8%		
Expenses Other than Reimbursements, Compensation & Fringe Benefits:					
U.S.	158,998	160,300	154,207	(0.8%)	4.0%
% of Revenues	31.3%	30.0%	29.7%		
International	51,784	52,233	52,669	(0.9%)	(0.8%)
% of Revenues	27.2%	27.4%	27.3%		
Total	210,782	212,533	206,876	(0.8%)	2.7%
% of Revenues	30.2%	29.3%	29.0%		
Operating Earnings:(1)					
U.S.	29,261	43,255	48,545	(32.4%)	(10.9%)
% of Revenues	5.8%	8.1%	9.4%		
International	7,986	12,773	17,024	(37.5%)	(25.0%)
% of Revenues	4.2%	6.7%	8.8%		
Total	37,247	56,028	65,569	(33.5%)	(14.6%)
% of Revenues	5.3%	7.7%	9.2%		

(1) Earnings before special credits and charges, amortization of goodwill, net corporate interest, and income taxes.

U.S. OPERATIONS

Years Ended December 31, 2002 and 2001

REVENUES

U.S. revenues by market type for 2002 and 2001 are as follows:

	2002	2001	Variance
(in thousands)			
Insurance companies	$259,090	$284,966	(9.1%)
Self-insured entities	191,278	199,049	(3.9%)
Class action services	58,366	50,656	15.2%
Total U.S. Revenues	$508,734	$534,671	(4.9%)

Revenues from insurance companies decreased 9.1% to $259.1 million in 2002 compared to 2001, due to a continued softening in our referrals for high-frequency, low-severity claims and a decrease in catastrophic claim referrals. Revenues from self-insured entities decreased 3.9% to $191.3 million in 2002, due to a decline in workers' compensation and casualty claim referrals. See the following analysis of U.S. cases received. Revenues from class action services, which can fluctuate based on the timing of project awards, increased 15.2% to $58.4 million in 2002.

Excluding the impact of class action services, U.S. unit volume, measured principally by cases received, decreased 17.6% from 2001 to 2002. This decrease was partially offset by an 11.3% revenue increase from changes in the mix of services provided and in the rates charged for those services, resulting in a net 6.3% decrease in U.S. revenues from 2001 to 2002, excluding revenues from class action services. Our U.S. insurance company referrals for high-frequency, low-severity claims have declined during the year resulting in an increase in our average revenue per claim. Growth in class action services increased U.S. revenues by 1.4% in 2002.

Excluding the impact of class action services, U.S. unit volume by major product line, as measured by cases received, for 2002 and 2001 was as follows:

	2002	2001	Variance
(whole numbers)			
Casualty	225,705	241,930	(6.7%)
Workers' Compensation	242,870	266,256	(8.8%)
Property	219,936	286,006	(23.1%)
Vehicle	249,019	322,416	(22.8%)
Other	33,696	61,954	(45.6%)
Total U.S. Cases Received	971,226	1,178,562	(17.6%)

The decline in property and vehicle claims for the year was primarily due to the decline we are experiencing related to U.S. insurance company referrals for high-frequency, low-severity claims. Conservative underwriting, increases in policy deductibles, and mild weather during 2002 contributed to an industry-wide decline in property and casualty claims frequency. Our decline in workers' compensation and casualty claim referrals has been primarily due to the loss of two major accounts due to bankruptcy and declines in U.S. employment levels and associated injury rates, which have contributed to a reduction in workers' compensation claims.

COMPENSATION AND FRINGE BENEFITS

Our most significant expense is the compensation of employees, including related payroll taxes and fringe benefits. In response to the decline in U.S. claims volume, we successfully implemented cost-cutting initiatives to reduce our operating costs by $1 million per month from second quarter 2002 levels. There were 5,266 full-time equivalent employees in 2002, compared to 5,669 in 2001. Despite this decrease in the number of employees, U.S. compensation expense as a percent of revenues increased to 62.9% in 2002 as compared to 61.9% in 2001 as a result of the decline in U.S. revenues.

U.S. salaries and wages decreased to $261.9 million in 2002 from $280.3 million in 2001, reflecting the 7% reduction in full-time equivalent employees in 2002. Payroll taxes and fringe benefits for U.S. operations totaled $58.6 million in 2002, increasing 15.3% from 2001 costs of $50.8 million. This increase was primarily due to higher defined benefit pension costs, which resulted from a decline in the fair market value of our pension investments and a decrease in interest rates.

EXPENSES OTHER THAN REIMBURSEMENTS, COMPENSATION AND FRINGE BENEFITS

U.S. expenses other than reimbursements, compensation and related payroll taxes and fringe benefits increased as a percent of revenues to 31.3% in 2002 from 30.0% in 2001. This increase was primarily due to higher professional indemnity self-insurance costs, bad debt expense, and costs related to our ongoing technology initiatives.

REIMBURSEMENTS

Reimbursements in our U.S. operations decreased to $17.2 million in 2002 from $22.7 million in 2001, reflecting the decline in case volume during 2002.

Years Ended December 31, 2001 and 2000

REVENUES

U.S. revenues by market type for 2001 and 2000 are as follows:

	2001	2000	Variance
(in thousands)			
Insurance companies	$284,966	$273,177	4.3%
Self-insured entities	199,049	195,936	1.6%
Class action services	50,656	50,037	1.2%
Total U.S. Revenues	$534,671	$519,150	3.0%

Revenues from insurance companies increased 4.3% to $285.0 million in 2001 compared to 2000, due to increases from mold-related claims and reopened Northridge earthquake claims during the year and from growth in surveillance services revenue as a result of our acquisition of Greentree Investigations, Inc. ("Greentree"). Revenues from self-insured entities increased 1.6% to $199.0 million

in 2001, reflecting the hardening of the U.S. insurance market. A hardening of the insurance market generally leads to higher insurance premiums, making self-insurance more attractive to our clients. Revenues from class action services increased 1.2% to $50.7 million in 2001.

Excluding the impact of class action services and acquired revenues, U.S. unit volume, measured principally by cases received, decreased 6.1% from

2000 to 2001. This decrease was offset by an 8.7% revenue increase from changes in the mix of services provided and in the rates charged for those services, resulting in a net 2.6% increase in U.S. revenues from 2000 to 2001, excluding revenues from class action services and acquired revenues. Our U.S. insurance company referrals for high-frequency, low-severity claims have declined during the year, resulting in an increase in our average revenue per claim. Growth in class action services increased U.S. revenues by 0.1% in 2001. Our acquisition of Greentree in March 2000 (included in non-class action revenues) increased U.S. revenues by 0.3% in 2001.

Excluding the impact of acquisitions on 2001 cases received and class action services, U.S. unit volume by major product line, as measured by cases received, for 2001 and 2000 was as follows:

	2001	2000	Variance
(whole numbers)			
Casualty	241,930	253,813	(4.7%)
Workers' Compensation	264,338	285,879	(7.5%)
Property	286,006	256,182	11.6%
Vehicle	322,416	381,997	(15.6%)
Other	61,954	74,599	(17.0%)
Total U.S. Cases Received	1,176,644	1,252,470	(6.1%)

The decline in workers' compensation and casualty claim referrals was primarily due to the fourth quarter 2001 bankruptcy of a major account. The decline in vehicle claims for the year was largely due to the decline we are experiencing related to U.S. insurance company referrals for high-frequency, low-severity claims. Property claims increased due to catastrophe claims related to mold losses and reopened Northridge earthquake claims.

COMPENSATION AND FRINGE BENEFITS

U.S. compensation expense as a percent of revenues increased to 61.9% in 2001 as compared to 60.9% in 2000. There were 5,669 full-time equivalent employees in 2001, compared to 5,534 in 2000.

U.S. salaries and wages increased to $280.3 million in 2001, from $271.8 million in 2000. Payroll taxes and fringe benefits for U.S. operations totaled $50.8 million in 2001, increasing 14.0% from 2000 costs of $44.6 million. These increases are primarily due to higher costs related to our self-insured employee medical and workers' compensation programs.

EXPENSES OTHER THAN REIMBURSEMENTS, COMPENSATION AND FRINGE BENEFITS

U.S. expenses other than reimbursements, compensation and related payroll taxes and fringe benefits increased as a percent of revenues to 30.0% in 2001 from 29.7% in 2000. These increases are primarily due to higher legal fees associated with a government investigation (see Factors That May Affect Future Results for further discussion) and increased provider network access fees related to our medical bill auditing unit. These increases are partially offset by lower professional indemnity self-insurance costs.

REIMBURSEMENTS

Reimbursements in our U.S. operations increased to $22.7 million in 2001 from $21.3 million in 2000.

INTERNATIONAL OPERATIONS

Years Ended December 31, 2002 and 2001

REVENUES

Revenues from our international operations totaled $190.7 million in 2002, a 0.1% decrease from the $190.9 million reported in 2001. Excluding acquisitions, international unit volume, measured principally by cases received, decreased

0.4% in 2002 compared to 2001. Small strategic acquisitions in Australia and Canada increased revenues by 4.0% in 2002. Revenues are net of a 0.3% decline during 2002 due to the negative effect of a strong U.S. dollar.

Excluding the impact of acquisitions on 2002 cases received, international unit volume by region for 2002 and 2001 was as follows:

	2002	2001	Variance
(whole numbers)			
Americas	122,687	112,346	9.2%
Continental Europe	84,087	71,777	17.2%
Asia/Pacific	21,139	21,348	(1.0%)
United Kingdom	90,355	113,951	(20.7%)
Total International Cases Received	318,268	319,422	(0.4%)

The decline in cases received in our United Kingdom operation is due to reduced claim referrals from two major accounts and fewer weather-related claims during 2002. Our increase in the Americas is due to the receipt of approximately 15,000 product liability claims in Canada during 2002. In Continental Europe, our increase is primarily due to the receipt of approximately 12,600 low-value property claims in Sweden during 2002.

COMPENSATION AND FRINGE BENEFITS

As a percent of revenues, compensation expense, including related payroll taxes and fringe benefits, increased to 68.6% in 2002 from 65.9% in 2001. This increase is primarily due to an increase in capacity in the United Kingdom due to the decline in case volume. There were 3,003 full-time equivalent employees in 2002 (including approximately 220 full-time equivalent employees added by our acquisitions in Australia and Canada), compared to 2,900 in 2001.

Salaries and wages of international personnel increased as a percent of revenues, from 57.2% in 2001 to 59.0% in 2002. Payroll taxes and fringe benefits increased as a percent of revenues from 8.7% in 2001 to 9.6% in 2002.

EXPENSES OTHER THAN REIMBURSEMENTS, COMPENSATION AND FRINGE BENEFITS

Expenses other than reimbursements, compensation and related payroll taxes and fringe benefits decreased slightly as a percent of revenues from 27.4% in 2001 to 27.2% in 2002.

REIMBURSEMENTS

Reimbursements in our international operations increased slightly to $18.8 million in 2002 from 1118.0 million in 2001.

Years Ended December 31, 2001 and 2000

REVENUES

Revenues from our international operations totaled $190.9 million in 2001, a 1.1% decrease from the $193.0 million reported in 2000. Excluding acquisitions, international unit volume, measured principally by cases received, decreased 3.4% in 2001 compared to 2000. Several small strategic acquisitions in Holland, Brazil, Australia, and Canada increased revenues by 3.0% in 2001. Revenues are net of a 6.3% decline during 2001 due to the negative effect of a strong U.S. dollar.

Excluding the impact of acquisitions on 2001 cases received, international unit volume by region for 2001 and 2000 was as follows:

	2001	2000	Variance
(whole numbers)			
Americas	101,581	106,108	(4.3%)
Continental Europe	64,290	65,028	(1.1%)
Asia/Pacific	21,019	20,551	2.3%
United Kingdom	113,951	119,756	(4.8%)
Total International Cases Received	300,841	311,443	(3.4%)

The decline in cases received in our United Kingdom operation was primarily due to reduced claim referrals from two major accounts. Our decrease in the Americas was largely due to the absence of hurricane-related catastrophic claims in the Caribbean during 2001. The Americas region benefited during early 2000 from the receipt of claims related to late 1999 hurricanes that struck the Caribbean.

COMPENSATION AND FRINGE BENEFITS

As a percent of revenues, compensation expense, including related payroll taxes and fringe benefits, increased to 65.9% in 2001 from 63.9% in 2000. There were 2,900 full-time equivalent employees in 2001, compared to 2,701 in 2000. The acquisitions during 2001 added approximately 185 full-time equivalent employees.

Salaries and wages of international personnel increased as a percent of revenues, from 55.6% in 2000 to 57.2% in 2001. The increase was primarily due to an increase in capacity in our international operating units due to a decline in case volume. Payroll taxes and fringe benefits increased as a percent of revenues from 8.3% in 2000 to 8.7% in 2001.

EXPENSES OTHER THAN REIMBURSEMENTS, COMPENSATION AND FRINGE BENEFITS

Expenses other than reimbursements, compensation and related payroll taxes and fringe benefits increased slightly as a percent of revenues from 27.3% in 2000 to 27.4% in 2001.

REIMBURSEMENTS

Reimbursements in our international operations increased to $18.0 million in 2001 from $14.7 million in 2000. This increase is due to an increase in revenues and related reimbursed expenses in Canada and an increase in cases that required the use of outside experts in other international operations during 2001.

SPECIAL CREDITS AND CHARGES, AMORTIZATION OF GOODWILL, NET CORPORATE INTEREST, AND INCOME TAXES

During the 2002 first quarter, we received a cash payment of $6.0 million from a former vendor in full settlement of a business dispute. This special credit, net of related income tax expense, increased net income per share by $0.08 during the 2002 first quarter.

In December 2000, we announced the termination of our contract with a software development company. In connection with the cancellation of the contract, we wrote down the carrying value of costs related to internal use software formerly under development. The non-cash charge, net of related income tax benefits, totaled $10.3 million or $0.21 per share for the year ended December 31, 2000.

On January 1, 2002 we adopted SFAS No. 142 "Goodwill and Other Intangible Assets." The adoption of this statement increased our 2002 net income by approximately $3.0 million or $0.06 per share.

Net corporate interest totaled $4.7 million, $4.8 million, and $4.5

million for 2002, 2001, and 2000, respectively. The effect on net corporate interest from increases in total borrowings during 2002 was offset by declines in interest rates in 2002.

Taxes on income totaled $14.0 million, $18.4 million, and $15.8 million for 2002, 2001, and 2000, respectively. In January 2002, the effective tax rate was adjusted from 38.4% to 36.4%. This decline in the effective tax rate was primarily due to the adoption of SFAS 142 during 2002.

FINANCIAL CONDITION

At December 31, 2002, current assets exceeded current liabilities by approximately $123.8 million, an increase of $18.8 million from the working capital balance at December 31, 2001. Cash and cash equivalents at the end of 2002 totaled $31.1 million, increasing from $22.0 million at the end of 2001. Cash was generated primarily from operating activities, while the principal uses of cash were for dividends paid to shareholders, acquisitions of businesses, investments in computer software, acquisitions of property and equipment, and payments on short-term borrowings. Cash dividends to shareholders approximated 79% of net income in 2002, compared to 92% in 2001. The Board of Directors declares cash dividends to shareholders each quarter based on an assessment of current and projected earnings and cash flows. In view of the lack of significant improvement in our earnings in the 2002 second quarter, in its July 2002 meeting, the Board of Directors reduced the dividend, declaring quarterly dividends of $0.06 per share on each share of Class A and Class B Common Stock, down from $0.14 per share declared in the previous quarter. The Board of Directors has maintained this level of dividends by declaring quarterly dividends of $0.06 per share for the third and fourth quarters of 2002.

During 2002, we did not repurchase any shares of Class A or Class B Common Stock. As of December 31, 2002, 705,863 shares remain to be repurchased under the discretionary 1999 share repurchase program authorized by the Board of Directors. We believe it is unlikely that we will repurchase shares under this program in 2003 due to the decline in the funded status of our defined benefit pension plans (see Note 2 of the consolidated financial statements).

We maintain credit lines with banks in order to meet seasonal working capital requirements and other financing needs that may arise. Short-term borrowings outstanding as of December 31, 2002 totaled $30.0 million, decreasing from $36.4 million at the end of 2001. Long-term borrowings outstanding, excluding current installments, totaled $50.0 million as of December 31, 2002, compared to $36.4 million at December 31, 2001. The increase in long-term borrowings is primarily due to the Australian acquisition made in 2002. We believe that our current financial resources, together with funds generated from operations and existing and potential borrowing capabilities, will be sufficient to maintain our current operations.

We do not engage in any hedging activities to compensate for the effect of exchange rate fluctuations on the operating results of our foreign subsidiaries. Foreign currency denominated debt is maintained primarily to hedge the currency exposure of our net investment in foreign operations.

We recorded minimum pension liability adjustments in Accumulated Other Comprehensive Loss, a component of Shareholders' Investment, of $43.2 million and $28.8 million, net of related income tax benefits, during 2002 and 2001, respectively. These non-cash charges resulted primarily from a decline in the fair value of our pension investments as of the September 30, 2002 and 2001 measurement dates and a decline in interest rates during 2002.

Shareholders' investment at the end of 2002 was $159.4 million, compared with $188.3 million at the end of 2001. This decrease is a result of our minimum pension liability adjustment.

APPLICATION OF CRITICAL ACCOUNTING POLICIES

Management's Discussion and Analysis of Financial Condition and Results of

Operations discusses our consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the U.S. The preparation of these financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. On an ongoing basis, management evaluates these estimates and judgements based upon historical experience and on various other factors that are believed to be reasonable under the circumstances. The results of these evaluations form the basis for making judgements about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

We believe the following critical accounting policies for revenue recognition, allowances for doubtful accounts, valuation of goodwill and other long-lived assets, and self-insured reserves require significant judgements and estimates in the preparation of the consolidated financial statements. Changes in these underlying estimates could potentially materially affect consolidated results of operations, financial position and cash flows in the period of change. Although some variability is inherent in these estimates, we believe the amounts provided for are adequate.

We have discussed the development and selection of the following critical accounting policies and estimates with the audit committee of our Board of Directors, and the audit committee has reviewed our related disclosure in this Management's Discussion and Analysis of Financial Condition and Results of Operations.

REVENUE RECOGNITION

Our revenues are primarily comprised of claims processing or program administration fees. Fees for professional services are recognized in unbilled revenues at the time such services are rendered at estimated collectible amounts. Substantially all unbilled revenues are billed within one year. Out-of-pocket costs that are incurred in administering a claim are passed on to our clients and are included in revenues. Deferred revenues represent the estimated unearned portion of fees related to future services under certain fixed-fee service arrangements. Deferred revenues are recognized based on the estimated rate at which the services are provided. These rates are primarily based on a historical evaluation of actual claim closing rates by major lines of coverage. Additionally, recent claim closing rates are evaluated to ensure that current claim closing history does not indicate a significant deterioration or improvement in the longer-term historical closing rates used.

Our fixed-fee service arrangements typically call for us to handle claims on either a one- or two-year basis, or for the lifetime of the claim. In cases where we handle a claim on a non-lifetime basis, we typically receive an additional fee on each anniversary date that the claim remains open. For service arrangements where we provide services for the life of the claim, we are only paid one fee for the life of the claim, regardless of the ultimate duration of the claim. As a result, our deferred revenues for claims handled for one or two years are not as sensitive to changes in claim closing rates since the revenues are ultimately recognized in the near future and additional fees are generated for handling long-lived claims. Deferred revenues for lifetime claim handling are considered more sensitive to changes in claim closing rates since we are obligated to handle these claims to their ultimate conclusion with no additional fees for long-lived claims.

Based upon our historical averages, we close approximately 99% of all cases referred under lifetime claim service arrangements within the first five years from the date of referral. Also, within that five-year period, the percentage of claims remaining open in any one particular year has remained relatively consistent from period to period. Each quarter we reevaluate our historical claim closing rates by major line of insurance coverage and make adjustments as necessary. Any changes in estimates are recognized in the period in which they are determined.

As of December 31, 2002, deferred revenues related to lifetime claim handling arrangements approximated $17.6 million. If the rate at which we close cases changes, the amount of revenue recognized within a period could be affected. In addition, given the competitive environment in which we operate, we may be unable to raise our prices to offset the additional expense associated with handling longer-lived claims. Absent an increase in per claim fees from our clients, a 1% decrease in claim closing rates for lifetime claims would have resulted in the deferral of additional revenues of approximately $500,000, or $0.01 per share for the year ended December 31, 2002. If our average claim closing rates for lifetime claims were to increase by 1%, we would have recognized additional revenues of approximately $400,000, or $0.01 per share for the year ended December 31, 2002.

The estimate for deferred revenues is a critical accounting estimate for our U.S. segment.

ALLOWANCE FOR DOUBTFUL ACCOUNTS

We maintain allowances for doubtful accounts relating to our billed and unbilled receivables for estimated losses resulting primarily from adjustments clients may make to invoiced amounts and the inability of our clients to make required payments. These allowances are established by using historical write-off information to project future experience and by considering the current credit worthiness of our clients, any known specific collection problems, and our assessment of current property and casualty insurance industry conditions. Each quarter we reevaluate the adequacy of the assumptions used in determining these allowances and make adjustments as necessary. Changes in estimates are recognized in the period in which they are determined.

As of December 31, 2002, our allowance for doubtful accounts totaled $20.9 million or approximately 8.4% of gross billed and unbilled receivables. If the financial condition of our clients were to deteriorate, resulting in an inability to make required payments to us, additional allowances may be required. If the allowance for doubtful accounts were to change by 1% of gross billed and unbilled receivables, reflecting either an increase or decrease in expected future write-offs, the impact to 2002 pretax income would have been approximately $2.5 million, or $0.03 per share.

The estimate for the allowance for doubtful accounts is a critical accounting estimate for both our U.S. and international segments.

VALUATION OF GOODWILL AND OTHER LONG-LIVED ASSETS

We regularly evaluate whether events and circumstances have occurred which indicate that the carrying amounts of goodwill and other long-lived assets (primarily property and equipment, deferred income tax assets, and capitalized software) may warrant revision or may not be recoverable. When factors indicate that such assets should be evaluated for possible impairment, we perform an impairment test in accordance with SFAS 142 for goodwill, SFAS No. 109 "Accounting for Income Taxes" for deferred income tax assets, and SFAS No. 144 "Accounting for the Impairment or Disposal of Long-Lived Assets" for other long-lived assets. In the opinion of management, goodwill and other long-lived assets are appropriately valued at December 31, 2002 and 2001.

The valuation of goodwill and other long-lived assets is a critical accounting estimate for both our U.S. and international segments.

SELF-INSURANCE RESERVES

We self-insure certain insurable risks consisting primarily of professional liability, employee medical and disability, workers' compensation, and auto liability. Insurance coverage is obtained for catastrophic property and casualty exposures, including professional liability on a claims made basis, as well as those risks required to be insured by law or contract. We record a liability for claims incurred under these self-insured programs based on our estimate of the ultimate aggregate exposure and discount that liability using an average of published short- and long-term medium quality corporate bond yields. The estimated liability is calculated based on historical claim payment experience, the expected life of the claims, and the reserves established on the claims. In addition, reserves are established for losses that have occurred but have not been reported and for the adverse development of reserves on reported losses. Each quarter we reevaluate the adequacy of the assumptions used in developing these reserves and make adjustments as necessary. Changes in estimates are recognized in the period in which they are determined.

As of December 31, 2002, our estimated liability for self-insured risks totaled $27.7 million. The estimated liability is most sensitive to changes in the ultimate reserve for a claim and the interest rate used to discount the liability. We believe that the provision for self-insured losses is adequate to cover the ultimate net cost of losses incurred; however, this provision is an estimate and may be significantly greater or less than the provision established. If the average discount rate we use to determine the present value of our self-insured liability were to change by 1%, reflecting either an increase or decline in underlying interest rates, our estimated liability for self-insured risks would be impacted by approximately $1.8 million, resulting in an increase or decrease to 2002 net income of $1.1 million, or $0.02 per share.

The estimate for self-insured reserves is a critical accounting estimate for our U.S. segment.

MARKET RISK

DERIVATIVES

We have not entered into any transactions using derivative financial instruments or derivative commodity instruments.

FOREIGN CURRENCY EXCHANGE

Our international operations expose us to foreign currency exchange rate changes that could impact translations of foreign-denominated assets and liabilities into U.S. dollars and future earnings and cash flows from transactions denominated in different currencies. Our revenues from international operations were 27.3%, 26.3%, and 27.1% of total revenues at December 31, 2002, 2001, and 2000, respectively. Except for borrowings in foreign currencies, we do not presently engage in any hedging activities to compensate for the effect of exchange rate fluctuations on the net assets or operating results of our foreign subsidiaries.

We measure currency earnings risk related to our international operations based on changes in foreign currency rates using a sensitivity analysis. The sensitivity analysis measures the potential loss in earnings based on a hypothetical 10% change in currency exchange rates. Exchange rates and currency positions as of December 31, 2002 were used to perform the sensitivity analysis. Such analysis indicates that a hypothetical 10% change in foreign currency exchange rates would have decreased pretax income by approximately $506,000 during 2002, had the U.S. dollar exchange rate increased relative to the currencies to which we had exposure.

INTEREST RATES

We are exposed to interest rate fluctuations on certain of our variable rate borrowings. Depending on general economic conditions, we use variable rate debt for short-term borrowings and fixed rate debt for long-term borrowings. At December 31, 2002, we had $30.0 million in short-term loans outstanding with an average variable interest rate of 4.4%. If the average interest rate were to change by 1%, the impact to 2002 pretax income would have been approximately $300,000.

CREDIT RISK

We process payments for claims settlements, primarily on behalf of our self-insured clients. The liability for the settlement cost of claims processed, which is generally pre-funded, remains with the client. Accordingly, we do not incur significant credit risk in the performance of these services.

FACTORS THAT MAY AFFECT FUTURE RESULTS

Certain of the statements contained in this and other sections of this Annual Report are forward-looking. While management believes that these statements are accurate, our business is dependent upon general economic conditions and various conditions specific to our industry. Future trends and these factors could cause actual results to differ materially from the forward-looking statements that have been made. In particular, the following issues and uncertainties should be considered in evaluating our prospects:

LEGAL PROCEEDINGS

In the normal course of the claims administration services business, we are named as a defendant in suits by insureds or claimants contesting decisions made by us or our clients with respect to the settlement of claims. Additionally, our clients have brought actions for indemnification on the basis of alleged negligence on our part, our agents, or our employees in rendering service to clients. The majority of these claims are of the type covered by insurance we maintain; however, we are self-insured for the deductibles under various insurance coverages. In our opinion, adequate reserves have been provided for such self-insured risks.

In 2000, we received federal grand jury subpoenas requesting certain business and financial records dating back to 1992. Additional document requests and grand jury subpoenas were received in 2001 and continued to be received in 2002. We have been advised by the U.S. Department of Justice Fraud Section that the subpoenas issued by the Fraud Section and local U.S. Attorney offices were issued in connection with a nationwide investigation into the billings for services in some of the U.S. Claims Management and Healthcare Management Services branch offices. We are cooperating fully with the government's inquiry and have retained outside counsel to conduct an internal investigation into our billing practices under the direction of the Board of Directors. In addition, we have issued written corporate billing policies in order to clarify our billing practices and eliminate inconsistencies in their application, and are continuing to strengthen our internal audit and branch inspection procedures.

We cannot predict when the government's investigation will be completed, its ultimate outcome or its effect on our financial condition or results of operations. However, the investigation could cause disruption in the delivery of our services, and ultimately result in the imposition of civil, administrative or criminal fines or sanctions, as well as potential reimbursements to clients and loss of existing or prospective clients or business opportunities. Any such result could have a material adverse effect on our financial condition and results of operations. Expenses associated with the investigation were approximately $2.2 million in 2002 and $2.5 million in 2001, net of related tax benefits, or $0.04 and $0.05 per share, respectively.

CONTINGENT PAYMENTS

We normally structure acquisitions to include earnout payments, which are contingent upon the acquired entity reaching certain revenue and operating earnings targets. The amount of the contingent payments and length of the earnout period varies for each acquisition, and the ultimate payments when made will vary, as they are dependent on future events. Based on 2002 levels of revenues and operating earnings, additional payments under existing earnout agreements would approximate $3.6 million through 2008, as follows: 2003 -$435,000; 2004 - $356,000; 2005 - $279,000; and 2008 - $2,500,000.

PENSION EXPENSE

We use a September 30 measurement date to determine pension expense under SFAS No. 87, "Employers' Accounting for Pensions." Due to the significant decline in the fair market value of our pension investments at September 30, 2001, as well as a decline in interest rates during 2001, U.S. pension expense increased by $10.0 million in 2002. Effective December 31, 2002, we froze our U.S. defined benefit pension plan and replaced it with a defined contribution retirement plan. U.S. pension expense in 2003, including both the defined benefit and defined contribution plans, is expected to increase $3.0 million to approximately $16.0 million. Future cash funding of our U.S. defined benefit pension plan will depend largely on future investment performance; however, we do not expect to contribute more than $10.0 million to the plan in 2003. No cash contributions to the new U.S. defined contribution plan will be required until early 2004.

CONSOLIDATED STATEMENTS OF INCOME

For the Years Ended December 31,	2002	2001	2000
(in thousands, except per share data)			
REVENUES:			
Revenues before reimbursements	$ 699,390	$ 725,539	$ 712,174
Reimbursements	36,031	40,732	35,950
TOTAL REVENUES	735,421	766,271	748,124
COSTS AND EXPENSES:			
Costs of services provided, before reimbursements	529,148	546,333	525,773
Reimbursements	36,031	40,732	35,950
Cost of services	565,179	587,065	561,723
Selling, general, and administrative expenses	132,995	123,178	120,832
Special (credits) and charges (Note 9)	(6,000)	--	16,740
Corporate interest, net	4,706	4,779	4,476
Amortization of goodwill	--	3,448	3,203
TOTAL COSTS AND EXPENSES	696,880	718,470	706,974
INCOME BEFORE INCOME TAXES	38,541	47,801	41,150
PROVISION FOR INCOME TAXES	14,029	18,356	15,802
NET INCOME	$ 24,512	$ 29,445	$ 25,348
NET INCOME PER SHARE:			
Basic	$ 0.50	$ 0.61	$ 0.52
Diluted	$ 0.50	0.61	$ 0.52
WEIGHTED-AVERAGE SHARES OUTSTANDING:			
Basic	48,580	48,492	48,845
Diluted	48,664	48,559	48,933
CASH DIVIDENDS PER SHARE:			
Class A Common Stock	$ 0.32	$ 0.56	$ 0.55
Class B Common Stock	$ 0.32	$ 0.56	$ 0.55

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED BALANCE SHEETS

As of December 31,	2002	2001
(in thousands)		
ASSETS		
CURRENT ASSETS		

	2002	2001
Cash and cash equivalents	$ 31,091	$ 21,966
Accounts receivable, less allowance for doubtful accounts of $19,633 in 2002 and $16,755 in 2001	135,174	139,380
Unbilled revenues, at estimated billable amounts	93,792	88,399
Prepaid expenses and other current assets	11,968	11,539
TOTAL CURRENT ASSETS	272,025	261,284
PROPERTY AND EQUIPMENT, AT COST:		
Land	2,401	2,397
Buildings and improvements	21,069	21,662
Furniture and fixtures	62,273	62,216
Data processing equipment	54,590	56,787
Automobiles	4,373	3,564
	144,706	146,626
Less accumulated depreciation	(108,607)	(107,898)
NET PROPERTY AND EQUIPMENT	36,099	38,728
OTHER ASSETS:		
Goodwill arising from acquisitions, less accumulated amortization of $21,682 in 2002 and $21,566 in 2001	97,798	86,239
Prepaid pension cost	--	7,138
Capitalized software costs, net	23,977	16,402
Deferred income tax asset	31,899	11,817
Other	12,978	9,807
TOTAL OTHER ASSETS	166,652	131,403
	$ 474,776	$ 431,415

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED BALANCE SHEETS

As of December 31,	2002	2001
(in thousands)		
LIABILITIES AND SHAREHOLDERS' INVESTMENT		
CURRENT LIABILITIES:		
Short-term borrowings	$ 30,019	$ 36,440
Accounts payable	31,956	31,275
Accrued compensation and related costs	26,454	25,771
Self-insured risks	15,833	12,833
Accrued income taxes	9,594	16,001
Other accrued liabilities	14,384	13,118
Deferred revenues	18,516	20,543
Current installments of long-term debt	1,493	326
TOTAL CURRENT LIABILITIES	148,249	156,307
NONCURRENT LIABILITIES:		
Long-term debt, less current installments	49,976	36,378
Deferred revenues	12,127	12,707
Self-insured risks	11,819	11,249
Minimum pension liability	76,747	10,328
Postretirement medical benefit obligation	6,289	6,645
Other	10,138	9,501

TOTAL NONCURRENT LIABILITIES	167,096	86,808
SHAREHOLDERS' INVESTMENT:		
Class A Common Stock, $1.00 par value, 50,000 shares authorized; 23,925 and 23,843 shares issued and outstanding in 2002 and 2001, respectively	23,925	23,843
Class B Common Stock, $1.00 par value, 50,000 shares authorized; 24,697 shares issued and outstanding in 2002 and 2001	24,697	24,697
Additional paid-in capital	523	27
Retained earnings	191,767	186,683
Accumulated other comprehensive loss	(81,481)	(46,950)
TOTAL SHAREHOLDERS' INVESTMENT	159,431	188,300
	$ 474,776	$ 431,415

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' INVESTMENT

	Common Stock Class A Non-Voting	Common Stock Class B Voting	Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Total Shareholders' Investment
(in thousands)						
BALANCE AT DECEMBER 31, 1999	$ 25,892	$ 24,826	$ 22,309	$ 185,975	$ (8,723)	$ 250,279
Comprehensive income:						
Net income	--	--	--	25,348	--	25,348
Translation adjustment	--	--	--	--	(5,625)	(5,625)
Total comprehensive income						19,723
Dividends paid	--	--	--	(26,939)	--	(26,939)
Shares repurchased	(2,256)	(143)	(23,479)	(720)	--	(26,598)
Shares issued in connection with options and benefits	118	14	1,170	--	--	1,302
BALANCE AT DECEMBER 31, 2000	23,754	24,697	--	183,664	(14,348)	217,767
Comprehensive loss:						
Net income	--	--	--	29,445	--	29,445
Translation adjustment	--	--	--	--	(3,825)	(3,825)
Minimum pension liability adjustment (net of $17.9 million income tax benefit)	--	--	--	--	(28,777)	(28,777)
Total comprehensive loss						(3,157)
Dividends paid	--	--	--	(27,146)	--	(27,146)
Shares issued in connection with options and benefits	89	--	27	720	--	836
BALANCE AT DECEMBER 31, 2001	23,843	24,697	27	186,683	(46,950)	188,300
Net income	--	--	--	24,512	--	24,512
Translation adjustment	--	--	--	--	4,465	4,465
Tax benefit from exercise of stock options	--	--	--	--	4,165	4,165
Minimum pension liability adjustment (net of $23.2 million income tax benefit)	--	--	--	--	(43,161)	(43,161)
Total comprehensive loss						(10,019)
Dividends paid	--	--	--	(19,428)	--	(19,428)
Shares issued in connection with options and benefits	82	--	496	--	--	578
BALANCE AT DECEMBER 31, 2002	$ 23,925	$ 24,697	$ 523	$ 191,767	$ (81,481)	$ 159,431

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

For The Years Ended December 31,	2002	2001	2000
(in thousands)			
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net income	$ 24,512	$ 29,445	$ 25,348
Reconciliation of net income to net cash provided by operating activities:			
Depreciation and amortization	17,414	20,626	19,570
Write-down of capitalized internal use software	--	--	16,740
Deferred income taxes	3,975	(287)	(18)
(Gain) loss on sales of property and equipment	(18)	125	550
Changes in operating assets and liabilities, net of effects of acquisitions:			
Accounts receivable, net	5,473	(309)	(379)
Unbilled revenues	(1,369)	2,852	(586)
Prepaid or accrued income taxes	(3,525)	6,198	(1,174)
Accounts payable and accrued liabilities	4,027	4,035	(1,851)
Accrued restructuring charges	(335)	(859)	(2,381)
Deferred revenues	(1,579)	(2,741)	682
Prepaid and accrued pension costs	6,020	4,022	2,587
Prepaid expenses and other assets	(1,972)	(35)	(3,994)
Net cash provided by operating activities	52,623	63,072	55,094
CASH FLOWS FROM INVESTING ACTIVITIES:			
Acquisitions of property and equipment	(9,189)	(11,990)	(9,332)
Acquisitions of businesses, net of cash acquired	(13,569)	(9,207)	(7,243)
Capitalization of software costs	(11,093)	(7,332)	(12,405)
Proceeds from sales of property and equipment	480	254	683
Net cash used in investing activities	(33,371)	(28,275)	(28,297)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Dividends paid	(19,428)	(27,146)	(26,939)
Repurchase of common stock	--	--	(26,598)
Proceeds from exercise of stock options	578	836	1,302
Increase in short-term borrowings	18,345	13,578	10,217
Payments on short-term borrowings	(24,657)	(21,275)	--
Proceeds from long-term debt	14,247	143	21,000
Payments on long-term debt	(184)	(262)	(403)
Net cash used in financing activities	(11,099)	(34,126)	(21,421)
Effects of exchange rate changes on cash and cash equivalents	972	(841)	(956)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	9,125	(170)	4,420
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	21,966	22,136	17,716
Cash and Cash Equivalents at End of Year	$ 31,091	$ 21,966	$ 22,136

The accompanying notes are an integral part of these consolidated financial statements.

NOTES to Consolidated Financial Statements

NOTE 1. MAJOR ACCOUNTING AND REPORTING POLICIES

NATURE OF OPERATIONS AND INDUSTRY CONCENTRATION

The Company is the world's largest independent provider of claims management solutions to insurance companies and self-insured entities, with a global network of more than 700 offices in 67 countries. Major service lines include workers' compensation claims administration and healthcare management services, property and casualty claims management, class action services, and risk management information services. Substantial portions of the Company's revenues and accounts receivable are derived from United States ("U.S.") claims services provided to the property and casualty insurance industry.

PRINCIPLES OF CONSOLIDATION

The accompanying consolidated financial statements include the accounts of the Company and its subsidiaries after elimination of all significant intercompany transactions. The financial statements of the Company's international subsidiaries outside North America and the Caribbean are included in the Company's consolidated financial statements on a two-month delayed basis in order to provide sufficient time for accumulation of their results.

PRIOR YEAR RECLASSIFICATIONS

Certain prior year amounts have been reclassified to conform to the current year presentation.

MANAGEMENT'S USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the U.S. requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair value of financial instruments classified as current assets or liabilities, including cash and cash equivalents, receivables, accounts payable, and short-term borrowings approximates carrying value due to the short-term maturity of the instruments. The fair value of long-term debt approximates carrying value based on the effective interest rates compared to current market rates.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of cash on hand and marketable securities with original maturities of three months or less.

GOODWILL AND OTHER LONG-LIVED ASSETS

The Company regularly evaluates whether events and circumstances have occurred which indicate that the carrying amounts of goodwill and other long-lived assets (primarily property and equipment, deferred income tax assets, and capitalized software) may warrant revision or may not be recoverable. When factors indicate that such assets should be evaluated for possible impairment, the Company performs an impairment test in accordance with Statement of Financial Accounting Standards ("SFAS") No. 142 "Goodwill and Other Intangible Assets" for goodwill, SFAS No. 109 "Accounting for Income Taxes" for deferred income tax assets, and SFAS No. 144 "Accounting for the Impairment or Disposal of Long-Lived Assets" for other long-lived assets.

PROPERTY AND EQUIPMENT

The Company depreciates the cost of property and equipment over the estimated useful lives of the related assets, primarily using the straight-line method. The estimated useful lives for the principal property and equipment classifications are as follows:

Classification	Estimated Useful Lives
Furniture and fixtures	3-10 years
Data processing equipment	3-5 years
Automobiles	3-4 years
Buildings and improvements	7-40 years

Depreciation expense on property and equipment was $13,508,000, $15,106,000, and $14,883,000 for 2002, 2001, and 2000, respectively.

CAPITALIZED SOFTWARE

Capitalized software reflects costs related to internally developed or purchased software that are capitalized and amortized on a straight-line basis over periods ranging from three to ten years. Amortization expense for capitalized software was $4,230,000, $2,072,000, and $1,484,000 for 2002, 2001, and 2000, respectively.

GOODWILL

Goodwill represents the excess of the purchase price over the fair value of the separately identifiable net assets acquired. Goodwill acquired prior to June 30, 2001 was amortized over 15 to 40 years using the straight-line method. Goodwill acquired after June 30, 2001 was not amortized in accordance with SEAS 142. See New Accounting Pronouncements for further discussion.

SELF-INSURED RISKS

The Company self-insures certain insurable risks consisting primarily of professional liability, employee medical and disability, workers' compensation, and auto liability.

Insurance coverage is obtained for catastrophic property and casualty exposures (including professional liability on a claims-made basis), as well as those risks required to be insured by law or contract. Provision for claims under the self-insured program is made based on the Company's estimate of the aggregate liability for claims incurred and is discounted using an average of published short- and long-term medium quality corporate bond yields. The estimated liability is calculated based on historical claim payment experience, the expected life of the claims, and the reserves established on the claims. In addition, reserves are established for losses that have occurred but have not been reported and for the adverse development of reserves on reported losses. At December 31, 2002 and 2001, accrued self-insured risks totaled $27,652,000 and $24,082,000, respectively, including current liabilities of $15,833,000 and $12,833,000, respectively.

REVENUE RECOGNITION

The Company's revenues are primarily comprised of claims processing or program administration fees. Fees for professional services are recognized in unbilled revenues at the time such services are rendered at estimated collectible amounts. Substantially all unbilled revenues are billed within one year. Out-of-pocket costs that are incurred in administering a claim are passed on by the Company to its clients and are included in revenues. Deferred revenues represent the estimated unearned portion of fees derived from certain fixed-rate claim service agreements. Deferred revenues are recognized based on the estimated rate at which the services are provided. These rates are primarily based on a historical evaluation of actual claim closing rates by major line of coverage.

ALLOWANCE FOR DOUBTFUL ACCOUNTS

The Company maintains allowances for doubtful accounts, relating to billed and unbilled receivables, for estimated losses resulting primarily from adjustments clients may make to invoiced amounts, and the inability of clients to make required payments. These allowances are established using historical write-off information to project future experience and by considering the current credit worthiness of clients, any known specific collection problems, and an assessment of current property and casualty insurance industry conditions.

The Company's allowances for doubtful accounts on billed receivables were $19.6 million, $16.8 million, and $17.3 million, and write-offs, net of recoveries, were $4.8 million, $3.0 million, and $4.0 million, respectively, for the years ended December 31, 2002, 2001, and 2000.

INCOME TAXES

The Company accounts for certain income and expense items differently for financial reporting and income tax purposes. Provisions for deferred taxes are made in recognition of these temporary differences. The most significant differences relate to minimum pension liability, unbilled and deferred revenues, prepaid pension cost, self-insurance, and depreciation and amortization.

NET INCOME PER SHARE

Basic net income per share is computed based on the weighted-average number of total common shares outstanding during the respective periods. Diluted net income per share is computed based on the weighted-average number of total common shares outstanding plus the dilutive effect of outstanding stock options using the "treasury stock" method.

Below is the calculation of basic and diluted net income per share:

(in thousands, except per share data)	2002	2001	2000
Net income available to common shareholders	$ 24,512	$ 29,445	$ 25,348
Weighted-average common shares outstanding - Basic	48,580	48,492	48,845
Dilutive effect of stock options	84	67	88
Weighted-average common shares outstanding - Diluted	48,664	48,559	48,933
Basic net income per share	$ 0.50	$ 0.61	$ 0.52
Diluted net income per share	$ 0.50	$ 0.61	$ 0.52

Additional options to purchase 5,352,133 shares of Class A Common Stock at $7.48 to $19.50 per share were outstanding at December 31, 2002, but were not included in the computation of diluted net income per share because the options' exercise prices were greater than the average market price of the common shares. To include these shares would have been antidilutive.

FOREIGN CURRENCY TRANSLATION

For operations outside the U.S. that prepare financial statements in currencies other than the U.S. dollar, results from operations and cash flows are translated at average exchange rates during the period, and assets and liabilities are translated at end-of-period exchange rates. The resulting cumulative translation adjustment is reported as a component of Accumulated Other Comprehensive Loss in the Consolidated Balance Sheets.

COMPREHENSIVE INCOME (LOSS)

Comprehensive income (loss) for the Company consists of the total of net income, foreign currency translation adjustments, tax benefit from the exercise of stock options, and minimum pension liability adjustments. The Company reports comprehensive income (loss) in the Consolidated Statements of Shareholders' Investment.

ACCOUNTING FOR STOCK-BASED COMPENSATION

The Company accounts for stock-based compensation utilizing the intrinsic value method in accordance with the provisions of Accounting Principles Board Opinion ("APB") No. 25, "Accounting for Stock Issued to Employees" and related interpretations. Accordingly, no compensation expense has been recognized for the option plans because the exercise prices of the stock options equal the market prices of the underlying stock on the dates of grant. Had compensation cost for these plans been determined based on the fair value at the grant dates for awards under those plans consistent with SFAS No. 123, "Accounting for Stock-Based Compensation," the Company's net income and net income per share would have been reduced to the pro forma amounts indicated below:

(in thousands, except per share data)		2002	2001	2000
Net income	As reported	$ 24,512	$ 29,445	$ 25,348
Less: compensation expense using the fair value method, net of tax		1,688	2,495	3,189
	Pro forma	$ 22,824	$ 26,950	$ 22,159
Net income per share - basic	As reported	$ 0.50	$ 0.61	$ 0.52
	Pro forma	$ 0.47	$ 0.56	$ 0.45
Net income per share - diluted	As reported	$ 0.50	$ 0.61	$ 0.52
	Pro forma	$ 0.47	$ 0.56	$ 0.45

NEW ACCOUNTING PRONOUNCEMENTS

In November 2001, the Emerging Issues Task Force released Issue No. 01-14 "Income Statement Characterization of Reimbursements Received for Out-of-Pocket Expenses Incurred." The issue requires that reimbursed out-of-pocket expenses be characterized as revenues in the income statement. This issue was effective for the Company on January 1, 2002. In order to comply with the issue, reimbursed expenses have been reclassified on the income statement for 2001 and 2000. Reimbursed expenses totaled $36,031,000, $40,732,000, and $35,950,000 in 2002, 2001, and 2000, respectively.

The Company adopted SFAS No. 142, "Goodwill and Other Intangible Assets" effective January 1, 2002. SFAS 142 changes the accounting for goodwill and certain intangible assets from an amortization method to an impairment-only approach. The amortization of goodwill, including goodwill recorded in past business combinations, ceased when the Company adopted SFAS 142 on January 1, 2002. The Company does not currently have any intangible assets requiring disclosure under SFAS 142. The adoption of SFAS 142 requires a transitional goodwill impairment test be performed on all reportable segments. Step one of the transitional goodwill impairment test was performed on the U.S. and international segments. Based on the results of step one, the U.S. and international segments do not have an impairment of goodwill. The Company will continue to evaluate goodwill, at least annually, in accordance with SFAS 142.

The following table presents the effect of adopting SFAS 142 on net income and basic and diluted net income per share:

(in thousands, except per share data)	2002	2001	2000
Reported net income	$ 24,512	$ 29,445	$ 25,348
Add: goodwill amortization	--	3,037	2,855
Adjusted net income	$ 24,512	$ 32,482	$ 28,203
Basic net income per share:			
Reported net income per share	$ 0.50	$ 0.61	$ 0.52
Goodwill amortization per share	--	0.06	0.06
Adjusted basic net income per share	$ 0.50	$ 0.67	$ 0.58
Diluted net income per share:			
Reported net income per share	$ 0.50	0.61	0.52
Goodwill amortization per share	--	0.06	0.06
Adjusted diluted net income per share	$ 0.50	$ 0.67	$ 0.58

In December 2002, the Financial Accounting Standards Board ("FASB") issued SFAS No. 148, "Accounting for Stock-Based Compensation - Transition and Disclosure - an amendment of SFAS 123." This statement amends SFAS 123, "Accounting for Stock-Based Compensation," to provide alternative methods of transition for a voluntary change to the fair value based method of accounting for stock-based employee compensation. In addition, this statement amends the disclosure requirements of SFAS 123 to require prominent disclosures in both annual and interim financial statements about the method of accounting for stock-based employee compensation and the effect of the method used on reported results. The Company has chosen to continue to account for stock-based compensation using the intrinsic value method prescribed in APB Opinion No. 25 and related interpretations. Accordingly, compensation expense for stock options is measured as the excess, if any, of the market value of the Company's stock at the date of the grant over the amount an employee must pay to acquire the stock. The Company has adopted the annual disclosure provisions of SFAS 148 for the year ended December 31, 2002. The adoption of SFAS 148 did not have a material impact on the Company's consolidated results of operations, financial position, or cash flows.

In June 2002, the FASB approved SFAS No. 146, "Accounting for Costs Associated with Exit or Disposal Activities." The statement addresses accounting for costs to terminate contracts that are not capital leases, costs to consolidate facilities or relocate employees, and termination benefits. The statement requires that the fair value of a liability for penalties for early contract termination be recognized when the entity effectively terminates the contract. The fair value of a liability for other contract termination costs should be recognized when an entity ceases using the rights conveyed by the contract. The liability for one-time termination benefits should be accrued ratably over the future service period based on when the employees are entitled to receive the benefits and a minimum retention period. SFAS 146 is effective for disposal activities initiated after December 31, 2002. The adoption of this statement did not have a material impact on the Company's consolidated results of operations, financial position, or cash flows.

NOTE 2. RETIREMENT PLANS

The Company and its subsidiaries sponsor various defined contribution and defined benefit retirement plans covering substantially all employees. Employer contributions under the Company's defined contribution plans are determined annually based on employee contributions, a percentage of each covered employee's compensation, and the profitability of the Company. The cost of these plans totaled $5,879,000, $5,171,000, and $5,198,000 in 2002, 2001, and 2000, respectively.

Certain retirees and a fixed number of long-term employees are entitled to receive postretirement medical benefits under the Company's various medical benefit plans. The postretirement medical benefit obligation was $6.3 million and $6.6 million for 2002 and 2001, respectively.

Benefits payable under the Company's U.S. defined benefit retirement plan are generally based on career compensation, while its United Kingdom plans are based on an employee's final salary. The Company's funding policy is to make cash contributions in amounts sufficient to maintain the plans on an actuarially sound basis, but not in excess of deductible amounts permitted under applicable income tax regulations. Plan assets are invested in equity and fixed income securities, with a target allocation of approximately 60 percent to equity securities and 40 percent to fixed income investments.

The following schedule reconciles the funded status of the defined benefit plans with amounts reported in the Company's balance sheets at December 31, 2002 and 2001.

(in thousands)	2002	2001
Change in Benefit Obligation:		
Benefit obligation at beginning of year	$ 416,839	$ 373,016
Service cost	12,548	12,101
Interest cost	30,296	28,775
Actuarial loss	17,039	19,183
Benefits paid	(17,348)	(15,438)
Foreign currency effects	6,907	(798)
Benefit obligation at end of year	466,281	416,839
Change in Plan Assets:		
Fair value of plan assets at beginning of year	393,770	452,482
Actual return on plan assets	(38,788)	(45,138)
Employer contributions	9,169	2,293
Benefits paid	(17,348)	(15,438)
Foreign currency effects	7,883	(429)
Fair value of plan assets at end of year	354,686	393,770
Funded status of plan	(111,595)	(23,069)
Unrecognized actuarial loss	145,144	63,925
Unrecognized prior service cost	1,864	599
Unrecognized net transition asset	(7,708)	(504)
Net amount recognized	27,705	40,951
Amounts recognized in the consolidated balance sheets consist of:		
Prepaid pension cost	--	7,138
Less minimum pension liability	76,747	10,328
Less pension obligation included in other accrued liabilities	2,663	2,575
Add intangible asset	1,752	--
Add accumulated other comprehensive loss	105,363	46,716
Net amount recognized	$ 27,705	$ 40,951

Assumptions used in accounting for the plans were:

	2002	2001
Discount rate	6.75%	7.25%
Expected return on plan assets	8.50%	9.25%
Rate of compensation increase	3.50%	4.00%

Net periodic benefit cost related to the defined benefit pension plans in 2002, 2001, and 2000 included the following components:

(in thousands)	2002	2001	2000
Service cost	$ 12,548	$ 12,101	$ 11,385
Interest cost	30,296	28,775	27,551
Expected return on assets	(27,026)	(33,016)	(32,020)
Net amortization	(3,208)	(401)	(425)
Recognized net actuarial loss (gain)	3,557	(1,085)	(116)
Net periodic benefit cost	$ 16,167	$ 6,374	$ 6,375

The projected benefit obligation, accumulated benefit obligation, and fair value of plan assets for the retirement plans with accumulated benefit obligations in excess of plan assets were $466 million, $431 million, and $355 million, respectively, as of December 31, 2002 and $417 million, $385 million, and $394 million, respectively, as of December 31, 2001. Effective December 31, 2002, the Company elected to freeze its U.S. defined benefit plan and replace it with a defined contribution plan.

NOTE 3. INCOME TAXES

Income before provisions for income taxes consists of the following:

(in thousands)	2002	2001	2000
U.S.	$ 32,029	$ 38,622	$ 27,753
Foreign	6,512	9,179	13,397
Income before taxes	$ 38,541	$ 47,801	$ 41,150

The provisions (credits) for income taxes consist of the following:

(in thousands)	2002	2001	2000
Current:			
U.S. federal and state	$ 7,264	$ 15,308	$ 14,607
Foreign	3,122	3,335	1,213
Deferred	3,643	(287)	(18)
Provision for income taxes	$ 14,029	$ 18,356	$ 15,802

Cash payments for income taxes were $9,518,000 in 2002, $12,153,000 in 2001, and $16,345,000 in 2000.

The provisions for income taxes are reconciled to the federal statutory rate of 35% as follows:

(in thousands)	2002	2001	2000
Federal income taxes at statutory rate	$ 13,490	$ 16,730	$ 14,403
State income taxes, net of federal benefit	501	1,709	1,471
Other	38	(83)	(72)
Provision for income taxes	$ 14,029	$ 18,356	$ 15,802

The Company does not provide for additional U.S. and foreign income taxes on undistributed earnings of foreign subsidiaries because they are considered to be indefinitely reinvested. At December 31, 2002, such undistributed earnings totaled $55,648,000. Determination of the deferred income tax liability on these unremitted earnings is not practicable, since such liability, if any, is dependent on circumstances existing when remittance occurs.

A valuation allowance is provided when it is more likely than not that some portion or all of a deferred tax asset will not be realized. The Company recorded no valuation allowance for 2002 or 2001.

Deferred income taxes consist of the following at December 31, 2002 and 2001:

(in thousands)	2002	2001
Accrued compensation	$ 5,081	$ 4,171
Minimum pension liability	41,171	3,966
Self-insured risks	10,294	9,140
Deferred revenues	9,495	11,072
Postretirement benefits	2,289	2,552
Other	3,812	2,577
Gross deferred tax assets	72,142	33,478
Unbilled revenues	16,338	14,879
Depreciation and amortization	7,426	4,513
Prepaid pension cost	15,949	2,141
Other	1,751	858
Gross deferred tax liabilities	41,464	22,391
Net deferred tax assets	30,678	11,087
Less noncurrent net deferred tax assets	31,899	11,817
Current net deferred tax liabilities included in accrued income taxes	$ (1,221)	$ (730)

NOTE 4. LEASE COMMITMENTS

The Company and its subsidiaries lease office space, certain computer equipment, and its automobile fleet under operating leases. License and maintenance costs related to the leased vehicles are paid by the Company. Rental expense for all operating leases consists of the following:

(in thousands)	2002	2001	2000
Office space	$ 29,203	$ 28,938	$ 28,152
Automobile	8,925	9,962	11,358
Computer equipment	--	--	417
	$ 38,128	$ 38,900	$ 39,927

At December 31, 2002, future minimum payments under non-cancelable operating leases with terms of more than 12 months were as follows: 2003 - $32,385,000; 2004 - $24,589,000; 2005 - $17,702,000; 2006 -$13,372,000; 2007 - $9,982,000; and thereafter - $25,679,000.

NOTE 5. LONG-TERM DEBT AND SHORT-TERM BORROWINGS

Long-term debt consists of the following at December 31, 2002 and 2001:

(in thousands)	2002	2001
Term loans payable to bank due:		
September 2004, interest payable quarterly at 6.8%	$ 15,000	$ 15,000
September 2004, interest payable quarterly at 7.7%	21,000	21,000
June 2005, interest payable semi-annually at 6.0%	11,087	--
October 2004, interest payable quarterly at 4.9%	2,430	--
December 2004, interest payable quarterly at 4.9%	636	--
Mortgage payable, secured by building, due August 2003, interest rate of 7.3%	435	477
Capital lease obligations	881	227
Total debt	51,469	36,704
Less: current installments	(1,493)	(326)
Total long-term debt	$ 49,976	$ 36,378

The Company leases certain computer and office equipment under capital leases with terms ranging from 24 to 60 months and depreciates these assets over the expected useful life.

The term loans payable contain various provisions that, among other things, require the Company to maintain defined fixed charge coverage and leverage ratios and limit the incurrence of certain liens, encumbrances, and disposition of assets in excess of defined amounts, none of which are expected to restrict future operations. The Company was in compliance with its debt covenants as of December 31, 2002.

The Company maintains uncommitted guidance lines of credit with banks in order to meet seasonal working capital requirements and other financing needs that may arise. The balance of unused lines of credit totaled $22,027,000 at December 31, 2002. Short-term borrowings totaled $30,019,000 and $36,440,000 at December 31, 2002 and 2001, respectively. The weighted average interest rate on short-term borrowings was 4.4% during 2002 and 5.6% during 2001. Cash paid for interest was $4,225,000, $6,080,000, and $5,949,000 for 2002, 2001, and 2000, respectively.

NOTE 6. SEGMENT AND GEOGRAPHIC INFORMATION

The Company has two reportable segments: one which provides various claims administration services through branch offices located in the United States ("U.S. Operations") and the other which provides similar services through branch or representative offices located in 66 other countries ("International Operations"). The Company's reportable segments represent components of the business for which separate financial information is available that is evaluated regularly by the chief decision maker in deciding how to allocate resources and in assessing performance. Intersegment sales are recorded at cost and are not material. The Company measures segment profit based on operating earnings, defined as earnings before special credits and charges, amortization of goodwill, net corporate interest, and income taxes.

Financial information as of December 31, 2002, 2001, and 2000 covering the Company's reportable segments is presented below:

(in thousands)	U.S. Operations	International Operations	Consolidated Totals
2002			
REVENUES BEFORE REIMBURSEMENTS	$ 508,734	$ 190,656	$ 699,390
OPERATING EARNINGS	29,261	7,986	37,247
DEPRECIATION AND AMORTIZATION	12,130	5,284	17,414
CAPITAL EXPENDITURES	15,630	4,652	20,282
ASSETS	259,567	215,209	474,776
2001			
Revenues before reimbursements	$ 534,671	$ 190,868	$ 725,539
Operating earnings	43,255	12,773	56,028
Depreciation and amortization	13,833	6,793	20,626
Capital expenditures	12,040	7,282	19,322
Assets	232,468	198,947	431,415
2000			
Revenues before reimbursements	$ 519,150	$ 193,024	$ 712,174
Operating earnings	48,545	17,024	65,569
Depreciation and amortization	13,548	6,022	19,570

The Company's most significant international operations are in the United Kingdom ("U.K.") and Canada.

(in thousands)	U.K.	Canada	Other	Total
2002				
REVENUES BEFORE REIMBURSEMENTS	$ 56,736	$ 55,870	$ 78,050	$190,656
LONG-LIVED ASSETS	57,329	21,724	11,786	90,839

2001				
Revenues before reimbursements	$ 65,388	$ 52,546	$ 72,934	$190,868
Long-lived assets	57,292	22,027	2,491	81,810
2000				
Revenues before reimbursements	$ 74,283	$ 47,690	$ 71,051	$193,024

Revenues before reimbursements by market type as of December 31, 2002, 2001, and 2000 are presented below:

(in thousands)	2002	2001	2000
Insurance companies	$ 259,090	$ 284,966	$ 273,177
Self-insured entities	191,278	199,049	195,936
Class action services	58,366	50,656	50,037
Total U.S. revenues	508,734	534,671	519,150
Total international revenues	190,656	190,868	193,024
Total revenues before reimbursements	$ 699,390	$ 725,539	$ 712,174

Substantially all international revenues are derived from the insurance company market.

NOTE 7. ACQUISITIONS

The Company's annual acquisitions for the years presented were not material individually, or in the aggregate, to the Company's financial statements. Accordingly, pro forma results of operations are not presented. The Company uses the purchase method of accounting for all acquisitions. The Company considers the purchase price allocations of all acquisitions to be preliminary for the twelve months following the acquisition date and are subject to change during that period. Results of operations of acquired companies are included in the Company's consolidated results as of the acquisition date.

During 2002, the Company recorded the acquisition of the operations of Robertson & Company Group ("Robertson") in Australia, a claims adjusting company, for an aggregate initial purchase price of $10.2 million in cash, excluding cash acquired. This acquisition was made in order to expand the Company's presence in the Australian market. The strength of the going concern, the established locations, and the assembled workforce of Robertson supported a premium above the fair value of separately identifiable net assets. This premium was recorded as goodwill. The purchase price of Robertson may be further increased based on future earnings through October 31, 2008.

During 2001, the Company recorded the following acquisitions: Leonard, Hirst & Miller Adjusters (1997), Ltd. ("LH&M"), a Canadian multi-line adjusting firm; Central Victorian Loss Adjusters ("CVLA"), an Australian claims administrator; SVS Experts B.V. ("SVS"), a Dutch independent adjuster; and Resin, an independent adjuster in Brazil, for an aggregate initial purchase price of $6.5 million in cash, excluding cash acquired. In 2002, an additional payment of $138,000 was paid to the former owners of Resin pursuant to the purchase agreement and an additional payment of $96,000 was paid to the former owners of SVS pursuant to the purchase agreement. The purchase price of LH&M may be further increased based on future earnings through April 30, 2004. The purchase price of CVLA may be further increased based on future earnings through June 30, 2004. The purchase price of SVS may be further increased based on future earnings through May 31, 2004. The purchase price of Resin may be further increased based on future earnings through October 31, 2003.

During 2000, the Company recorded the following acquisitions: Greentree Investigations, Inc. ("Greentree"), a provider of surveillance services; HDS Taxatie en Centra-Expertise BV, a Holland-based claims administrator; and Sudexa, a France-based claims administrator for an aggregate initial purchase price of $4.6 million in cash, excluding cash acquired. Additional payments of $230,000, $239,000 and $42,000 in 2002, 2001, and 2000, respectively, were paid to the former owner of Greentree, pursuant to the purchase agreement. The purchase price of Greentree may be further increased based on future earnings through April 3, 2005.

During 1999, the Company acquired the Garden City Group ("GCG"), a legal administration services provider, for an initial purchase price of $6.3 million, excluding cash acquired. Additional payments of $2.9 million, $2.5 million, $2.6 million, and $3.3 million in 2002, 2001, 2000, and 1999, respectively, were paid to the former owners of GCG pursuant to the purchase agreement. There are no additional contingent payments due under this agreement.

In conjunction with the acquisitions during the periods presented, the goodwill recognized, fair values of assets acquired, liabilities assumed, and net cash paid were as follows:

(in thousands)	2002	2001	2000
Goodwill recognized:			
U.S. operations	$ 3,102	$ 2,773	$ 4,217
International operations	7,992	5,322	2,258
Total goodwill recognized	11,094	8,095	6,475
Fair values of assets acquired	5,155	3,261	2,611
Other liabilities assumed	(2,680)	(2,149)	(1,843)
Cash paid, net of cash acquired	$13,569	$ 9,207	$ 7,243

The changes in the carrying amount of goodwill for the years ended December 31, 2001 and 2002 are as follows:

(in thousands)	Domestic Segment	International Segment	Total
Balance at December 31, 2000	$23,228	$59,371	$82,599
Acquired goodwill	2,773	5,322	8,079
Amortization	(1,640)	(1,808)	(3,448)
Foreign currency effect	--	(1,007)	(991)
Balance at December 31, 2001			
ACQUIRED GOODWILL	24,361	61,878	86,239
FOREIGN CURRENCY EFFECT	3,102	7,992	11,094
	--	465	465
BALANCE AT DECEMBER 31, 2002	$27,463	$70,335	$97,798

NOTE 8. RESTRUCTURING CHARGES

During the third quarter of 1998, the Company restructured its U.K. and Canadian operations and realigned senior management following the resignation of its former chairman and chief executive officer. These restructuring programs resulted in the elimination of approximately 350 staff positions and the closing of 67 offices. After reflecting income tax benefits, the restructuring charge totaled $9,692,000.

The following is a rollforward of the Company's accrued restructuring costs:

(in thousands)	Leases	Employee Separations	Total
Balance at January 1, 2000	$ 4,421	$ 718	$ 5,139
Utilized	(1,979)	(402)	(2,381)
Balance at December 31, 2000	2,442	316	2,758
Utilized	(624)	(235)	(859)
Balance at December 31, 2001	1,818	81	1,899
UTILIZED	(254)	(81)	(335)
BALANCE AT DECEMBER 31, 2002	1,564	--	1,564
LESS NONCURRENT PORTION	(1,296)	--	(1,296)
CURRENT PORTION OF ACCRUED RESTRUCTURING COSTS	$ 268	$ --	$ 268

The noncurrent portion of accrued restructuring costs consists of long-term lease obligations related to various U.K. offices, which the Company has vacated and is currently attempting to sublease. Management believes the remaining reserves are adequate to complete its plan.

NOTE 9. SPECIAL CREDITS AND CHARGES

In December 2000, the Company announced the termination of its contract with a software development company. In connection with the cancellation of the contract, the Company wrote down the carrying value of costs related to internal use software formerly under development. The non-cash charge totaled $10.3 million after tax, or $0.21 per share for the year ended December 31, 2000. During 2002, the Company received a cash payment of $6.0 million from a former vendor in full settlement of a business dispute. This credit, net of related income tax expense, increased net income per share by $0.08 during 2002.

NOTE 10. CONTINGENCIES

The Company maintains funds in trust to administer claims for certain clients. These funds are not available for the Company's general operating activities, and, as such, have not been recorded in the accompanying consolidated balance sheets. The amount of these funds totaled approximately $141.6 million and $123.7 million at December 31, 2002 and 2001, respectively.

The Company normally structures its acquisitions to include earnout payments which are contingent upon the acquired entity reaching certain targets for revenues and operating earnings. The amount of the contingent payments and length of the earnout period varies for each acquisition, and the ultimate payments when made will vary, as they are dependent on future events. Based on 2002 levels of revenues and operating earnings, additional payments under existing earnout agreements would approximate $3.6 million through 2008, as follows: 2003 - $435,000; 2004 - $356,000; 2005 - $279,000; and 2008 - $2,500,000.

In 2000, the Company received federal grand jury subpoenas requesting certain business and financial records of the Company dating back to 1992. Additional document requests and grand jury subpoenas were received in 2001 and continue to be received in 2002. The Company has been advised by the U.S. Department of Justice Fraud Section that the subpoenas issued by the Fraud Section and local U.S. Attorney offices were issued in connection with a nationwide investigation into the Company's billings for services in some of the U.S. Claims Management and Healthcare Management Services branch offices. The Company is cooperating fully with the government's inquiry and has retained outside counsel to conduct an internal investigation into the Company's billing practices under the direction of the Board of Directors. In addition, the Company has issued written corporate billing policies in order to clarify its billing practices and eliminate inconsistencies in their application, and is continuing to strengthen its internal audit and branch inspection procedures.

The Company cannot predict when the government's investigation will be completed, its ultimate outcome, or its effect on the Company's financial condition or results of operations. However, the investigation could cause disruption in the delivery of services, and ultimately result in the imposition of civil, administrative or criminal fines or sanctions, as well as potential reimbursements to clients and loss of existing or prospective clients or business opportunities. Any such result could have a material adverse effect on the financial condition and results of operations of the Company. Expenses associated with the investigation were approximately $2.2 million in 2002 and $2.5 million in 2001, net of related tax benefits, or $0.04 and $0.05 per share, respectively.

NOTE 11. COMMON STOCK

The Company has two classes of Common Stock outstanding, Class A Common Stock and Class B Common Stock. These two classes of stock have essentially identical rights, except that shares of Class A Common Stock generally do not have any voting rights. Under the Company's Articles of Incorporation, the Board of Directors may pay higher (but not lower) cash dividends on the non-voting Class A Common Stock than on the voting Class B Common Stock.

SHARE REPURCHASES

In April 1999, the Company's Board of Directors authorized a share repurchase program of an aggregate of 3,000,000 shares of Class A and Class B Common Stock through open market purchases. Through December 31, 2002, the Company has reacquired 2,150,876 shares of its Class A Common Stock, including 1.9 million shares acquired from Swiss Reinsurance Company in 2000, and 143,261 shares of its Class B Common Stock at an average cost of $10.99 and $12.21 per share, respectively.

EMPLOYEE STOCK PURCHASE PLAN

Under the 1996 Employee Stock Purchase Plan, the Company is authorized to issue up to 1,500,000 shares of Class A Common Stock to U.S. and Canadian employees, nearly all of whom are eligible to participate. Under the terms of the Plan, employees can choose each year to have to up $21,000 of their annual earnings withheld to purchase the Company's Class A Common Stock. The purchase price of the stock is 85% of the lesser of the closing price for a share of stock on the first day of the purchase period or the last day of the purchase period. During 2002, 2001, and 2000, the Company issued 57,652, 80,984, and 83,309 shares, respectively, to employees under this Plan.

Under the 1999 U.K. Sharesave Scheme, the Company is authorized to issue up to 500,000 shares of Class A Common Stock to eligible employees in the U.K. The Scheme has terms comparable to the 1996 Employee Stock Purchase Plan. As of December 31, 2002, no shares have been issued under this Scheme.

STOCK OPTION PLANS

The Company has various stock option plans for employees and directors, which provide for nonqualified and incentive stock option grants. The option exercise price cannot be less than the fair market value of the Company's stock at the date of grant, and an option's maximum term is 10 years. Options generally vest ratably over five years or, with respect to certain nonqualified options granted to key executives, upon the attainment of specified prices of the Company's stock. At December 31, 2002, there were 1,674,200 shares available for future option grants under the plans.

The fair value of options, as discussed in Note 1, is estimated on the date of grant using the Black-Scholes option-pricing model with the following weighted-average assumptions:

	2002	2001	2000
Expected dividend yield	3.6%	3.4%	3.5%
Expected volatility	33%	20%	20%
Risk-free interest rate	3.7%	4.6%	5.5%
Expected life of options	7 YEARS	7 YEARS	7 YEARS

All of the outstanding and exercisable options as of December 31, 2002 are for Class A Common Stock. A summary of the status of the Company's stock option plans is as follows:

(shares in thousands)	2002		2001		2000	
	Shares	Weighted-Average Exercise Price	Shares	Weighted-Average Exercise Price	Shares	Weighted-Average Exercise Price
Outstanding, beginning of year	5,282	$ 13	4,445	$ 13	3,998	$ 13
Options granted	891	9	1,116	10	688	11
Options exercised	(24)	4	(8)	3	(65)	7
Options forfeited and expired	(654)	12	(271)	12	(176)	15
Outstanding, end of year	5,495	12	5,282	13	4,445	13
Exercisable, end of year	1,631	12	1,390	12	1,191	12
Weighted-average fair value of options granted during the year:						
Incentive stock options		$2.23		$1.90		$2.33
Nonqualified stock options		2.35		1.90		2.29

The following table summarizes information about stock options outstanding at December 31, 2002 (shares in thousands):

	Options Outstanding			Options Exercisable	
Range of Exercise Prices	Number Outstanding at 12/31/02	Weighted-Average Remaining Contractual Life	Weighted-Average Exercise Price	Number Exercisable at 12/31/02	Weighted-Average Exercise Price
$ 2 to 8	143	7.4	$ 4	53	$ 2
9 to 12	2,723	6.8	10	740	11
13 to 17	2,285	4.0	14	703	14
18 to 20	344	3.4	19	135	19
$ 2 to 20	5,495	5.4	12	1,631	12

As part of the PRISM acquisition during 1999, the Company acquired and converted outstanding PRISM stock options to 141,415 options of Crawford Class A Common Stock at an option price of $2.41 per share. At December 31, 2002, 52,941 of these options were outstanding and exercisable.

REPORT OF MANAGEMENT

The management of Crawford & Company is responsible for the integrity and objectivity of the financial information in this annual report. These financial statements are prepared in conformity with accounting principles generally accepted in the United States, using informed judgements and estimates where appropriate.

The Company maintains a system of internal accounting policies, procedures, and controls designed to provide reasonable assurance that assets are safeguarded and transactions are executed and recorded in accordance with management's authorization. The internal accounting control system is augmented by a program of internal audits and reviews by management, written policies and guidelines, and the careful selection and training of qualified personnel. Management believes it maintains an effective system of internal accounting controls.

The audit committee of the Board of Directors, comprised solely of outside directors, is responsible for monitoring the Company's accounting and reporting practices. The audit committee meets regularly with management, the internal auditors, and the independent auditors to review the work of each and to assure that each performs its responsibilities. The independent auditors, Ernst & Young LLP, are recommended by the audit committee of the Board of Directors, and selected by the Board of Directors. Both the internal auditors and Ernst & Young LLP have unrestricted access to the audit committee allowing open discussion, without management present, on the quality of financial reporting and the adequacy of internal accounting controls.

/s/ Grover L. Davis	/s/ John F. Giblin	/s/ W. Bruce Swain
Grover L. Davis Chairman and Chief Executive Officer	John F. Giblin Executive Vice President and Chief Financial Officer	W. Bruce Swain Senior Vice President, Controller and Chief Accounting Officer

Atlanta, Georgia
January 27, 2003

REPORT OF ERNST & YOUNG LLP, INDEPENDENT AUDITORS

To the Shareholders and Board of Directors of Crawford & Company:

We have audited the accompanying consolidated balance sheet of Crawford & Company as of December 31, 2002, and the related consolidated statement of income, shareholders' investment, and cash flows for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements of Crawford & Company for the years ended December 31, 2001 and 2000 were audited by other auditors who have ceased operations and whose report dated January 25, 2002 expressed an unqualified opinion on those statements before the reclassification adjustments described in Note 1 and the transitional disclosures required by Statement of Financial Accounting Standards (Statement) No. 142, "Goodwill and Other Intangible Assets," described in Note 1.

As discussed above, the financial statements of Crawford & Company as of December 31, 2001 and for the two years then ended were audited by other auditors who have ceased operations. As described in Note 1, the Company reclassified reimbursements received for out-of-pocket expenses from operating expenses to revenues as required by Emerging Issues Task Force Issue No. 01-14, "Income Statement Characterization of Reimbursements Received for 'Out-of-Pocket' Expenses Incurred." We audited the adjustments that were applied to reclassify the balances reflected in the 2001 and 2000 financial statements. Our procedures included (a) agreeing the reclassification amounts to the Company's underlying accounting records, and (b) testing the mathematical accuracy of the reclassification adjustments. In our opinion, such adjustments are appropriate and have been properly applied. As described in Note 1, these financial statements have been revised to include the transitional disclosures required by Statement No. 142, "Goodwill and Other Intangible Assets," which was adopted by the Company as of January 1, 2002. Our audit procedures with respect to the disclosures in Note 1 included (a) agreeing the previously reported net income to the previously issued financial statements and the adjustments to reported net income representing amortization expense (including any related tax effects) recognized in those periods related to goodwill that is no longer being amortized to the Company's underlying records obtained from management, and (b) testing the mathematical accuracy of the reconciliation of adjusted net income to reported net income, and the related net income per share amounts. In our opinion, the disclosures for 2001 and 2000 in Note 1 are appropriate. However, we were not engaged to audit, review, or apply any procedures to the 2001 and 2000 financial statements of the Company other than with respect to such adjustments and disclosures and, accordingly, we do not express an opinion or any other form of assurance on the 2001 and 2000 financial statements taken as a whole.

We conducted our audit in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Crawford & Company as of December 31, 2002, and the consolidated results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States.

As discussed in Note 1 to the consolidated financial statements, in 2002 the Company ceased amortization of goodwill in accordance with Statement of Financial Accounting Standards No. 142, "Goodwill and Other Intangible Assets."

/s/ ERNST & YOUNG LLP

Atlanta, Georgia
January 27, 2003

The following is a copy of a previously issued Report of Independent Public Accountants. This report relates to prior years' financial statements. This report has not been reissued by Arthur Andersen LLP.

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To the Shareholders and Board of Directors of Crawford & Company:

We have audited the accompanying consolidated balance sheets of CRAWFORD & COMPANY (a Georgia corporation) AND SUBSIDIARIES as of December 31, 2001 and 2000, and the related consolidated statements of income, shareholders' investment, and cash flows for each of the three years in the period ended December 31, 2001. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Crawford & Company and subsidiaries as of December 31, 2001 and 2000, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2001 in conformity with accounting principles generally accepted in the United States.

/s/ Arthur Andersen LLP
Arthur Andersen LLP
Atlanta, Georgia
January 25, 2002

SELECTED FINANCIAL DATA

For The Years Ended December 31,	2002	2001	2000	1999	1998
(in thousands, except per share data)					
REVENUES BEFORE REIMBURSEMENTS	$699,390	$725,539	$712,174	$701,926	$667,271
OPERATING EARNINGS(1)	37,247	56,028	65,569	74,477	66,142
NET INCOME	24,512	29,445	25,348	39,264	27,465
NET INCOME PER SHARE:					
Basic	0.50	0.61	0.52	0.78	0.55
Diluted	0.50	0.61	0.52	0.78	0.54
OPERATING MARGIN	5.3%	7.7%	9.2%	10.6%	9.9%
CURRENT ASSETS	272,025	261,284	264,187	267,836	251,146
TOTAL ASSETS	474,776	431,415	458,351	474,028	432,890
CURRENT LIABILITIES	148,249	156,307	157,639	157,990	140,574
LONG-TERM DEBT, LESS CURRENT INSTALLMENTS	49,976	36,378	36,662	16,053	1,854
TOTAL DEBT	81,488	73,144	81,298	55,430	39,613
SHAREHOLDERS' INVESTMENT	159,431	188,300	217,767	250,279	239,672
TOTAL CAPITAL	240,919	261,444	299,065	305,709	279,285
CURRENT RATIO	1.8:1	1.7:1	1.7:1	1.7:1	1.8:1
TOTAL DEBT-TO-TOTAL CAPITAL	33.8%	28.0%	27.2%	18.1%	14.2%
RETURN ON AVERAGE SHAREHOLDERS' INVESTMENT	14.1%	14.5%	10.8%	16.0%	12.1%
CASH FLOWS FROM OPERATING ACTIVITIES	52,623	63,072	55,094	68,648	20,936
CASH FLOWS FROM INVESTING ACTIVITIES	(33,371)	(28,275)	(28,297)	(36,778)	(40,409)
CASH FLOWS FROM FINANCING ACTIVITIES	(11,099)	(34,126)	(21,421)	(21,790)	(26,733)
SHAREHOLDERS' EQUITY PER SHARE	3.28	3.88	4.49	4.93	4.71
CASH DIVIDENDS PER SHARE:					
Class A Common Stock	0.32	0.56	0.55	0.52	0.50
Class B Common Stock	0.32	0.56	0.55	0.52	0.50
WEIGHTED-AVERAGE SHARES OUTSTANDING:					
Basic	48,580	48,492	48,845	50,380	50,341
Diluted	48,664	48,559	48,933	50,498	50,938

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(1) Earnings before special credits and charges, year 2000 expense, amortization of goodwill, net corporate interest, minority interest, and income taxes. For a reconciliation of operating earnings to net income, see page 18 of this annual report.

QUARTERLY FINANCIAL DATA (UNAUDITED)
DIVIDEND INFORMATION AND COMMON STOCK QUOTATIONS

2002	First	Second	Third	Fourth	Fiscal Year
(in thousands, except per share data)					
REVENUES BEFORE REIMBURSEMENTS	$171,767	$177,989	$175,912	$173,722	$699,390
PRETAX INCOME	12,841	7,653	8,863	9,184	38,541
NET INCOME	8,167	4,867	5,637	5,841	24,512
NET INCOME PER SHARE - BASIC	0.17	0.10	0.11	0.12	0.50
NET INCOME PER SHARE - DILUTED	0.17	0.10	0.11	0.12	0.50
CASH DIVIDENDS PER SHARE:					
Class A Common Stock	0.14	0.06	0.06	0.06	0.32
Class B Common Stock	0.14	0.06	0.06	0.06	0.32
COMMON STOCK QUOTATIONS:(A)					
Class A - High	12.00	11.55	7.79	5.50	12.00
Class A - Low	8.40	6.15	4.97	4.06	4.06
Class B - High	14.85	14.97	10.50	7.30	14.97

Class B - Low	11.00	7.60	5.86	5.00	5.00

2001	First	Second	Third	Fourth	Fiscal Year
(in thousands, except per share data)					
REVENUES BEFORE REIMBURSEMENTS	$179,455	$186,527	$181,412	$178,145	$725,539
PRETAX INCOME	13,291	14,274	10,806	9,430	47,801
NET INCOME	8,187	8,793	6,657	5,808	29,445
NET INCOME PER SHARE - BASIC	0.17	0.18	0.14	0.12	0.61
NET INCOME PER SHARE - DILUTED	0.17	0.18	0.14	0.12	0.61
CASH DIVIDENDS PER SHARE:					
Class A Common Stock	0.14	0.14	0.14	0.14	0.56
Class B Common Stock	0.14	0.14	0.14	0.14	0.56
COMMON STOCK QUOTATIONS:(A)					
Class A - High	10.38	12.50	12.10	9.65	12.50
Class A - Low	9.65	9.00	8.89	8.45	8.45
Class B - High	13.45	18.00	15.25	12.90	18.00
Class B - Low	11.23	10.50	11.42	11.50	10.50

(A) The quotations listed in this table set forth the high and low closing prices per share of Crawford & Company Class A Common Stock and Class B Common Stock, respectively, as reported on the NYSE Composite Tape.

The approximate number of record holders of the Company's stock as of December 31, 2002: Class A - 1,916 and Class B - 782.

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EXHIBIT 21.1

CRAWFORD & COMPANY

LISTING OF SUBSIDIARY CORPORATIONS*

Subsidiary	Jurisdiction in Which Organized
Crawford & Company of California	Delaware
Crawford & Company of Florida	Delaware
Crawford & Company of Illinois	Delaware
Crawford & Company of New York, Inc.	New York
Crawford & Company Employment Services, Inc.	Delaware
Risk Sciences Group, Inc.	Delaware
Crawford & Company (Bermuda) Limited	Bermuda
Crawford & Company HealthCare Management, Inc.	Delaware
Crawford & Company International, Inc.	Georgia
Crawford & Company Adjusters Limited	England
Crawford Adjusters Canada Incorporated	Canadian Federal
The Garden City Group, Inc.	Delaware
The PRISM Network, Inc.	Georgia

* Excludes subsidiaries which, if considered in the aggregate as a single subsidiary, would not constitute a significant subsidiary as of the year ended December 31, 2002.

EXHIBIT 23.1

CRAWFORD & COMPANY
CONSENT OF INDEPENDENT AUDITORS

We consent to the incorporation by reference in this Annual Report (Form 10-K) of Crawford & Company of our report dated January 27, 2003, included in the 2002 Annual Report to Shareholders of Crawford & Company.

We consent to the incorporation by reference in the Registration Statements (Form S-8: Nos. 33-47536, 33-36116, 333-02051, 333-24425, 333-24427, 333-87465, 333-87467 and 333-43740) of Crawford & Company and in the related Prospectuses of our report dated January 27, 2003, with respect to the consolidated financial statements of Crawford & Company incorporated by reference in this Annual Report (Form 10-K) for the year ended December 31, 2002.

/s/ ERNST & YOUNG LLP

Atlanta, Georgia
March 21, 2003

EXHIBIT 24.1

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS that the undersigned director or officer, or both, of CRAWFORD & COMPANY, a Georgia corporation (the "Corporation"), hereby constitutes and appoints PETER J. RESCIGNO and JOHN F. GIBLIN, and each of them, his or her true and lawful attorney-in-fact and agent to sign (1) the Corporation's Annual Report on Form 10-K for the year ended December 31, 2002; (2) Forms 4 or 5 under the Securities Exchange Act of 1934; and (3) any other reports or registration statements to be filed by the Corporation with the Securities and Exchange Commission and/or any national securities exchange under the Securities Exchange Act of 1934, as amended, and any and all amendments thereto, and any and all instruments and documents filed as part of or in connection with any such reports or registration statements or reports or amendments thereto; and in connection with the foregoing, to do any and all acts and things and execute any and all instrument which such attorneys-in-fact and agents may deem necessary or advisable to enable this Corporation to comply with the securities laws of the United States and of any State or other political subdivision thereof; hereby ratifying and confirming all that such attorneys-in-fact and agents, or any one of them, shall do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned has subscribed these presents this 28th day of January, 2003.

/s/ Jesse C. Crawford

EXHIBIT 24.2

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS that the undersigned director or officer, or both, of CRAWFORD & COMPANY, a Georgia corporation (the "Corporation"), hereby constitutes and appoints PETER J. RESCIGNO and JOHN F. GIBLIN, and each of them, his or her true and lawful attorney-in-fact and agent to sign (1) the Corporation's Annual Report on Form 10-K for the year ended December 31, 2002; (2) Forms 4 or 5 under the Securities Exchange Act of 1934; and (3) any other reports or registration statements to be filed by the Corporation with the Securities and Exchange Commission and/or any national securities exchange under the Securities Exchange Act of 1934, as amended, and any and all amendments thereto, and any and all instruments and documents filed as part of or in connection with any such reports or registration statements or reports or amendments thereto; and in connection with the foregoing, to do any and all acts and things and execute any and all instrument which such attorneys-in-fact and agents may deem necessary or advisable to enable this Corporation to comply with the securities laws of the United States and of any State or other political subdivision thereof; hereby ratifying and confirming all that such attorneys-in-fact and agents, or any one of them, shall do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned has subscribed these presents this 28th day of January, 2003.

/s/ Linda K. Crawford

EXHIBIT 24.3

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS that the undersigned director or officer, or both, of CRAWFORD & COMPANY, a Georgia corporation (the "Corporation"), hereby constitutes and appoints PETER J. RESCIGNO and JOHN F. GIBLIN, and each of them, his or her true and lawful attorney-in-fact and agent to sign (1) the Corporation's Annual Report on Form 10-K for the year ended December 31, 2002; (2) Forms 4 or 5 under the Securities Exchange Act of 1934; and (3) any other reports or registration statements to be filed by the Corporation with the Securities and Exchange Commission and/or any national securities exchange under the Securities Exchange Act of 1934, as amended, and any and all amendments thereto, and any and all instruments and documents filed as part of or in connection with any such reports or registration statements or reports or amendments thereto; and in connection with the foregoing, to do any and all acts and things and execute any and all instrument which such attorneys-in-fact and agents may deem necessary or advisable to enable this Corporation to comply with the securities laws of the United States and of any State or other political subdivision thereof; hereby ratifying and confirming all that such attorneys-in-fact and agents, or any one of them, shall do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned has subscribed these presents this 28th day of January, 2003.

/s/ E. Jenner Wood, III

EXHIBIT 24.4

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS that the undersigned director or officer, or both, of CRAWFORD & COMPANY, a Georgia corporation (the "Corporation"), hereby constitutes and appoints PETER J. RESCIGNO and JOHN F. GIBLIN, and each of them, his or her true and lawful attorney-in-fact and agent to sign (1) the Corporation's Annual Report on Form 10-K for the year ended December 31, 2002; (2) Forms 4 or 5 under the Securities Exchange Act of 1934; and (3) any other reports or registration statements to be filed by the Corporation with the Securities and Exchange Commission and/or any national securities exchange under the Securities Exchange Act of 1934, as amended, and any and all amendments thereto, and any and all instruments and documents filed as part of or in connection with any such reports or registration statements or reports or amendments thereto; and in connection with the foregoing, to do any and all acts and things and execute any and all instrument which such attorneys-in-fact and agents may deem necessary or advisable to enable this Corporation to comply with the securities laws of the United States and of any State or other political subdivision thereof; hereby ratifying and confirming all that such attorneys-in-fact and agents, or any one of them, shall do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned has subscribed these presents this 28th day of January, 2003.

/s/ J. Hicks Lanier

EXHIBIT 24.5

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS that the undersigned director or officer, or both, of CRAWFORD & COMPANY, a Georgia corporation (the "Corporation"), hereby constitutes and appoints PETER J. RESCIGNO and JOHN F. GIBLIN, and each of them, his or her true and lawful attorney-in-fact and agent to sign (1) the Corporation's Annual Report on Form 10-K for the year ended December 31, 2002; (2) Forms 4 or 5 under the Securities Exchange Act of 1934; and (3) any other reports or registration statements to be filed by the Corporation with the Securities and Exchange Commission and/or any national securities exchange under the Securities Exchange Act of 1934, as amended, and any and all amendments thereto, and any and all instruments and documents filed as part of or in connection with any such reports or registration statements or reports or amendments thereto; and in connection with the foregoing, to do any and all acts and things and execute any and all instrument which such attorneys-in-fact and agents may deem necessary or advisable to enable this Corporation to comply with the securities laws of the United States and of any State or other political subdivision thereof; hereby ratifying and confirming all that such attorneys-in-fact and agents, or any one of them, shall do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned has subscribed these presents this 28th day of January, 2003.

/s/ Larry L. Prince

EXHIBIT 24.6

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS that the undersigned director or officer, or both, of CRAWFORD & COMPANY, a Georgia corporation (the "Corporation"), hereby constitutes and appoints PETER J. RESCIGNO and JOHN F. GIBLIN, and each of them, his or her true and lawful attorney-in-fact and agent to sign (1) the Corporation's Annual Report on Form 10-K for the year ended December 31, 2002; (2) Forms 4 or 5 under the Securities Exchange Act of 1934; and (3) any other reports or registration statements to be filed by the Corporation with the Securities and Exchange Commission and/or any national securities exchange under the Securities Exchange Act of 1934, as amended, and any and all amendments thereto, and any and all instruments and documents filed as part of or in connection with any such reports or registration statements or reports or amendments thereto; and in connection with the foregoing, to do any and all acts and things and execute any and all instrument which such attorneys-in-fact and agents may deem necessary or advisable to enable this Corporation to comply with the securities laws of the United States and of any State or other political subdivision thereof; hereby ratifying and confirming all that such attorneys-in-fact and agents, or any one of them, shall do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned has subscribed these presents this 28th day of January, 2003.

/s/ Charles Flather

EXHIBIT 24.7

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS that the undersigned director or officer, or both, of CRAWFORD & COMPANY, a Georgia corporation (the "Corporation"), hereby constitutes and appoints PETER J. RESCIGNO and JOHN F. GIBLIN, and each of them, his or her true and lawful attorney-in-fact and agent to sign (1) the Corporation's Annual Report on Form 10-K for the year ended December 31, 2002; (2) Forms 4 or 5 under the Securities Exchange Act of 1934; and (3) any other reports or registration statements to be filed by the Corporation with the Securities and Exchange Commission and/or any national securities exchange under the Securities Exchange Act of 1934, as amended, and any and all amendments thereto, and any and all instruments and documents filed as part of or in connection with any such reports or registration statements or reports or amendments thereto; and in connection with the foregoing, to do any and all acts and things and execute any and all instrument which such attorneys-in-fact and agents may deem necessary or advisable to enable this Corporation to comply with the securities laws of the United States and of any State or other political subdivision thereof; hereby ratifying and confirming all that such attorneys-in-fact and agents, or any one of them, shall do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned has subscribed these presents this 28th day of January, 2003.

/s/ John A. Williams

EXHIBIT 99.1

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Crawford & Company (the "Company") on Form 10-K for the period ending December 31, 2002 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Grover L. Davis, President and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. 1350, as adopted pursuant to 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: March 24, 2003

/s/ Grover L. Davis

Grover L. Davis
Chief Executive Officer

EXHIBIT 99.2

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Crawford & Company (the "Company") on Form 10-K for the period ending December 31, 2002 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, John F. Giblin, Executive Vice President and Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. 1350, as adopted pursuant to 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: March 24, 2003

/s/ John F. Giblin

John F. Giblin
Executive Vice President--Finance
Chief Financial Officer