UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D. C. 20549
FORM 10-K

ANNUAL REPORT
PURSUANT TO SECTIONS 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

[X] ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2005

[ ] 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 if the Registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes _____ No X

Indicate by check mark if the Registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes _____ No X

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes X No _____

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. [ ]

Indicate by check mark whether the registrant is a large accelerated filer, accelerated filer, or a non-accelerated filer (as defined in Exchange Act Rule 12b-2). Large accelerated filer _____, Accelerated filer __X__,

Non-accelerated filer _____.

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

The aggregate market value of the voting and non-voting stock held by non-affiliates* of the Registrant was $150,984,758 as of June 30, 2005, 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 14, 2006, was:

Class A Common Stock - $1.00 Par Value - 24,293,691 Shares
Class B Common Stock - $1.00 Par Value - 24,697,172 Shares

Documents incorporated by reference: Portions of the annual shareholders' report for the year ended December 31, 2005 are incorporated by reference into Parts II and IV. Portions of the Proxy Statement for the annual shareholders' meeting to be held May 2, 2006 are incorporated by reference in Part III.

CRAWFORD & COMPANY

FORM 10-K

For The Year Ended December 31, 2005

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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 63 countries. Major service lines include property and casualty claims management, integrated claims and medical management for workers' compensation, legal settlement administration, including class action and warranty inspection, and risk management information services.

DESCRIPTION OF SERVICES

The Registrant's business consists of two reportable segments: United States ("U.S.") and international operations. The percentages of consolidated revenues before reimbursements, derived from the Registrant's segments are shown in the following schedule:

	Years Ended December 31,		
	2005	2004	2003
U. S. Operations	63.0%	65.2%	68.3%
International Operations	37.0%	34.8%	31.7%
	100.0%	100.0%	100.0%

U.S. OPERATIONS. Claims management services are provided by the Registrant in the U. S. 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, primarily with respect to the field investigation and evaluation of property and casualty insurance claims. 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. In addition to the field investigation and evaluation of their claims, the Registrant may also provide initial loss reporting services for their claimants, loss mitigation services such as medical case management and vocational rehabilitation, administration of trust funds established to pay claims and risk management information services. The Registrant also performs legal settlement administration related to settlements of securities cases, product liability cases, bankruptcy noticing and distribution, and other legal settlements, by identifying and qualifying class members, determining and dispensing settlement payments, and administering the settlement funds. Such services are generally referred to by the Registrant as class action services.

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 Loss 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 as to a claimant or an insured.

- Subrogation - the negotiation with, and recovering funds from, third parties or insurers responsible for the loss.

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 medical 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.

- 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 both to control the cost and to enhance the efficient delivery of medical benefits, include early medical intervention, triage, assessment, case management, PPO channeling, and medical 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 ensure 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 into 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, or major types of loss, used by insurance companies. The major risk categories are described below:

- Automobile - relates to all types of losses involving use of an 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. GCG handles the administrative functions related to securities, product liability, bankruptcy noticing and distribution, and other class action settlements, including qualifying class members, determining and 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, including 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, 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 markets Contractor Connection to property and casualty insurance companies to facilitate faster, more economical resolution of smaller property damage claims under homeowner 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 where the Registrant provides field investigation and evaluation of property and casualty insurance claims. The Registrant divides its operations outside the United States into four geographic regions: the Americas (excluding the U.S.); the United Kingdom; Continental Europe, plus the Middle East and Africa ("CEMEA); and Asia/Pacific, which includes Australia. The major elements of international claims management services are substantially the same as those provided by the Registrant to its U. S. property and casualty insurance company clients. The major services offered by the Registrant through its international operations are provided to clients for a variety of different referral assignments which are generally classified as to the underlying risk categories, or major types of loss, used by insurance companies. The major risk categories are described 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, determining and 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.

Revenues and expenses outside of the U.S., Canada and the Caribbean are reported on a two-month delayed basis and, accordingly, the Registrant's December 31, 2005, 2004, and 2003 consolidated financial statements reflect the financial position of entities outside of the U.S., Canada and the Caribbean as of October 31, 2005, 2004, and 2003, respectively, and the results of those entities' operations and cash flows for the 12-month periods ended October 31, 2005, 2004, and 2003, respectively.

SERVICE DELIVERY - The Registrant's claims management services are offered primarily through its more than 400 branch offices throughout the U. S. and approximately 300 offices in 62 countries throughout the rest of the world.

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, healthcare 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, of such organizations derive revenues from independent claims administration activities which equal those of the Registrant.

In addition to large insurance companies and insurance brokerage firms, the Registrant competes

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

At December 31, 2005, the total number of full-time equivalent employees was 7,525 compared with 7,421 at December 31, 2004. 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.

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.

The Registrant's Corporate Governance Guidelines, Committee Charters, and Code of Business Conduct are available on its website at www.crawfordandcompany.com and are available without charge in print to any shareholder who makes a request by writing to Corporate Secretary, Legal Department, Crawford & Company, 5620 Glenridge Drive, N.E., Atlanta, Georgia 30342.

ITEM 1A. RISK FACTORS

You should carefully consider the risks described below and other information contained in this report on Form 10-K when considering an investment decision with respect to our securities. Additional risks and uncertainties not presently known to us, or that we currently deem immaterial, may also impair our business operations. Any of the events discussed in the risk factors below may occur. If they do, our business, results of operations or financial condition could be materially adversely affected. In such an instance, the trading prices of our securities could decline, and you might lose all or part of your investment.

In our U.S. operations, we have experienced declines in the volume of cases referred to us for many of our service lines associated with the property and casualty insurance industry. We are unable to predict the future of this trend due to the following factors:

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

  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. An insurance company's decision to retain an independent adjusting firm and the selection of a particular firm typically depends on a number of factors, including geographic location, complexity of the underlying claim, the firm's reputation and financial strength, and the in-house capacity of the insurance company. These companies utilize independent adjusters to service claims when the volume of claims exceeds the capacity of their staffs, when claims arise in areas not serviced by staff adjusters, and when claims require specialized knowledge to handle.

  The U.S. 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 adjusting companies, such as us. We believe 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 ours.

- Changes in the overall employment levels and associated workplace injury rates in the U.S.

  U.S. employment in manufacturing-related occupations continues to decline. Most of the recent growth in U.S. employment levels has been in

service-related occupations. Typically, service-related occupations have lower levels of workplace injury rates than those associated with manufacturing.

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

  During hard insurance markets, as have generally been experienced since the September 11, 2001 terrorist attacks, corporate risk management personnel have become more aware of alternative methods of financing losses (alternative risk programs), creating a trend toward higher retention levels of risk insurance or implementation of self-insurance programs by large corporations and governmental entities which give us certain opportunities in the self-insured market. 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, we generally provide 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 us and the fee to be paid for our 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. However, during soft insurance markets, 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 we can participate.

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

  The volume of property claim assignments referred to us fluctuates in part depending on the occurrence of severe weather and environmental disasters. We try to mitigate this risk through the geographic spread of our operations and through the development and marketing of services which are not affected by weather-related events.

- Major insurance carriers, underwriters, and brokers could elect to expand their activities as third party administrators and adjusters, which would directly compete with our business.

- The renewal of existing major contracts with clients and our ability to obtain such renewals and new contracts on satisfactory financial terms, including the creditworthiness of clients

Class action services revenues are project based and can fluctuate significantly. Growth in these revenues is in part dependent on the continued growth in product liability and securities class action settlements. Legislation or a change in market conditions could curtail or limit growth of this part of our business. Tort reforms in the U.S., both at the national and state levels, could limit the number and size of future class-action settlements.

We may not be able to identify new revenue sources not directly tied to the insurance underwriting cycle.

During a hard insurance underwriting market, insurance companies become very selective in the risks they underwrite and insurance premiums and policy deductibles increase. This results in a reduction in industry-wide claims volumes, which reduces claim referrals to us unless we can offset the decline in claim referrals with growth in our market share. In softer insurance markets, (where insurance premium and deductible levels are generally in decline, as were experienced during the 1990's), industry-wide claim volumes generally increase, which should increase claim referrals to us.

We are subject to this insurance underwriting market risk and try to mitigate this risk through the development and marketing of services which are not affected by the insurance underwriting cycle, such as those related to class action services.

We may not be able to develop or acquire information technology resources to support and grow

our business.

We have made substantial investments in software and related technologies that are critical to the core operations of our business. These information technology resources will require future maintenance and enhancements, potentially at substantial costs. Additionally, these information technology resources may become obsolete in the future and require replacement, potentially at substantial costs.

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

Our catastrophe revenues can fluctuate dramatically based on natural and man-made disasters. When such events happen, our clients usually require a sudden and substantial increase in the need for catastrophe adjusting services, which can place strains on the capacity of our catastrophe adjusters. Our internal resources are sometimes not sufficient to meet these sudden and substantial increases in demand. When these situations occur, we must retain outside adjusters (contractors and temporary employees) to increase our capacity. Insurance companies and other loss adjusting firms also aggressively compete for these independent adjusters, who often command high prices for their services at such times of peak demand.

Our U.S. and U.K. defined benefit pension plans are significantly under funded. Future funding requirements, including those imposed by potential regulatory changes, could restrict cash available for our operating, financing and investing requirements.

We are aware of proposed U.S. legislation that may impact the Pension Benefit Guaranty Corporation ("PBGC") and the Employee Retirement Income Security Act of 1974 ("ERISA") as they relate to defined benefit pension plans in the U.S. Our frozen U.S. defined benefit pension plan is regulated by both the PBGC and ERISA. We understand that this proposed legislation, if enacted, could significantly alter future pension funding requirements and actuarial formulas used by sponsors of defined benefit pension plans that are regulated by the PBGC and ERISA. Our U.S. defined benefit plan, could be impacted by any such future legislation. This proposed legislation has not been finalized or enacted into law, but could result in the need for additional cash payments by us into our U.S. defined benefit pension plan.

Our U.S. and U.K. defined benefit pension plans are significantly under funded based on current long-term interest rates used to discount the pension liabilities and future required contributions to these plans could be substantial. Further declines in long-term interest rates could significantly increase future required contributions to these plans.

We have debt covenants that require us to maintain defined leverage ratios, fixed charge ratios, and minimum net worth thresholds. We may not be able to maintain compliance with these debt covenant requirements. These debt covenant requirements also have restrictions on our ability to pay dividends to our shareholders.

We were in compliance with these debt covenants as of December 31, 2005. If we do not meet the covenant requirements in the future, we would be in default under these agreements. In such an event, we would need to obtain a waiver of the default or repay the outstanding indebtedness under the agreements. If we could not obtain a waiver on satisfactory terms, we could be required to renegotiate this indebtedness. Any such renegotiations could result in less favorable terms, including higher interest rates and accelerated payments. Based upon our projected operating results for 2006, we expect to remain in compliance with these debt covenants. However, there can be no assurance that our actual

financial results will match our planned results or that we will not violate the covenants.

The outcome of the items under "ITEM 3. LEGAL PROCEEDINGS" below.

The risks included above are not exhaustive. Other sections of this report may include additional factors which could adversely impact our business and financial performance. Moreover, our 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 we assess the impact of known risk factors on our business or the extent to which any factor or combination of factors may cause actual results to differ materially from those contained in any forward-looking statement.

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 include risks and uncertainties which could cause actual results or outcomes to differ materially from those expressed in the forward-looking statements. Forward-looking statements may be identified, without limitation, by the use of such words as "anticipates", "estimates", "expects", "intends", "plans", "predicts", "projects", "believes", "could", "would", "should", "may", "goal", "strategy", or "will", or words or phrases of similar meaning. 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.

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 risk factors and matters discussed elsewhere herein, some of the important general 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 U. S., U. K., and Canada, as well as, to a lesser extent, the other areas throughout the world in which the Registrant does business;

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

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

- Changes in regulatory requirements in the various jurisdictions where the Registrant operates;

- Changes in law, particularly as related to tort reform and changes in the states' workers' compensation laws; and

- Any other factors referenced or incorporated by reference in this report and

any other publicly filed report.

ITEM 1B. UNRESOLVED STAFF COMMENTS

Not applicable

ITEM 2. PROPERTIES

The Registrant's home office and educational facilities are owned by the Registrant and located in a suburb of Atlanta, Georgia. The Registrant also owns its Canadian home office facility located in Kitchener, Ontario and an additional office location in Stockport, England. As of December 31, 2005, the Registrant leased approximately 512 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.

On December 9, 2004 the Registrant received a subpoena from the State of New York, Office of the Attorney General, requesting various documents relating to its operations. The Registrant responded to that subpoena in early 2005 and the Office of the Attorney General requested no additional documents. The Registrant anticipates that it will have no further involvement in this matter. The actions taken by the Office of the Attorney General have had no material impact on the Registrant's financial condition, results of operations or cash flows. The Registrant does not anticipate that this matter will have any effect on the Registrant's financial condition, results of operations, or cash flows in the future.

The Registrant was audited under California Labor Code Section 129 and 129.5 by the Audit Unit, Division of Workers' Compensation, Department of Industrial Relation, State of California ("Audit Unit"). The Audit Unit focused its audit on workers' compensation files which the Registrant handled on behalf of its clients in its El Segundo, California office in 2001 and 2002. The Registrant has agreed in principle to resolve the issues being reviewed by the Audit Unit and is currently documenting the agreement. Based on discussions with representatives of the Division of Workers' Compensation and the terms of the proposed agreement in principle with the Division, the Registrant does not believe that the resolution of the matter will have a material effect on the Registrant's financial condition, results of operations, or cash flows.

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 2005.

PART II

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

The information required by this Item is included in the Registrant's Annual Report to Shareholders for the year ended December 31, 2005, under the captions "Debt Covenants" under "Factors That May Affect Future Results" and "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 in the Registrant's Annual Report to Shareholders for the year ended December 31, 2005, 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 in the Registrant's Annual Report to Shareholders for the year ended December 31, 2005, 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 in the Registrant's Annual Report to Shareholders for the year ended December 31, 2005, 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 in the Registrant's Annual Report to Shareholders for the year ended December 31, 2005, 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 Independent Registered Public Accounting Firm on the Consolidated Financial Statements", and is incorporated herein by reference.

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

Not Applicable

ITEM 9A. CONTROLS AND PROCEDURES

(a) Evaluation of Disclosure Controls and Procedures

The Registrant's management, with the participation of the Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of the Registrant's disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934, as of December 31, 2005. Based on that evaluation, the Registrant's Chief Executive Officer and Chief Financial Officer concluded that the Registrant's disclosure controls and procedures were effective as of December 31, 2005.

(b) Management's Report on Internal Control over Financial Reporting

The report of management of the Registrant regarding internal control over financial reporting is included in the Registrant's Annual Report to Shareholders for the year ended December 31, 2005, and is incorporated herein by reference.

(c) Attestation Report of Independent Registered Public Accounting Firm

The attestation report of the Registrant's independent registered public accounting firm regarding internal control over financial reporting is included in the Registrant's Annual Report to Shareholders for the year ended December 31, 2005, and is incorporated herein by reference.

(d) Changes in Internal Control over Financial Reporting

There were no changes in the Registrant's internal control over financial reporting during the fourth quarter of 2005 that have materially affected,

or are reasonably likely to materially affect, the Registrant's internal control over financial reporting.

ITEM 9B. OTHER INFORMATION

Not applicable

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

Certain information required by this Item is included under the captions "Nominee Information," "Standing Committees and Attendance at Board and Committee Meetings," and "Section 16(a) Beneficial Ownership Reporting Compliance" of the Registrant's Proxy Statement for the Annual Meeting of Shareholders to be held May 2, 2006, and is incorporated herein by reference.

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
T. W. Crawford	President and Chief Executive Officer	62
J. T. Bowman	Executive Vice President - Chief Operating Officer - Global Property and Casualty	52
J. F. Giblin	Executive Vice President - Finance	49
K. B. Frawley	Executive Vice President - Financial Administrative Services	54
P. G. Porter	Senior Vice President - Claims Management Services	55
R. R. Kulbick	Senior Vice President	57

L. A. Mattingly	Senior Vice President	59
R. J. Cormican	Senior Vice President - Compliance, Quality and Training	58
A. W. Nelson	Senior Vice President - General Counsel & Corporate Secretary	41
W. L. Beach	Senior Vice President - Human Resources	61

Mr. Crawford was appointed President and Chief Executive Officer of the Registrant on September 1, 2004. Prior to joining the Registrant from June 1998 until his retirement in January 2003 he was President of the Retail Distribution division of Prudential Financial, Inc., and from May 2004 until September 2004 he was Chairman of The Bodie Group, Inc., a business consulting firm.

Mr. Bowman was appointed to his present position effective January 1, 2006. From April 1, 2001 to December 31, 2005 he was President of Crawford & Company International, Inc. managing the Registrant's international operations. From August 1999 to April 1, 2001 he was Senior Vice President, Regional Managing Director - Americas for the Registrant's international operation.

Mr. Giblin has held his present position with the Registrant for more than five years.

Mr. Frawley was appointed to his present position with the Registrant on February 23, 2005. Prior to joining the Registrant and since 1996 he was Chief Compliance Officer - Insurance Division for Prudential Financial, Inc.

Mr. Porter was appointed to his current position January 19, 2005 and was interim Senior Vice President - Claims Management from December 15, 2004. Prior to that and from May 1, 2001 he was Senior Vice President in charge of business development for Claims Management Services. Prior to that and from 1998 he was Vice President - Business Development.

Mr. Kulbick was appointed to head Crawford Integrated Services effective January 1, 2006. Prior to that and from November 1, 2004 he was Senior Vice President - Risk Management Services. Prior to joining the Registrant from March 2004 to October 2004 he was Senior Vice President in charge of implementing new products and enhancing current products for ESIS, Inc., a third party administrator. Prior to March 2004 and from June 1997 he was Chief Executive Officer of RSKCo, Inc., a total risk services company.

Mr. Mattingly was appointed to the position of Product Manager of Crawford Integrated Services effective January 1, 2006. Prior to that and from November 1, 2004 he was Senior Vice President - HealthCare Management. Prior to joining the Registrant and since 1999 he was President and Chief Executive Officer of Mednet Connect , a software and service company specializing in the workers' compensation medical review software business.

Mr. Cormican was appointed to his present position February 15, 2005. Prior to joining the Registrant from August 2002 until February 2005 he was Senior Vice President and Chief Financial Officer of AssuranceAmerica Corporation, an insurance holding company. Prior to August 2002 and from 1997 he was Vice President - Agent Operations for Prudential Property and Casualty Company.

Mr. Nelson was appointed to his present position with the Registrant on October 17, 2005. Prior to that and from October 1997 he served in various positions with BellSouth Corporation, most recently as Chief Compliance Counsel. In that capacity he was in charge of all legal compliance issues facing BellSouth domestically and internationally.

Mr. Beach has held his present position with the Registrant for more than five years.

Officers of the Registrant are appointed annually by the Board of Directors of the Registrant.

The Registrant has adopted a Code of Business Conduct for its CEO, CFO, principal accounting officer and all other officers, directors and employees of the Registrant. The Code of Business Conduct is available at www.crawfordandcompany.com and any amendment or waiver of this Code of Business Conduct shall be posted within four business days on this website. The Code of Business Conduct may also be obtained without charge by writing to Corporate Secretary, Legal Department, Crawford & Company, 5620 Glenridge Drive, N.E., Atlanta, Georgia 30342.

ITEM 11. EXECUTIVE COMPENSATION

The information required by this Item is included under the captions "Executive Compensation and Other Information" of the Registrant's Proxy Statement for the Annual Meeting of Shareholders to be held May 2, 2006, and is incorporated herein by reference.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED SHAREHOLDER MATTERS

The information required by this Item is included under the caption "Stock Ownership Information" of the Registrant's Proxy Statement for the Annual Meeting of Shareholders to be held May 2, 2006, and is incorporated herein by reference.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

The information required by this Item is included 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 May 2, 2006, and is incorporated herein by reference.

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

Information regarding principal accounting fees and services is included under the caption "Fees Paid to Ernst & Young LLP" of the Registrant's Proxy Statement for the Annual Meeting of Shareholders to be held May 2, 2006, and is incorporated herein by reference.

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

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

1. Financial Statements

   The Registrant's 2005 Annual Report to Shareholders contains the Consolidated Balance Sheets as of December 31, 2005 and 2004, the related Consolidated Statements of Income, Shareholders' Investment and Cash Flows for each of the three years in the period ended December 31, 2005, and the related reports of Ernst & Young LLP. These financial statements and the reports of Ernst & Young LLP are incorporated herein by reference and included in Exhibit 13.1 to this Form 10-K. The financial statements, incorporated by reference, include the following:

   - Consolidated Balance Sheets as of December 31, 2005 and 2004
   - Consolidated Statements of Income for the Years Ended December 31, 2005, 2004, and 2003
   - Consolidated Statements of Shareholders' Investment for the Years Ended December 31, 2005, 2004, and 2003
   - Consolidated Statements of Cash Flows for the Years Ended December 31, 2005, 2004, and 2003
   - Notes to Consolidated Financial Statements - December 31, 2005, 2004, and 2003

2. Financial Statement Schedule

   - Schedule II - Valuation and Qualifying Accounts - Information required by this schedule is included on page 48 of the Registrant's Annual Report to Shareholders for the year ended December 31, 2005, and is incorporated herein by reference.

     Other schedules 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 April 23, 1991 (incorporated by reference to Exhibit 4.1 to the Registrant's Registration Statement on Form S-8 (Registration No. 333-125557) filed on June 6, 2005).
3.2	Restated By-laws of the Registrant, as amended (incorporated by reference to Exhibit 3.1 of the Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 2004).

10.1*	Crawford & Company 1990 Stock Option Plan, as amended (incorporated by reference to Exhibit 28.1 to the Registrant's Registration Statement on Form S-8 (Registration No. 33-47536) filed on April 30, 1992).
10.2*	Crawford & Company 1997 Key Employee Stock Option Plan, as amended.
10.3*	Crawford & Company 1997 Non-Employee Director Stock Option Plan.
10.4*	Amended and Restated Supplemental Executive Retirement Plan (incorporated by reference to Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended September 30, 2004).
10.5*	Amendment to Amended and Restated Supplemental Executive Retirement Plan.
10.6*	Crawford & Company 1996 Employee Stock Purchase Plan.
10.7*	Amended and Restated Crawford & Company Medical Reimbursement Plan.
10.8*	Crawford & Company Discretionary Allowance Plan.
10.9*	Deferred Compensation Plan (As Amended and Restated as of January 1, 2003) (incorporated by reference to Exhibit 10.2 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended September 30, 2003).
10.10*	Crawford & Company 1996 Incentive Compensation Plan, as amended and restated.
10.11*	Crawford & Company Executive Stock Bonus Plan (incorporated by reference to Appendix A of the Registrant's Proxy Statement for the Annual Meeting of Shareholders held on April 26, 2005).
10.12	Revolving Credit Agreement dated as of September 30, 2003 (incorporated by reference to Exhibit 10.11 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2004).
10.13	First Amended and Restated Credit Agreement (incorporated by reference to Exhibit 10.1 to Registrant's Form 8-K filed with the Securities and Exchange Commission on October 5, 2005).
10.14	Note Purchase Agreement dated as of September 30, 2003 (incorporated by reference to Exhibit 10.12 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2004).

10.15	Waiver and Amendment to Note Purchase Agreement dated as of September 30, 2003 (incorporated by reference to Exhibit 10.2 of the Registrant's Form 8-K filed with the Securities and Exchange Commission on October 5, 2005).
10.16*	Change of Control and Severance Agreement between Thomas W. Crawford and the Registrant (incorporated by reference to Exhibit 10.1 to Registrant's Form 8-K filed with the Securities and Exchange Commission February 4, 2005).

10.17*	Change of Control and Severance Agreement between Kevin B. Frawley and the Registrant (incorporated by reference to Exhibit 10.1 to Registrant's Form 8-K filed with the Securities and Exchange Commission March 4, 2005).
10.18*	Terms of Employment Agreement between Allen W. Nelson and the Registrant (incorporated by reference to Exhibit 10.1 to the Registrant's Form 8-K filed with the Securities and Exchange Commission November 28, 2005).
10.19*	Terms of Employment Agreement between Jeffrey T. Bowman and the Registrant (incorporated by reference to Exhibit 10.1 to the Registrant's Form 8-K filed with the Securities and Exchange Commission February 15, 2006).
10.20*	Crawford & Company U.K. Sharesave Scheme (incorporated by reference to Appendix A of the Registrant's Proxy Statement for the Annual Meeting of Shareholders to be held on May 2, 2006).
13.1	The Registrant's Annual Report to Shareholders for the year ended December 31, 2005 (only those portions incorporated herein by reference).
14.1	Crawford & Company Code of Business Conduct (incorporated by reference to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2003).
21.1	Subsidiaries of Crawford & Company.
23.1	Consent of Ernst & Young LLP.
24.1-8	Powers of Attorney.

31.1	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of the Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certification pursuant to 18 U.S.C. Section 1850, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2	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) The Registrant has filed the Exhibits listed in Item 15(a)3.

(c) 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 14, 2006 By /s/ Thomas W. Crawford

THOMAS W. CRAWFORD, President
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 14, 2006 /s/ Thomas W. Crawford

THOMAS W. CRAWFORD, President
and Chief Executive Officer
(Principal Executive Officer)
and Director

Date March 14, 2006 /s/ J. F. Giblin

J. F. GIBLIN, Executive Vice President-
Finance (Principal Financial Officer)

Date March 14, 2006 /s/ W. B. Swain

W. B. SWAIN, Senior Vice President and
Controller (Principal Accounting Officer)

NAME AND TITLE

Date March 14, 2006 *

J. HICKS LANIER, Director

Date March 14, 2006 *

JESSE C. CRAWFORD, Director

Date March 14, 2006 *

LARRY L. PRINCE, Director

Date March 14, 2006 *

P. GEORGE BENSON, Director

Date March 14, 2006 *

E. JENNER WOOD, III, Director

Date March 14, 2006 *

CLARENCE H. RIDLEY, Director

Date March 14, 2006 *

ROBERT T. JOHNSON, Director

Date March 14, 2006 *

JAMES D. EDWARDS, Director

Date March 14, 2006 *By /s/ Allen W. Nelson

Allen W. Nelson - As attorney-in-fact for the Directors above whose name an asterisk appears.

EXHIBIT INDEX

Exhibit No.	Description of Exhibit	Sequential Page Number of Exhibit
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10.2	Crawford & Company 1997 Key Employee Stock Option Plan, as amended.	29-34
10.3	Crawford & Company 1997 Non-Employee Director Stock Option Plan.	35-39
10.4	Amended and Restated Supplemental Executive Retirement Plan (incorporated by reference to Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended September 30, 2004).	
10.5	Amendment to Amended and Restated Supplemental Executive Retirement Plan.	40
10.6	Crawford & Company 1996 Employee Stock Purchase Plan.	41-49
10.7	Amended and Restated Crawford & Company Medical Reimbursement Plan.	50-53
10.8	Crawford & Company Discretionary Allowance Plan.	54-56
10.9	Deferred Compensation Plan (As Amended and Restated as of January 1, 2003) (incorporated by reference to Exhibit	

	10.2 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended September 30, 2003).	
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23.1	Consent of Ernst & Young LLP.	112
24.1-8	Powers of Attorney	113-120
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32.1	Certification pursuant to 18 U.S.C. Section 1850, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.	125
32.2	Certification pursuant to 18 U.S.C. Section 1850, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.	126

EXHIBIT 10.2

CRAWFORD & COMPANY
1997 KEY EMPLOYEE STOCK OPTION PLAN

(Restated for February 1, 2000 Amendment and
March 11, 1997 Three-for-Two Stock Split)

Section 1. Plan Established. Crawford & Company, a Georgia corporation, hereby adopts as of the 4th day of February, 1997, this 1997 Key Employee Stock Option Plan, pursuant to which certain of the Key Employees of the Company and Subsidiary Corporations, to be selected and determined as hereinafter set forth, may be granted Options to purchase shares of the Class A Common Stock of the Company; provided that no Option granted under the Plan will be exercisable until shareholder approval of the Plan has been obtained and provided further that the Plan and any Options granted under it will terminate if shareholder approval is not received for the Plan within twelve (12) months after the date first written above.

Section 2. Purpose of Plan. The purpose of the Plan is to strengthen the Company and those corporations which are or later become Subsidiary Corporations, by providing to specific Key Employees added incentives for high levels of performance and to encourage stock ownership in the Company. The Plan seeks to accomplish these goals by providing a means whereby these Key Employees may be given an opportunity to purchase, by way of option, shares of Stock of the Company.

Section 3. Definitions:

(a) "Board" means the Board of Directors of the Company.

(b) "Code" means the Internal Revenue Code of 1986, as amended.

(c) "Committee" means the Senior Compensation and Stock Option Committee of the Board, or such other or successor committee as the Board may, from time to time, establish.

(d) "Company" means Crawford & Company, a Georgia corporation, and any successor to such corporation.

(e) "Incentive Stock Option" means an Option intended to meet all the requirements of Section 422 of the Code and the regulations thereunder.

(f) "Fair Market Value" means (1) the closing price for a share of Stock on the New York Stock Exchange (or if Stock is no longer traded on the New York Stock Exchange, on the exchange or quotation system which reports or quotes the closing price for a share of Stock) as accurately reported for any date (or, if no shares of Stock are traded on such date, for the immediately preceding date on which shares of Stock were traded) in The Wall Street Journal (or if The Wall Street Journal no longer reports such price, in a newspaper or trade journal selected by the Committee) or (2) if no such price quotation is available, the price which the Committee, acting in good faith, determines through any reasonable valuation method that a share of Stock might change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or to sell and both having reasonable knowledge of the relevant facts.

(g) "Key Employee" means full-time, salaried employees of the Company or a Subsidiary Corporation, as selected by the Committee.

(h) "Non-Qualified Stock Option" means any Option, other than an Incentive Stock Option.

(i) "Option" means any option awarded under this Plan.

(j) "Optionee" means any Key Employee awarded an Option.

(k) "Plan" means this Crawford & Company 1997 Key Employee Stock Option Plan, as amended from time to time.

(l) "Stock" means the Class A Common Stock of the Company.

(m) "Subsidiary Corporation" means any corporation which is a subsidiary corporation (within the meaning of Section 425(f) of the Code) of the Company.

Section 4. Eligibility. Key Employees, who have been selected as provided in Section 5, will be eligible to receive Options; provided, however, that Key Employees owning more than 10% of the total combined voting power of all classes of stock of the Company or any Subsidiary Corporation will be eligible to receive Incentive Stock Options only if: (i) the option price is at least 110% of the Fair Market Value (at the time the option is granted) of the shares issued under the Option; and (ii) the Incentive Stock Option may not be exercised after the expiration of five (5) years from the date the Incentive Stock Option is granted.

Section 5. Administration and Grant of Options. The Plan will be administered by the Committee consisting of two or more directors appointed by the Board who are "non-employee directors" (within the meaning of Rule 16b-3 of the Securities Exchange Act of 1934) and "outside directors" (within the meaning of Section 162(m) of the Code). Subject to the express provisions of the Plan, the Committee will have complete authority to determine those Key Employees to whom, the time or times, and the price at which Options may be granted, the option periods, the number of shares subject to each Option, and whether an Option will be granted as an Incentive Stock Option or a Non-Qualified Stock Option. Subject to the express provisions of the Plan, the Committee will also have complete authority to interpret the Plan, to prescribe, amend and rescind rules and regulations consistent with the Plan and relating to it, to determine the terms and provisions of each option agreement (which need not be the same), to determine the rights and obligations of Optionees under the Plan, and to make all other determinations necessary or advisable in the administration of the Plan.

Section 6. Shares Subject to the Plan. The maximum aggregate number of shares in respect to which Options may be granted is 6,250,000 shares of Stock. The aggregate number of shares which may be subject to Options granted to any one Key Employee under the Plan shall not exceed 1,500,000. The maximum aggregate number of shares which may be granted under the Plan or to any one Key Employee is subject, however, to increase or decrease pursuant to the provisions of Section 13. More than one Option may be granted to the same Key Employee. If any Option will

terminate for any reason without having been exercised in full, the shares applicable to the unexercised portion of the Option will become available for other Options under this Plan, unless the Plan is then terminated. The Plan will continue for a period of ten (10) years from the date upon which it is adopted; provided however, that the Board may terminate the Plan at any time within its absolute discretion. No such termination, other than as provided for in Sections 1 and 14, will in any way affect any Option then outstanding.

Section 7. Number of Shares. Subject to the express provision of the Plan, the Committee will determine the number of shares to be covered by any Option granted to an Optionee provided, however, that the aggregate Fair Market Value (determined as of the time the Option is granted) of the Stock for which any Key Employee may exercise Incentive Stock Options in any calendar year (under any plans of the Company or any Subsidiary Corporation) will not exceed $100,000.

Section 8. Option Price. The option price of the shares under each Option shall be set by the Committee at the time of grant and, subject to Section 4, such option price will not be less than the Fair Market Value of the shares on the date of the grant of the Option.

Section 9. Exercise of Options

(a) Subject to the provisions of Sections 1 and 14, each Option will become exercisable at such times and in such installments as the Committee will provide in the terms of the option agreement; provided, however, that the Committee may, on terms and conditions as it may determine to be appropriate, accelerate the time at which such Option or any portion thereof may be exercised.

(b) The Option will be exercised by the Optionee's giving written notice to the Company's Corporate Secretary specifying (i) the number of full shares

to be purchased and (ii) the method of payment, in accordance with Section 10. Where an Option is being exercised at any time only in part, not less than fifty (50) shares will be covered by any such partial exercise.

Section 10. Payment of the Option Price and Taxes.

(a) Full payment of the option price for the number of shares specified in the notice of exercise delivered pursuant to Section 9 shall accompany such notice of exercise. Additionally, in the case of the exercise of a Non-Qualified Option, the Optionee shall deliver to the Company, or make arrangements satisfactory to the Company, for the payment of any withholding or other taxes which are required to be paid by or collected on behalf of the Optionee by reason of the exercise.

(b) The option price and required withholding or other taxes may be paid (i) in cash or certified check; (ii) by delivery to the Company of shares of Stock with a Fair Market Value on the exercise date equal to the option price and any required withholding or other taxes; or (iii) by any combination of (i) or (ii).

Section 11. Termination of the Option. Each Option will specify a date upon which the Option will terminate if it has not then been exercised in full. The termination date will, in each instance, be fixed by the Committee, but in no event will an Option permit the exercise thereof after

the earlier of termination of the Option as described in Sections 1 or 14 hereof or ten (10) years from date of grant.

Section 12. Non-Transferable. No Option will be assignable or transferable except by will or by laws of descent and distribution. Any other attempted assignment or transfer, or any attempted pledge, hypothecation or other disposition of, or levy of any execution, attachment or similar process upon any Option will be null and void and without effect. During the lifetime of an Optionee, the Option will be exercisable only by the Optionee.

Section 13. Change in Capitalization. If the outstanding shares of Stock are increased, decreased, or changed into, or exchanged for a different number or kind of shares or securities of the Company, without receipt of consideration by the Company, through reorganization, merger, recapitalization, reclassification, stock split, stock dividend, stock consolidation, or otherwise, an appropriate and proportionate adjustment will be made in the number and kind of shares as to which Options may be granted. A corresponding adjustment changing the number or kind of shares and the exercise price per share allocated to unexercised Options, or portions thereof, which will have been granted prior to any such change will likewise be made. Any such adjustment, however, in an outstanding Option will be made without change in the total price applicable to the unexercised portion of the Option, but with a corresponding adjustment in the number of shares and price for each share subject to the Option. Adjustments under this Section will be made by the Board or the Committee, whose determination as to what adjustments will be made, and to the extent thereof, will be final and conclusive. No fractional shares of Stock will be issued under the Plan on account of any such adjustment.

Section 14. Mergers or Consolidations. Not less than thirty (30) days prior to the dissolution or liquidation of the Company or a reorganization, merger or consolidation of the Company with one or more corporations as a result of which the Company will not be the surviving or resulting corporation, or a sale of substantially all of the assets of the Company to another person, or a reverse merger in which the Company is the surviving corporation but the shares of the Stock outstanding immediately preceding the merger are converted by virtue of the merger to other property (a "Terminating Event"), the Board or the Committee will notify each Optionee of the pendency of the Terminating Event. Upon delivery of the notice, any Option granted prior to the Terminating Event will be exercisable in full. Upon the date thirty (30) days after delivery of the notice, any Option or portion thereof not exercised will terminate, and upon the effective date of the Terminating Event, the Plan will terminate, unless provision is made in connection with the Terminating Event for assumption of Options previously granted, or substitution for such Options of new options offering stock of a successor employer corporation, or a parent or subsidiary corporation thereof, solely at the option of the successor corporation or parent or subsidiary corporation, with appropriate adjustments as to the number and kind of shares and prices.

Section 15. Disposition of Shares. Any Optionee who acquires Stock pursuant to an Option will, so long as he or she remains an employee of the Company or Subsidiary Corporation, be obligated to advise the Company in the case of each sale or other disposition of any Stock so acquired, such advice to be given to the Company immediately upon the occurrence of any such sale or other disposition.

Section 16. Option Agreement. Each Option granted will be evidenced by a written stock option agreement executed by the Company, and will contain each of the provisions and agreements herein specifically required to be contained therein, and in addition it may contain other

terms and conditions as the Committee may deem desirable and which are not inconsistent with the Plan.

Section 17. Qualification of Plan. It is intended that each Incentive Stock Option to be issued under this Plan will qualify as and be subject to exercise only to the extent that it does qualify as an "incentive stock option" as defined in Section 422 of the Code. The Board may make any amendment to the Plan which, in the opinion of the counsel of the Company, will be required to obtain or maintain such conformity.

Section 18. Amendment of Plan. The Board may make changes in the Plan, and with consent of the Optionee, in the terms and conditions of his or her Option, as it will deem advisable, but may not, without the approval of the shareholders of the Company: (a) increase the maximum number of shares of Stock subject to the Plan (except as may be done pursuant to Section 13); (b) decrease the minimum option price requirement contained in Section 8 (except as may be done pursuant to Section 13); (c) extend the term of the Plan or the term of any Option beyond 10 years; (d) decrease the option price applicable to any Option granted under the Plan (except as may be done pursuant to Section 13); (e) withdraw the administration of the Plan from the Committee; (f) permit any member of the Committee to be eligible to hold or receive Options under the Plan; or (g) alter any outstanding Option agreement to the detriment of the Optionee, without the consent of the Optionee (except as may be done pursuant to Section 13).

Section 19. Type of Option Granted. Both Incentive Stock Options and Non-Qualified Stock Options may be granted under the Plan. The Committee, at its sole discretion, will determine whether an Option granted under the Plan to a Key Employee will be an Incentive Stock Option or a Non-Qualified Stock Option. The Committee may make such determination in any manner that it chooses, including but not limited, to, an option-by-option or employee-by-employee basis. The Committee will, at the time of grant, clearly designate the intended nature of any Option granted, whether as an Incentive Stock Option or Non-Qualified Stock Option.

Section 20. Applicable Law; Severability; Interpretation. The Plan will be construed, administered, and governed in all respects in accordance with the laws of the State of Georgia; provided, however, that if any provision is susceptible to more than one interpretation, it will be interpreted in a manner consistent with the Plan being an incentive stock option plan under Section 422 of the Code. If any provision of the Plan will be held by a court of competent jurisdiction to be invalid or unenforceable, the remaining provisions of the Plan will continue to be fully effective. For purposes of this Plan, references to the masculine shall include the feminine, reference to the singular shall include the plural, and references to the plural shall include the singular.

Section 21. Shares Reserved. The Company will at all times during the term of the Plan reserve and keep available the number of shares of Stock as will be sufficient to satisfy the requirements of the Plan, and will pay all fees and expenses necessarily incurred by the Company in connection therewith.

Section 22. No Shareholder Rights. No Optionee shall have any rights as a shareholder of the Company as a result of the grant of an Option to him or her under this Plan or his or her exercise of such Option pending the actual delivery of Stock subject to such Option to such Optionee.

Section 23. No Contract of Employment. The grant of an Option under this Plan shall not constitute a contract of employment and shall not confer on an Optionee any rights in connection

with the termination of his or her employment in addition to those rights, if any, expressly set forth in the option agreement which evidences his or her Option.

Section 24. Titles. Titles are provided in this Plan for convenience only and are not to serve as a basis for interpretation or construction of the Plan.

On this 1st day of February, 2000, I hereby certify that the foregoing Plan, restated for the March 11, 1997 three-for-two stock split, was duly amended by the Board on this date.

/s/ JUDD F. OSTEN

Judd F. Osten
Corporate Secretary

(Corporate Seal)

On this ___ day of _________, 2000, I hereby certify that the foregoing restated and amended Plan was duly approved by the shareholders on _______ __, 2000.

Judd F. Osten
Corporate Secretary

(Corporate Seal)

EXHIBIT 10.3

CRAWFORD & COMPANY
1997 NON-EMPLOYEE DIRECTOR STOCK OPTION PLAN

Section 1. Plan Established. Crawford & Company, a Georgia corporation, hereby adopts as of the 4th day of February, 1997, this 1997 Non-Employee Director Stock Option Plan, pursuant to which Non-Employee Directors of the Company shall be granted Options to purchase shares of the Class A Common Stock of the Company; provided that no Option shall be granted under the Plan until shareholder approval of the Plan has been obtained and provided further that the Plan will terminate if shareholder approval is not received for the Plan within twelve (12) months after the date first written above.

Section 2. Purpose of Plan. The purpose of the Plan is to strengthen the Company by providing to Non-Employee Directors added incentives for high levels of performance and to encourage stock ownership in the Company on a basis consistent with that provided to key employees, including employee directors, under the Company's stock option and stock purchase plans. The Plan seeks to accomplish these goals by providing a means whereby these Non-Employee Directors shall be given an opportunity to purchase, by way of option, shares of Stock of the Company.

Section 3. Definitions:

(a) "Board" means the Board of Directors of the Company.

(b) "Code" means the Internal Revenue Code of 1986, as amended.

(c) "Company" means Crawford & Company, a Georgia corporation and any successor to such corporation.

(d) "Fair Market Value" means the closing price for a share of Stock on the New York Stock Exchange (or if Stock is no longer traded on the New York Stock Exchange, on the exchange or quotation system which reports or quotes the closing price for a share of Stock) as accurately reported for any date (or, if no shares of Stock are traded on such date, for the immediately preceding date on which shares of Stock were traded) in The Wall Street Journal (or if The Wall Street Journal no longer reports such price, in a newspaper or trade journal selected by the Board).

(e) "Non-Employee Director" means any member of the Board who is not, at the time of grant of an Option, an employee or officer of the Company.

(f) "Option" means any option awarded under this Plan.

(g) "Optionee" means any Non-Employee Director awarded an Option.

(h) "Plan" means this Crawford & Company 1997 Non-Employee Director Stock Option Plan, as amended from time to time.

(i) "Stock" means the Class A Common Stock of the Company.

Section 4. Eligibility. Each Non-Employee Director shall be eligible to and shall receive Options on (i) the day of the shareholder meeting of the Company at which the Plan is approved for all Non-Employee Directors elected or re-elected to the Board at that meeting; (ii) the day of first election to the Board for all individuals who are not members of the Board on the date of shareholder approval of the Plan; and (iii) on the day of each annual meeting of the shareholders of the Company following shareholder approval of the Plan and in which the Non-Employee Director is re-elected to the Board.

Section 5. Grant of Options. Options shall be granted for the indicated number of shares of Stock to each eligible Non-Employee Director as follows:

(i) 10,000 shares on the day of shareholder approval of the Plan;

(ii) 10,000 shares on the day of first election to the Board; and

(iii) 2,000 shares on the day of re-election to the Board after shareholder approval of the Plan.

Section 6. Shares Subject to the Plan. The maximum aggregate number of shares in respect to which Options may be granted is 300,000 shares of Stock. The maximum aggregate number of shares is subject, however, to increase or decrease pursuant to the provisions of Section 13. If any Option will terminate for any reason without having been exercised in full, the shares applicable to the unexercised portion of the Option will become available for other Options under this Plan, unless the Plan is then terminated.

Section 7. Term of Plan. The Plan will continue for a period of ten (10) years from the date upon which it is approved by the Shareholders of the Company; provided, however, that the Board or Shareholders may terminate the Plan at any time within their absolute discretion. No such termination, other than as provided for in Section 14, will in any way affect any Option then outstanding.

Section 8. Option Price. The option price of the shares under each Option shall be the Fair Market Value of the shares on the date of the grant of the Option.

Section 9. Exercise of Options. Each Option shall be exercisable at any time after grant and before termination in accordance with Sections 11 and 14 by delivery to the Company's Corporate Secretary of a notice of exercise, together with payment in accordance with Section 10.

Section 10. Payment of the Option Price.

(a) Full payment of the option price for the number of shares specified in the notice of exercise delivered pursuant to Section 9 shall accompany such notice of exercise.

(b) The option price may be paid (i) in cash or certified check; (ii) by delivery to the Company of shares of Stock with a Fair Market Value on the exercise date equal to the option price; or (iii) by any combination of (i) or (ii).

Section 11. Termination of the Option. Subject to Section 14, each Option shall terminate on:

(i) the date on which the Optionee is no longer a Non-Employee Director, but only if such date occurs prior to the fifth anniversary of the grant date of the Option; or

(ii) if the Optionee remains a Non-Employee Director through the fifth anniversary of the grant date of the Option, on the tenth anniversary of the grant date of the Option.

Section 12. Non-Transferable. No Option will be assignable or transferable except by will or by laws of descent and distribution. Any other attempted assignment or transfer, or any attempted pledge, hypothecation or other disposition of, or levy of any execution, attachment or similar process upon any Option will be null and void and without effect. During the lifetime of an Optionee, the Option will be exercisable only by the Optionee.

Section 13. Change in Capitalization. If the outstanding shares of Stock are increased, decreased, or changed into, or exchanged for a different number or kind of shares or securities of the Company, without receipt of consideration by the Company, through reorganization, merger, recapitalization, reclassification, stock split, stock dividend, stock consolidation, or otherwise, an adjustment will be made in the number and kind of shares as to which Options may be granted and a corresponding adjustment changing the number or kind of shares and the exercise price per share allocated to unexercised Options, or portions thereof, which will have been granted prior to any such change will likewise be made. Any such adjustment, however, in an outstanding Option will be made without change in the total price applicable to the unexercised portion of the Option, but with a corresponding adjustment in the number of shares and price for each share subject to the Option. Adjustments under this Section will be limited to and be on the same basis as those made under the Company's 1997 Key Employee Stock Option Plan. No fractional shares of Stock will be issued under the Plan on account of any such adjustment.

Section 14. Mergers or Consolidations. Not less than thirty (30) days prior to the dissolution or liquidation of the Company or a reorganization, merger or

consolidation of the Company with one or more corporations as a result of which the Company will not be the surviving or resulting corporation, or a sale of substantially all of the assets of the Company to another person, or a reverse merger in which the Company is the surviving corporation but the shares of the Stock outstanding immediately preceding the merger are to be converted by virtue of the merger to other property (a "Terminating Event"), the Board shall notify each Optionee of the pendency of the Terminating Event. Upon the date thirty (30) days after delivery of the notice, any Option or portion thereof not exercised will terminate, and upon the effective date of the Terminating Event, the Plan will terminate, unless provision is made in connection with the Terminating Event for assumption of Options previously granted, or substitution for such Options of new options offering stock of a successor employer corporation, or a parent or subsidiary corporation thereof, solely at the option of the successor corporation or parent or subsidiary corporation, with appropriate adjustments as to the number and kind of shares and prices.

Section 15. Disposition of Shares. Any Optionee who acquires Stock pursuant to an Option will, so long as he or she remains a member of the Board, be obligated to advise the Company in the case of each sale or other disposition of any Stock so acquired, such advice to be

given to the Company's Corporate Secretary immediately upon the occurrence of any such sale or other disposition.

Section 16. Option Certificate. Each Option granted will be evidenced by a written Option Certificate executed on behalf of the Company in the form attached as Exhibit "A" hereto.

Section 17. Amendment of Plan and Options. The Board may only make changes in the Plan with the approval of the shareholders of the Company, other than changes required by the Code, federal securities laws, or rules and regulations promulgated thereunder. No change in the terms and conditions of any Option may be made without the consent of the Optionee.

Section 18. Applicable Law; Severability; Interpretation. The Plan will be construed, administered, and governed in all respects in accordance with the laws of the State of Georgia. If any provision of the Plan will be held by a court of competent jurisdiction to be invalid or unenforceable, the remaining provisions of the Plan will continue to be fully effective. For purposes of this Plan, references to the masculine shall include the feminine, reference to the singular shall include the plural, and references to the plural shall include the singular.

Section 19. Shares Reserved. The Company shall at all times during the term of the Plan reserve and keep available the number of shares of Stock as will be sufficient to satisfy the requirements of the Plan, and will pay all fees and expenses necessarily incurred by the Company in connection therewith.

Section 20. No Shareholder Rights. No Optionee shall have any rights as a shareholder of the Company as a result of the grant of an Option to him or her under this Plan or his or her exercise of such Option pending the actual delivery of Stock subject to such Option to such Optionee.

Section 21. Titles. Titles are provided in this Plan for convenience only and are not to serve as a basis for interpretation or construction of the Plan.

On this 4th day of February, 1997, I hereby certify that the foregoing Plan was duly adopted by the Board on this date.

/s/ Judd F. Osten

Judd F. Osten
Corporate Secretary

(Corporate Seal)

On this 22nd day of April, 1997, I hereby certify that the foregoing Plan was duly approved by the shareholders on April 22, 1997.

/s/ Judd F. Osten

Judd F. Osten
Corporate Secretary

(Corporate Seal)

EXHIBIT 10.5

Amendment to Amended and Restated Supplemental Executive Retirement Plan

October 25, 2005, the Nominating/Corporate Governance/Compensation Committee of the Registrant's Board of Directors, which administers the Supplemental Executive Retirement Plan, passed a resolution, effective January 2, 2006, adding eleven participants to the Supplemental Executive Retirement Plan thus amending Exhibit "A" of the Plan to read as follows:

EXHIBIT A

CRAWFORD & COMPANY SUPPLEMENTAL RETIREMENT PLAN
AS AMENDED AND RESTATED JULY 22, 2003 EFFECTIVE
AS OF JANUARY 1, 2003

AMENDED AND RESTATED AS OF FEBRUARY 3, 2004, APRIL 27, 2004,
AUGUST 5, 2004 AND AMENDED OCTOBER 25, 2005

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
Marshall G. Long
Annette L. Sanchez
Thomas W. Crawford
Jeffrey T. Bowman
Philip G. Porter
Robert R. Kulbick
Larry C. Thomas
Richard J. Martin
Mauricio Alonso
O. L. Anderson
Thomas L. Carstens
William L. Beach
Allen W. Nelson

EXHIBIT 10.6

CRAWFORD & COMPANY
1996 EMPLOYEE STOCK OPTION PLAN

SECTION 1. PURPOSE

The primary purpose of this Plan is to encourage Stock ownership by each Eligible Employee of Crawford and each Subsidiary in the belief that such ownership will increase his or her interest in the success of Crawford and will provide an additional incentive for him or her to remain in the employ of Crawford or such Subsidiary. Crawford intends that this Plan constitute an "employee stock purchase plan" within the meaning of Section 423 of the Code and further, intends that any ambiguity in this Plan or any related offering be resolved to effect such intent.

SECTION 2. DEFINITIONS

2.1. The term ACCOUNT shall mean the separate bookkeeping account which shall be established and maintained by the Plan Administrator for each Participant for each Purchase Period to record the payroll deductions made on his or her behalf to purchase Stock under this Plan.

2.2. The term AUTHORIZATION shall mean the Participant's election and payroll deduction authorization form which an Eligible Employee shall be required to properly complete in writing and timely file with the Plan Administrator before the end of an Offering Period in order to participate in this Plan for the related Purchase Period.

2.3. The term BENEFICIARY shall mean the person designated as such in accordance with Section 14.

2.4. The term BOARD shall mean the Board of Directors of Crawford.

2.5. The term CODE shall mean the Internal Revenue Code of 1986, as amended.

2.6. The term COMMITTEE shall mean the Senior Compensation and Stock Option Committee of the Board.

2.7. The term CRAWFORD shall mean Crawford & Company, a corporation incorporated under the laws of the State of Georgia, and any successor to Crawford.

2.8. The term DISABILITY shall mean a condition which the Plan Administrator in his or her discretion determines should be treated as a total and permanent disability under Section 22(e)(3) of the Code.

2.9. The term ELIGIBLE EMPLOYEE shall mean each employee of Crawford or a Subsidiary except:

(a) an employee who has completed less than one full and continuous year of employment as an employee of Crawford or such Subsidiary;

(b) an employee who customarily is employed 20 hours or less per week by Crawford or such Subsidiary;

(c) an employee who (after completing at least one full and continuous year of employment as an employee of Crawford or such Subsidiary) customarily is employed for not more than five (5) months in any calendar year by Crawford or such Subsidiary; and

(d) an employee who would own (immediately after the grant of an option under this Plan) stock possessing 5% or more of the total combined voting power or value of all classes of stock of Crawford based on the rules set forth in Sections 423(b)(3) and 424 of the Code.

An Employee's continuous employment by Crawford or by a Subsidiary shall not be treated as interrupted by a transfer directly between Crawford and any Subsidiary or between one Subsidiary and another Subsidiary.

2.10. The term EXERCISE DATE shall mean for each Purchase Period the last day of such Purchase Period.

2.11. The term OFFERING PERIOD shall mean a period which (i) shall be set by the Committee, (ii) shall end before the beginning of the related Purchase Period and (iii) shall continue for no more than thirty (30) days.

2.12. The term OPTION PRICE shall mean, for each Purchase Period, eighty-five percent (85%) of the lesser of the closing price for a share of Stock on (A) the first day of the Purchase Period, or (B) the Exercise Date, as such closing prices are accurately reported in The Wall Street Journal or in any successor to The Wall Street Journal or, if there is no such successor, any similar trade publication selected by the Committee or, if the Committee makes no such selection, as such closing price is determined in good faith by the Committee; provided, if no closing price is so accurately reported for any such day, the closing price for such day shall be deemed to be the last closing price for a share of Stock which was so accurately reported before such day.

2.13. The term PARTICIPANT shall mean for each Purchase Period an Eligible Employee who has satisfied the requirements set forth in Section 7 of this Plan for such Purchase Period.

2.14. The term PARTICIPATING EMPLOYER shall for each Participant, as of any date, mean Crawford or a Subsidiary, whichever employ such Participant as of such date.

2.15. The term PLAN shall mean this Crawford & Company 1996 Employee Stock Purchase Plan as effective as of the date set forth in Section 3 and as thereafter amended from time to time.

2.16. The term PLAN ADMINISTRATOR shall mean the person or persons appointed by the Committee to administer this Plan.

2.17. The term PURCHASE PERIOD shall mean a twelve (12) consecutive month period which shall begin on a date (within the fifteen (15) day period which immediately follows the end of the related Offering Period) set by the Committee on or before the beginning of the related Offering Period.

2.18. The term RETIREMENT shall mean a termination of employment after reaching at least age 55 and completing at least ten (10) years of continuous employment with Crawford or a Subsidiary (where such continuous employment shall be determined using the same rules used to determine whether an employee is an Eligible Employee).

2.19. The term STOCK shall mean the $1.00 par value Class A Common Stock of Crawford.

2.20. The term SUBSIDIARY shall mean each entity which is a subsidiary of Crawford for the purposes of Section 424(f) of the Code, and which the Committee designates as eligible to participate in the Plan.

SECTION 3. EFFECTIVE DATE

This Plan shall be first effective as of January 30, 1996. However, if any options are granted under this Plan under Section 9 before the date the shareholders of Crawford (acting at a duly called meeting of such shareholders) are treated under Section 423(b)(2) of the Code as having approved the adoption of this Plan, such options shall be granted subject to such approval and if such shareholders fail to approve such adoption before the first anniversary of such effective date, all such options automatically shall be null and void.

SECTION 4. OFFERINGS

Options to purchase shares of Stock shall be offered to Participants in accordance with this Plan from time to time at the discretion of the Committee; provided, however, there shall be no more than one Offering Period in effect at any time and no more than one Purchase Period in effect at any time.

SECTION 5. STOCK AVAILABLE FOR OPTIONS

There initially shall be one million (1,000,000) shares of Stock available for purchase from Crawford upon the exercise of options granted under Section 9 of this Plan. Any shares of Stock which are subject to options granted under this Plan but which are not purchased on the related Exercise Date shall again become available under this Plan.

SECTION 6. ADMINISTRATION

The Plan Administrator shall be responsible for the administration of this Plan and shall have the power in connection with such administration to interpret this Plan and to take such other action in connection with such administration as the Plan Administrator deems necessary or equitable under the circumstances. The Plan Administrator also shall have the power to delegate the duty to perform such administrative functions as the Plan Administrator deems appropriate under the circumstances. Any person to whom the duty to perform an administrative function is delegated shall act on behalf of and shall be responsible to the Plan Administrator for such function. Any action or inaction by or on behalf of the Plan Administrator under this Plan shall be final and binding on each Eligible Employee, each Participant and on each other person who makes a claim under this Plan based on the rights, if any, of any such Eligible Employee or Participant under this Plan.

SECTION 7. PARTICIPATION

Each employee who will be an Eligible Employee on the last day of an Offering Period shall satisfy the requirements to be a Participant in this Plan for the related Purchase Period if

(1) he or she properly completes in writing and files an Authorization with the Plan Administrator on or before the last day of such Offering Period to

purchase shares of Stock pursuant to an option granted under Section 9, and

(2) he or she remains an Eligible Employee through the first day of the Purchase Period.

An Authorization shall require an Eligible Employee to provide such information and to take such action as the Plan Administrator in his or her discretion deems necessary or helpful to the orderly administration of this Plan, including specifying (in accordance with Section 8) his or her payroll deductions to purchase shares of Stock pursuant to the option granted under Section 9 and designating a Beneficiary. A Participant's status as such shall terminate for a Purchase Period (for which he or she has an effective Authorization) at such time as his or her Account had been withdrawn under Section 12 or Section 13 or the purchases and distributions contemplated under Section 10 or Section 13 with respect to his or her Account have been completed, whichever comes first.

SECTION 8. PAYROLL DEDUCTIONS

(A) INITIAL AUTHORIZATION. Each Participant's Authorization made under Section 7 shall specify the specific dollar amount which he or she authorizes his or her Participating Employer to deduct from his or her compensation with respect to each pay day during the Purchase Period for which such Authorization is in effect to purchase shares of Stock pursuant to the option granted under Section 9, provided

(1) the total of such dollar amount for the Purchase Period shall not be less than $240.00, and

(2) the total of such dollar amount for the Purchase Period shall not be more than $21,000.00.

(B) SUBSEQUENT AUTHORIZATION. A Participant shall have the right to make one amendment to an Authorization after the end of an Offering Period to reduce or to stop the payroll deductions which he or she previously had authorized for the related Purchase Period, and such reduction shall be effective as soon as practicable after the Plan Administrator actually receives such amended Authorization.

(C) ACCOUNT CREDITS, GENERAL ASSETS AND TAXES. All payroll deductions made for a Participant shall be credited to his or her Account as of the pay day as of which the deduction is made. All payroll deductions shall be held by Crawford, by Crawford's agent or by one, or more than one, Subsidiary (as determined by the Plan Administrator) as part of the general assets of Crawford or any such Subsidiary, and each Participant's right to the payroll deductions credited to his or her Account shall be those of a general and unsecured creditor. Crawford,

Crawford's agent or such Subsidiary shall have the right to withhold on payroll deductions to the extent such person deems necessary or appropriate to satisfy applicable tax laws.

(D) NO CASH PAYMENTS. A Participant may not make any contributions to his or her Account except through payroll deductions made in accordance with this Section 8.

(E) PRIORITY AND INSUFFICIENCY. Payroll deductions under this Plan will be subordinate to all liens, garnishments, required taxes and deductions under other Crawford employee benefit plans. If there are not sufficient funds in any payroll period to satisfy the Authorization, the payroll deduction

for that period only will be reduced accordingly. In no event will the payroll deduction in subsequent payroll periods be increased above that specified in the relevant Authorization.

SECTION 9. GRANTING OF OPTION

(A) GENERAL RULE. Subject to Section 9(b) and Section 9(c), each Participant for a Purchase Period automatically shall be granted by operation of this Plan an option, exercisable on the Exercise Date, to purchase the number of shares of Stock (rounded down to the nearest whole number) determined by dividing (A) the total payroll deductions credited to the Participant's Account through the Exercise Date by (B) eighty-five percent (85%) of the closing price for a share of Stock on the first day of the Purchase Period, as such price is determined in accordance with Section 2.12. Each such option shall be exercisable only in accordance with the terms of this Plan.

(B) AVAILABLE SHARES OF STOCK. If the number of shares of Stock available for purchase for any Purchase Period is insufficient to cover the shares which Participants have elected to purchase through effective Authorizations, then each Participant's option to purchase shares of Stock for such Purchase Period shall be reduced to equal the number of shares of Stock (rounded down to the nearest whole number) which the Plan Administrator shall determine by multiplying (A) the number of shares of Stock for which such Participant would have been granted an option under Section 9(a) if sufficient shares were available by (B) a fraction, (i) the numerator of which shall be the number of shares of Stock available for options for such Purchase Period and (ii) the denominator of which shall be the total number of shares of Stock for which options would have been granted to all Participants under Section 9(a) if sufficient shares were available.

(C) LIMIT ON NUMBER OF SHARES OF STOCK. The number of shares of Stock determined in accordance with Section 9(a) or Section 9(b) to be issued to any Participant upon the exercise of an option granted under this Plan shall be reduced to the extent necessary such that after issuance of such shares of Stock the Participant shall own less than 5% of the total combined voting power or value of all classes of stock of Crawford, based on the rules set forth in Section 423(b)(3) and Section 424 of the Code.

SECTION 10. EXERCISE OF OPTION

(A) GENERAL RULE. Unless a Participant files an amended Authorization under Section 10(b) or Section 12 on or before the Exercise Date for a Purchase Period, his or her option shall be exercised automatically in full on such Exercise Date.

(B) PARTIAL EXERCISE. A Participant may file an amended Authorization under this Section 10(b) with the Plan Administrator on or before an Exercise Date to elect, effective as of such Exercise Date, to exercise his or her option for a specific number of whole shares of Stock, which may not exceed the number of shares of Stock determined in accordance with Section 9.

(C) PAYMENT. Upon exercise of an option, each Participant's Account shall be debited in an amount equal to (A) the Option Price multiplied by (B) the number of shares of Stock for which his or her option is being exercised. Each Subsidiary shall cause such payment to be remitted to Crawford as soon as practicable following the Exercise Date.

(D) AUTOMATIC REFUND. If a Participant's Account has a remaining balance after his or her option has been exercised, such balance shall be refunded to the Participant in cash (without interest)

as soon as practicable following such Exercise Date.

SECTION 11. DELIVERY

A stock certificate representing any shares of Stock purchased upon the exercise of an option under this Plan shall be delivered to a Participant in (i) his or her name or, if the Participant so directs on his or her Authorization filed with the Plan Administrator on or before the Exercise Date for such option and if permissible under applicable law, (ii) the names of the Participant and one such other person as may be designated by the Participant, as joint tenants with rights of survivorship. No Participant (or any person who makes a claim through a Participant) shall have any interest in any shares of Stock subject to an option until such option has been exercised and the related shares of Stock actually have been delivered to such person.

SECTION 12. VOLUNTARY ACCOUNT WITHDRAWAL

A Participant may elect to withdraw the entire balance credited to his or her Account for a Purchase Period by completing in writing and filing an amended Authorization with the Plan Administrator on or before the Exercise Date for such period. If a Participant makes such a withdrawal election, such balance shall be paid to him or her in cash (without interest) as soon as practicable after such amended authorization is filed, and no further payroll deductions shall be made on his or her behalf for the remainder of such Purchase Period.

SECTION 13. TERMINATION OF EMPLOYMENT

(A) DEATH, DISABILITY OR RETIREMENT. If a Participant's employment by Crawford or a Subsidiary terminates as a result of his or her death, Disability or Retirement on or before the Exercise Date, and if such Participant or, in the event he or she dies, his or her Beneficiary timely makes an irrevocable election in writing under this Section 13(a), such person shall have the right

(1) to withdraw the Participant's entire Account in cash (without interest), or

(2) to apply the Participant's entire Account to purchase whole shares of Stock at the Option Price for such Purchase Period as of the related Exercise Date.

Any election made under this Section 13(a) shall be irrevocable and shall be timely only if actually delivered to the Plan Administrator on or before the earlier of (i) the Exercise Date for such Purchase Period or (ii) the last day of the three (3) consecutive months period which begins on the last day the Participant was an Eligible Employee. If no timely election is made under this Section 13(a), a Participant shall be deemed to have elected the cash alternative set forth in Section 13(a)(1). If the purchase alternative set forth in Section 13(a)(2) is elected, the certificate representing the shares of Stock purchased shall be delivered as soon as administratively practicable to the Participant or, in the event he or she dies, to his or her Beneficiary. If a Participant's Account has a remaining balance after his or her option has been exercised under this Section 13(a), such balance automatically shall be refunded to the Participant, or in the event he or she dies, to his or her Beneficiary in cash (without interest) as soon as practicable after such exercise.

(B) OTHER TERMINATIONS. Except as provided in Section 13(c), if a Participant's status as an Eligible Employee terminates on or before the Exercise Date for a Purchase Period for any reason whatsoever other than his or her death, Disability or Retirement, his or her Account automatically

shall be distributed as if he or she had elected to withdraw his or her Account in cash under Section 12 immediately before the date his or her employment had so terminated.

(C) TRANSFERS. If a Participant is transferred directly between his or her Participating Employer and another Participating Employer while he or she has an Authorization in effect, such Authorization shall (subject to all the terms and conditions of this Plan) remain in effect. If a Participant is transferred between his or her Participating Employer and another entity (other than a Participating Employer) in which Crawford has, directly or indirectly, a twenty

percent (20%) or greater equity interest, his or her payroll deductions shall automatically terminate upon the effective date of such transfer as if he or she had so amended his or her Authorization pursuant to Section 8(c), but he or she may continue as a Participant for the relevant Purchase Period only.

SECTION 14. DESIGNATION OF BENEFICIARY

A Participant shall designate on his or her Authorization a beneficiary (1) who shall act on his or her behalf if the Participant dies before the end of a Purchase Period and (2) who shall receive the Stock, if any, and cash, if any, to the Participant's credit under this Plan if the Participant dies after the end of a Purchase Period but before the delivery of the certificate representing such shares of Stock, if any, and the cash, if any, to his or her credit in such Account. Such designation may be revised in writing at any time by the Participant by filing an amended Authorization, and his or her revised designation shall be effective at such time as the Plan Administrator receives such amended Authorization. If a deceased Participant fails to designate a Beneficiary or, if no person so designated survives a Participant or, if after checking his or her last know mailing address, the whereabouts of the person so designated are unknown, then the Participant's Beneficiary shall be determined by the Plan Administrator in accordance with the Participant's will or the applicable laws of descent and distribution.

SECTION 15. TRANSFERABILITY

Neither the balance credited to a Participant's Account nor any rights to the exercise of an option or to receive shares of Stock under this Plan may be assigned, encumbered, alienated, transferred, pledged, or otherwise disposed of in any way by a Participant during his or her lifetime or by his or her Beneficiary or by any other person during his or her lifetime, and any attempt to do so shall be without effect; provided, however, that the Plan Administrator in its absolute discretion may treat any such action as an election by a Participant to withdraw the balance credited to his or her Account in accordance with Section 12. A Participant's right, if any, to transfer any interest in this Plan at his or her death shall be determined exclusively under Section 13 and Section 14.

SECTION 16. ADJUSTMENT

The number of shares of Stock covered by outstanding options granted pursuant to this Plan and the related Option Price and the number of shares of Stock available under this Plan shall be adjusted by the Board in an equitable manner to reflect any change in the capitalization of Crawford, including, but not limited to such changes as dividends paid in the form of Stock or Stock splits. Furthermore, the Board shall adjust (in a manner which satisfies the requirements of Section 424(a) of the Code) the number of shares of Stock available under this Plan and the number of shares of Stock covered by options granted under this Plan and the related Option Prices in the event of any corporate transaction described in Section 424(a) of the Code. If any adjustment under this Section 16 would create a fractional share of Stock or a right to acquire a fractional share, such fractional share shall be

disregarded and the number of shares of Stock subject to each option granted pursuant to this Plan shall be the next lower number of whole shares of Stock, rounding all fractions downward. An adjustment made under this Section 16 by the Board shall be conclusive and binding on all affected persons.

SECTION 17. SECURITIES REGISTRATION

If Crawford shall deem it necessary to register under the Securities Act of 1933, as amended, or any other applicable statutes, any shares of Stock with respect to which an option shall have been exercised under this Plan or to qualify any such shares of Stock for an exemption from any such statutes, Crawford shall take such action at its own expense before delivery of the certificate representing such shares of Stock. If shares of Stock are listed on any national stock exchange at the time an option to purchase shares of Stock is exercised under this Plan, Crawford whenever required shall register shares of Stock for which such option is exercised under the Securities Exchange Act of 1934, as amended, and shall make prompt application for the listing on such national exchange of such shares, all at the expense of Crawford.

SECTION 18. AMENDMENT OR TERMINATION

This Plan may be amended by the Board from time to time to the extent that the Board deems necessary or appropriate in light of, and consistent with Section 423 of the Code and the laws of the State of Georgia, and any such amendment shall be subject to the approval of Crawford's shareholders to the extent such approval is required under Section 423 of the Code or the laws of the State of Georgia or to the extent such approval is required to meet the security holder approval requirements under Rule 16b-3 under the Securities Exchange Act of 1934, as amended. However, no provision of this Plan shall be amended more than once every six (6) months if amending such provisions more frequently would result in the loss of an exemption under Section 16(b) of the Securities Exchange Act of 1934, as amended. The Board also may terminate this Plan or any offering made under this Plan at any time; provided, however, the Board shall not have the right to modify, cancel, or amend any option outstanding after the beginning of a Purchase Period unless (i) each Participant consents in writing to such modification, amendment or cancellation, (ii) such modification only accelerates the Exercise Date for the related Purchase Period or (iii) the Board acting in good faith deems that such action is required under applicable law.

SECTION 19. NOTICES

All Authorizations and other communications from a Participant to the Plan Administrator under, or in connection with, this Plan shall be deemed to have been filed with the Plan Administrator when actually received in the form specified to the Plan Administrator at the location, or by the person, designated by the Plan Administrator for the receipt of such Authorizations and communications.

SECTION 20. EMPLOYMENT

No offer under this Plan shall constitute an offer of employment, and no acceptance of an offer under this Plan shall constitute an employment agreement. Any such offer or acceptance shall have no bearing whatsoever on the employment relationship between any Eligible Employee and Crawford or any subsidiary of Crawford, including a Subsidiary. No Eligible Employee shall be induced to participate in this Plan by the expectation of employment or continued employment.

SECTION 21. HEADINGS, REFERENCES AND CONSTRUCTION

The headings to sections in this Plan have been included for convenience of reference only. Except as otherwise expressly indicated, all references to sections in this Plan shall be to sections of this Plan. This Plan shall be interpreted and construed in accordance with the laws of the State of Georgia.

CRAWFORD & COMPANY

By: /s/ D. A. Smith

Title: Chairman, President & CEO

EXHIBIT 10.7

CRAWFORD & COMPANY
MEDICAL REIMBURSEMENT PLAN
RESTATED AS AMENDED
(including Amendments through January 31, 1995)

This Medical Reimbursement Plan is hereby adopted by Crawford & Company this 18th day of February, 1975.

ARTICLE I.

For purposes of this Plan, unless the context required otherwise, the following works and phrases shall have the indicated meanings:

1.1. Company - means Crawford & Company and any successors thereto which adopts this Plan in writing.

1.2. Plan - means this Medical Reimbursement Plan and any amendments thereto.

1.3. Board - means the Senior Compensation and Stock Option Committee of the Board of Directors of the Company.

1.4. Participant - means any officer of the Company.

1.5. Spouse - means a person (i) who is a Participant's legal spouse on the last day of the Plan Year and (ii) who is not legally separated from such Participant under a decree of divorce or separate maintenance; provided, if a Participant's lawful spouse dies during a Plan Year and the Participant does not remarry before the end of such year, such deceased spouse shall be deemed to be his Spouse for such Plan Year.

1.6. Dependant Child - means a Participant's child, whether natural or otherwise, (i) who receives over one-half (1/2) of his support from the Participant during the Play Year and who (a) is more than thirteen (13) days old but (b) is, as of the last day of such Plan Year, less than age nineteen (19) and (c) is not married at any time during such Plan Year; provided (ii) a Participant's child who weighs less than five and one-half (5-1/2) pounds at birth shall be treated as a Dependent Child without regard to the requirement of subsection (i)(a) above; and (iii) a Participant's unmarried child who during the Plan Year is supported solely by the Participant and who (a) is a full-time student at

an educational institution during such year and (b) has not, on the last day of such year, reached age twenty-three (23), shall be treated as a Dependent Child.

1.7. Dependents - means a Participant's Spouse and Dependent Child.

1.8. Medical Care - means Medical Care, as defined in Section 213(d) of the Internal Revenue Code of 1954, as amended, (the "Code"), and the Regulations thereunder, for a Participant and his Dependents, and includes the diagnosis, cure, mitigation, treatment or prevention of disease, the purchase of medicine and drugs which are legally procured and which are generally accepted as falling within the category of medicine and drugs, transportation primarily for and essential to the rendition of Medical Care, and certain permanent improvements to property to the extent that the particular improvement is related directly to Medical Care.

1.9. Reimbursement Limit - means the dollar amount under the following schedule which corresponds to the number of full calendar months which a Participant was designated as such during the Plan Year:

Full Months	Chairman, President, Exec. Vice Pres., All Senior Vice Pres. Dollars	Vice Presidents (other than Exec. Vice Pres. And Senior vice Pres) Dollars	All Other Participants Dollars

1	166.66	125.00	83.33
2	333.32	250.00	166.66
3	499.98	375.00	249.99
4	666.64	500.00	333.32
5	833.30	625.00	416.65
6	999.96	750.00	499.98
7	1,166.62	875.00	583.31
8	1,333.28	1,000.00	666.64
9	1,499.94	1,125.00	749.97
10	1,666.60	1,250.00	833.30
11	1,833.26	1,375.00	916.63
12	2,000.00	1,500.00	1,000.00

1.10. Named Fiduciary - means the Secretary of the Company.

1.11. Plan Administrator - means the Named Fiduciary.

1.12. Plan Year - means the calendar year.

1.13. Effective Date - means January 1, 1975.

ARTICLE II.

Reimbursement

2.1. Reimbursement - on or before January 31st of each year, the Company shall reimburse a Participant or his legal representative the amount set forth in Section 1.9 for the period during the preceding calendar year in which such individual was a Participant in the Plan.

2.2. Source of Reimbursement. Any reimbursement made pursuant to this Plan shall be paid from the general assets of the Company.

ARTICLE III.

Plan Administrator

3.1 Powers. The Plan Administrator shall have control of the administration of this Plan, with all powers necessary to enable him properly to carry out his duties in this respect. He may appoint in writing such agents as he may deem necessary for the effective performance of his duties, and may delegate to such agents those powers and duties, whether ministerial or discretionary, which he may deem expedient or appropriate. In the event that any agent so appointed is not an employee of the Company, subject to Board approval, such agent's compensation shall be fixed by the Plan Administrator and shall be paid by the Company.

3.2. Records. The Plan Administrator shall maintain a current record of all Participants and the reimbursement claims submitted by each such Participant or his legal representative for each Plan Year.

ARTICLE IV.

Miscellaneous

4.1. Amendments. This Plan may be amended in any respect and at any time from time to time by the Company.

4.2. Termination of Plan. The Company expects this Plan to be continued indefinitely but, of necessity, it reserves the right to terminate the Plan at any time. Provided, notwithstanding any other provision of this Plan, in the event the Plan is terminated during a Plan year, each then

Participant shall be entitled to submit a reimbursement claims for amounts paid for Medical Care prior to the date on which the Plan is terminated and shall be entitled to reimbursement under the terms of the Plan to the extent of each such Participant's Reimbursement Limit. as determined on the first day of the first month which coincides with, or immediately follows, such Plan termination date.

4.3. Termination of Participant Designation. A Participant's designation as

such (i) may be terminated by the Board at any time acting in its sole discretion and (ii) shall be terminated, automatically and without Board action, on the date the Participant's employment with the Company terminates for any reason, voluntarily or otherwise, including death.

4.4. Headings. The headings and subheadings in this Plan have been inserted for convenience of reference only and are to be ignored in any construction of the Plan provisions.

4.5. Construction. In the construction of this Plan the masculine shall include the feminine and the singular the plural in all cases in which such meanings would be appropriate. This Plan shall be construed in accordance with the laws of the State of Georgia.

EXHIBIT 10.8

CRAWFORD & COMPANY DISCRETIONARY ALLOWANCE PLAN

This Discretionary Allowance Plan is hereby adopted by the Senior Compensation and Stock Option Committee of the Board of Directors of Crawford & Company on this 31st day of January, 1995.

ARTICLE I
Definitions

For purposes of this Plan, unless the context requires otherwise, the following words and phrases shall have the indicated meanings:

1.1 Company - means Crawford & Company.

1.2 Plan - means this Discretionary Allowance Plan and any amendments thereto.

1.3 Committee - means the Senior Compensation and Stock Option Committee of the Board of Directors of the Company.

1.4 Participant - means any officer of the Company.

1.5 Named Fiduciary - means the Chief Financial Officer of the Company.

1.6 Plan Administrator - means the Named Fiduciary.

1.7 Plan Year - means the calendar year.

1.8 Effective Date - means January 1, 1995.

1.9 Discretionary Allowance - means the Discretionary Allowance paid to a Participant in accordance with Section 2.1 of this Plan.

ARTICLE II
Allowance

2.1 Payment. On or before the last day of the months of January, April, July, and October of each Plan Year after the Effective Date, the Company shall pay to each then current Participant a Discretionary Allowance in the amount of Six Hundred Twenty-five Dollars ($625.00).

2.2 Purpose. Each Participant may use his or her Discretionary Allowance as he or she sees fit for club memberships, offset of deductions for Company benefits, additional insurance, or any other purpose whatsoever.

2.3 Accountability. Participants shall not be accountable to the Company for the expenditure of the Discretionary Allowance.

2.4 Source of Payment. The Discretionary Allowances paid under this Plan shall be paid from the general assets of the Company.

ARTICLE III
Plan Administration

3.1 Plan Administrator. The Plan Administrator shall have control of the administration of this Plan, with all powers necessary to enable him to properly carry out his duties in this respect. He may appoint in writing such agents as he may deem necessary for the effective performance of his duties, and may delegate to other agents those powers and duties whether administerial or discretionary, which he may deem expedient or appropriate.

3.2 Records. The Plan Administrator shall maintain a record of all Participants and the Discretionary Allowance paid to each such Participant.

ARTICLE IV
Miscellaneous

4.1 Amendments. This Plan may be amended in any respect at any time, from time to time, by the Committee.

4.2 Termination of Plan. The Committee expects this Plan to be continued indefinitely, but, of necessity, it reserves the right to terminate the Plan at any time provided, notwithstanding any other provision of this Plan, in the event this Plan is terminated during a Plan Year, each Participant shall be entitled only to any Discretionary Allowance that would have been payable to him or her pursuant to terms of the Plan prior to the effective date of such termination.

4.3 Termination of Participant Designation. A Participant's designation as such shall be terminated, automatically and without Committee action on the date Participant's employment as an officer of the Company terminates for any reason, voluntarily or involuntarily, including death.

4.4 No Right of Continued Employment. An individual's designation as a Participant shall not create any right of continued employment with the Company nor, during such employment, continued designation as a Participant.

4.5 Income Tax. The amount of the Discretionary Allowance paid to each Participant shall be included in his or her compensation as and to the extent required by the rules and regulations of the Internal Revenue Service.

4.6 Headings. The headings and subheadings of this Plan have been inserted for convenience of reference only and are to be ignored in any construction of the Plan provisions.

4.7 Applicable Law. This Plan shall be construed in accordance with the laws of the State of Georgia.

IN WITNESS WHEREOF, the Committee has caused this Plan document to be executed as of this 31st day of January, 1995.

SENIOR COMPENSATION AND STOCK OPTION COMMITTEE OF THE BOARD OF DIRECTORS OF CRAWFORD & COMPANY

By: /s/ J. Hicks Lanier

J. Hicks Lanier, Chairman

EXHIBIT 10.10

CRAWFORD & COMPANY

1996 INCENTIVE COMPENSATION PLAN
(As Amended and Restated through February 2, 1999)

Crawford & Company hereby establishes the Crawford & Company 1996 Incentive Compensation Plan, effective as of January 1, 1996, to provide to the officers and key employees of Crawford & Company additional cash incentive compensation which is tied to the attainment of targeted increases in adjusted revenues and adjusted pre-tax income of Crawford & Company on a consolidated basis.

I. Definitions

The capitalized terms used in the Plan shall have the following meanings:

1.1 Actual Earnings shall mean the reported Earnings of the Company for the period with respect to which the Incentive Compensation Pool is determined.

1.2 Actual Earnings Percentage shall mean the percentage computed by multiplying (i) the Target Earnings Percentage by (ii) a fraction (which may not be larger than one) the numerator of which is Covered Earnings and the denominator of which is the difference between (A) the Target Earnings and (B) the Threshold Earnings.

1.3 Actual Revenues shall mean the reported Revenues of the Company for the period with respect to which the Incentive Compensation Pool is determined.

1.4 Chief Executive Officer shall mean the Chief Executive Officer of the Company.

1.5 Committee shall mean the Senior Compensation and Stock Option Committee of the Board of Directors of the Company.

1.6 Company shall mean Crawford & Company.

1.7 Covered Earnings shall mean the difference between (i) the Actual Earnings and (ii) the Threshold Earnings (but not less than zero).

1.8 Covered Salaries shall mean the base salaries of the Participants.

1.9 Earnings shall mean the reported pre-tax income of the Company, on a consolidated basis, adjusted to eliminate the effect, if any, of the cumulative effects of changes in accounting principles and any significant gains or losses resulting from the disposition of any major assets of the Company, such as the sale of land, the sale and leaseback of buildings, or the sale or other disposition of a subsidiary or portion of the Company's operations.

1.10 Incentive Compensation Pool shall mean the sum of (1) the Incentive Compensation Pool--Sales and Account Management; plus (2) the Incentive Compensation Pool--Other Officers and Key Employees.

1.11 Incentive Compensation Pool--Other Officers and Key Employees shall mean the sum of (1) the amount computed by multiplying the lesser of Actual Earnings or Threshold Earnings by 1.5%; plus (2) the amount computed by multiplying (i) Actual Earnings by (ii) the Actual Earnings Percentage. In no event shall the Incentive Compensation Pool--Other Officers and Key Employees exceed 100% of the Covered Salaries of its Participants.

1.12 Incentive Compensation Pool--Sales and Account Management shall mean the greater of (1) the amount computed by multiplying the lesser of Actual Earnings or Threshold Earnings by .5%; or (2) the amount computed by multiplying the growth in Actual Revenues over Threshold Revenues by 1.5%, reduced by 10% for every 1% decline in the consolidated Pre-Tax Profit Margin of the Company on a pro rata basis. In no event shall the Incentive Compensation Pool--Sales and Account Management exceed 100% of the Covered Salaries of its Participants.

1.13 Participant shall mean any officer (other than the Chief Executive Officer)

or home office or regional employee of the Company or its domestic or foreign subsidiaries designated by the Chief Executive Officer to participate in the Incentive Compensation Pool--Sales and Account Management or the Incentive Compensation Pool--Other Officers and Key Employees.

1.14 Pre-Tax Profit Margin shall mean the percentage derived by dividing Earnings by Revenues, both adjusted to eliminate the effect, if any, of significant acquisitions made by the Company in the relevant period.

1.15 Revenues shall mean the reported revenues of the Company, on a consolidated basis, adjusted to eliminate the effect, if any, of significant acquisitions made by the Company in the period with respect to which the Incentive Compensation Pool is determined.

1.16 Target Earnings shall mean the Committee's determination of achievable earnings for the Company for the fiscal year.

1.17 Target Earnings Percentage shall mean 5.22%.

1.18 Threshold Earnings shall mean the Committee's determination of Earnings below which no amount will be added to the Incentive Compensation Pool for earnings growth.

1.19 Threshold Revenues shall mean the Committee's determination of achievable Revenues for the Company in the period with respect to which the Incentive Compensation Pool is determined.

1.20 Plan shall mean this Crawford & Company 1996 Incentive Compensation Plan.

II. Establishment of Threshold Revenues and Earnings

As soon as possible following the availability of audited financial statements of the Company for the immediately preceding fiscal year and the preparation of operational budgets for the current fiscal year, the Committee shall meet to establish the (i) Threshold Revenues, (ii) Threshold Earnings and (iii) Target Earnings for the current fiscal year. Any adjustments to the audited revenues and pre-tax

income of the Company in the calculations of Revenues and Earnings shall be approved by the Committee.

III. Allocation and Payment to Participants

The Chief Executive Officer shall have total authority and discretion with respect to the determination of amounts to be paid to the Participants in each of the Incentive Compensation Pools under the provisions of this Plan. He may delegate that responsibility and allocate amounts available for distribution to the heads of the business units and support divisions of the Company. In the event that an individual is no longer a Participant at the end of any period with respect to which the Incentive Compensation Pool is determined by virtue of his no longer being an employee of the Company or any of its domestic or foreign subsidiaries on that date, such individual shall not be eligible for any payments under this Plan, unless such individual's employment has been terminated by reason of death, disability, or retirement. Nothing herein contained shall be construed to require the Committee or the Chief Executive Officer to authorize the allocation and payment of all or any amounts available for distribution under the terms of this Plan. Amounts not distributed with respect to any year shall not be carried over to subsequent fiscal years. Payment to individual Participants shall be as soon as practical after the close of the fiscal period, the availability of reported Revenues and Earnings for that period, the calculation of the Incentive Compensation Pool for that period by the Chief Financial Officer of the Company, and the approval of that calculation by the Committee.

IV. No Contract of Employment

The establishment of this Plan shall not grant to any Participant the right to remain an employee for any specific term of employment or in any specific capacity or as a Participant or at any specific rate of compensation.

V. No Alienation or Assignment

A Participant shall have no right or power to alienate, commute, anticipate or otherwise assign at law or equity all or any portion of amounts which may be payable to him hereunder and the Committee and the Chief Executive Officer shall have the right, in light of any such action, to suspend temporarily or terminate permanently the status of such an individual as a Participant under this Plan.

VI. Administration, Amendment and Termination

The Committee shall have all powers necessary to administer this Plan in its absolute discretion and its determination shall be binding on the Company and the Participants. The Board of Directors of the Company and the Committee have the right to amend or terminate this Plan at any time.

VII. Construction

This Plan 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, where appropriate.

VII. Termination of Former Plan

The Annual Incentive Compensation Plan adopted effective January 1, 1993, is hereby terminated.

IN WITNESS WHEREOF, Crawford & Company has caused its duly authorized officer to execute the Plan this 30th day of January, 1996, to evidence the adoption of this Plan.

CRAWFORD & COMPANY

/s/ F. L. Minix

F. L. Minix, Chairman of the Board,
and Chief Executive Officer

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Exhibit 13

2005 Financial Review

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CRAWFORD & COMPANY

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING STATEMENTS

This annual report contains and incorporates by reference forward-looking statements within the meaning of that term in the Private Securities Litigation Reform Act of 1995 (the "1995 Act"). We desire to take advantage of the "safe harbor" provisions of the 1995 Act. The 1995 Act provides a "safe harbor" for forward-looking statements to encourage companies to provide information without fear of litigation so long as those statements are identified as forward-looking and are accompanied by meaningful cautionary statements identifying important factors that could cause actual results to differ materially from those projected.

Statements contained in this report that are not historical in nature are forward-looking statements made pursuant to the "safe harbor" provisions of the 1995 Act. These statements are included throughout this report, and in the documents incorporated by reference in this report, and relate to, among other things, projections of revenues, earnings, earnings per share, cash flows, capital expenditures, working capital or other financial items, output, expectations, or trends in revenues or expenses. These statements also relate to our business strategy, goals and expectations concerning our market position, future operations, margins, case volumes, profitability, contingencies, debt covenants, liquidity, and capital resources. The words "anticipate", "believe", "could", "would", "should", "estimate", "expect", "intend", "may", "plan",

"goal", "strategy", "predict", "project", "will" and similar terms and phrases identify forward-looking statements in this report and in the documents incorporated by reference in this report.

Additional written and oral forward-looking statements may be made by us from time to time in information provided to the Securities and Exchange Commission, press releases, our website, or otherwise.

Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate and the forward-looking statements based on these assumptions could be incorrect. Our operations and the forward-looking statements related to our operations involve risks and uncertainties, many of which are outside our control, and any one of which, or a combination of which, could materially affect our results of operations and whether the forward-looking statements ultimately prove to be correct. Included among, but not limited to, the risks and uncertainties we face are global economic conditions, interest rates, foreign exchange rates, regulations and practices of various governmental authorities, the competitive environment, the financial conditions of our clients, regulatory changes related to funding of defined benefit pension plans, changes in the degree to which property and casualty insurance carriers outsource their claims handling functions, changes in overall employment levels and associated workplace injury rates in the U. S., the ability to identify new revenue sources not tied to the insurance underwriting cycle, the ability to develop or acquire information technology resources to support and grow our business, the ability to attract and retain qualified personnel, renewal of existing major contracts with clients on satisfactory financial terms, general

risks associated with doing business outside the U.S., possible legislation or changes in market conditions that may curtail or limit growth in product liability and securities class actions, man-made disasters and natural disasters.

Actual results and trends in the future may differ materially from those suggested or implied by the forward-looking statements. We undertake no obligation to publicly release the results of any revisions to these forward-looking statements that may be made to reflect events anticipated or unanticipated. All future written and oral forward-looking statements attributable to the Company or persons acting on behalf of the Company are expressly qualified in their entirety by the cautionary statements made herein.

BUSINESS OVERVIEW

Based in Atlanta, Georgia, Crawford & 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 63 countries. Our major service lines include property and casualty claims management, integrated claims and medical management for workers' compensation, legal settlement administration including class action and warranty inspections, and risk management information services. Our shares are traded on the New York Stock Exchange under the symbols CRDA and CRDB.

Insurance companies, which represent the major source of our revenues, customarily manage their own claims administration function but require limited services which we provide, primarily field investigation and evaluation of property and casualty insurance claims. Self-insured entities typically require a broader range of services from us. In addition to field investigation and evaluation of their claims, we may also provide initial loss reporting services for their claimants, loss mitigation services such as medical case management and vocational rehabilitation, risk management information services, and administration of the trust funds established to pay their claims. Finally, we also perform legal settlement administration related to securities, product liability, bankruptcy, and other class action settlements, including identifying and qualifying class members, determining and dispensing settlement payments, and administering the settlement funds. Such services are generally referred to by us as class action services.

The claims management services market, both in the United States ("U.S.") and internationally, is highly competitive and comprised of a large number of companies of varying size and scope of services. The demand from insurance

companies and self-insured entities for services provided by independent claims service firms like us is largely dependent on industry-wide claims volumes, which are affected by the insurance underwriting cycle, weather-related events, general economic activity, and overall employment levels and associated workplace injury rates. Accordingly, we cannot predict case volumes which may be referred to us in the future.

We generally earn our revenues on an individual fee-per-claim basis. Accordinglly, the volume of claim referrals to us is a key driver of our revenues. When the insurance underwriting market is soft, insurance companies are generally more aggressive in the risks they underwrite, and insurance premiums and policy deductibles decline. This usually results in an increase in industry-wide claim referrals which will increase claim referrals to us provided we maintain at least our existing share of the overall claim

services market. During a hard insurance underwriting market, as we have experienced since the September 11, 2001 terrorist attacks, insurance companies become very selective in the risks they underwrite, and insurance premiums and policy deductibles increase, sometimes quite dramatically. This results in a reduction in industry-wide claims volumes, which reduces claims referrals to us unless we can offset the decline in claim referrals with growth in our share of the overall claims services market. Our ability to grow our market share in such a highly fragmented, competitive market is primarily dependent on the delivery of superior quality service and effective, properly focused sales efforts.

RESULTS OF CONSOLIDATED OPERATIONS

Consolidated net income was $12,881,000 for 2005 as compared to $25,172,000 in 2004 and $7,662,000 in 2003. Consolidated net income for 2004 included a special gain of $5.2 million, net of related income taxes, on the sale of an undeveloped parcel of real estate. Consolidated net income for 2003 was reduced by a nondeductible payment of $8.0 million under an agreement with the U.S. Department of Justice to resolve an investigation into our billing practices.

With the exception of income taxes, net corporate interest expense, and special credits and charges, our results of operations are discussed and analyzed by our two operating segments: U.S. Operations and International Operations. The discussion and analysis of our two operating segments follows the sections on income taxes, net corporate interest expense, and special credit and charge.

INCOME TAXES

Taxes on income totaled $7.1 million, $12.3 million, and $9.0 million for 2005, 2004, and 2003, respectively. Our consolidated effective tax rate may change periodically due to changes in enacted tax rates, fluctuations in the mix of income earned from our various international operations, and our ability to utilize net operating loss carryforwards in certain of our international subsidiaries. Our effective tax rate for 2005 was 35.4%. Our effective tax rate for 2004 was 37.4%, excluding a tax refund claim of $1.7 million. In June 2004, we settled a tax credit refund claim with the Internal Revenue Service and recorded a receivable of $3.5 million comprised of a tax refund of $1.7 million and associated interest of $1.8 million. Our effective tax rate for 2003 was 36.4%, excluding the effect of a special $8.0 million after-tax charge. During November 2003, we made a nondeductible payment of $8.0 million in connection with the settlement of a U.S. Department of Justice investigation.

NET CORPORATE INTEREST EXPENSE

Net corporate interest expense is comprised of interest expense that we incur on our short- and long-term borrowings, partially offset by interest income we earn on available cash balances. These amounts vary based on interest rates, borrowings outstanding, and the amounts of invested cash. Net corporate interest expense totaled $5.1 million, $3.5 million, and $5.4 million for 2005, 2004, and 2003, respectively. For 2004, net corporate interest expense included interest income of $1.8 million associated with the tax refund claim discussed above.

SPECIAL CREDIT AND SPECIAL CHARGE

During September 2004, we completed the sale of an undeveloped parcel of real estate. We received net cash of $2.0 million and a $7.6 million first lien mortgage note receivable, at an effective interest rate of approximately 4% per annum, due in its entirety in 270 days. A pretax gain of $8.6 million was recognized on the sale. After reflecting income taxes, this special credit increased 2004 net income by $5.2 million, or $0.11 per share. The note receivable has been paid in its entirety.

During November 2003, we made a nondeductible payment of $8.0 million in connection with the settlement of a U.S. Department of Justice investigation. This special charge reduced 2003 net income per share by $0.16.

SEGMENT OPERATING EARNINGS

Our reportable segments, U.S. Operations and International Operations, 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 listed in the front inside cover of this Annual Report do not represent separate reportable segments. Rather, they describe the various claims administration services performed within our approximately 700 field branches around the world.

Operating earnings, a non-GAAP (generally accepted accounting principles) financial measure, is one of the key performance measures our senior management and chief decision maker use to evaluate the performance of our operating segments and make resource allocation decisions. We believe this measure is useful to investors in that it allows them to evaluate our operating performance using the same criteria our management uses. Operating earnings exclude income tax expense, net corporate interest expense, and special credits and charges.

Net corporate interest expense and income taxes are recurring components of our net income, but they are not considered part of our segment operating earnings since they are managed on a corporate-wide basis. Net corporate interest expense results from capital structure decisions made by management, and income taxes are based on statutory rates in effect in each of the locations where we provide services and vary throughout the world. Neither of these costs relates directly to the performance of our services, and therefore both are excluded from segment operating earnings in order to better assess the results of our segment operating activities on a consistent basis. Special credits and charges represent events that are not considered part of our segment operating earnings since they historically have not impacted our performance and are not expected to impact our performance within the next two years.

In the normal course of our business, we sometimes pay for certain out-of-pocket expenses that are reimbursed by our clients. Under GAAP, these out-of-pocket expenses and associated reimbursements are reported as revenues and expenses in our Consolidated Statements of Income. In some of the discussion and analysis that follows, we do not believe it is informative to include the GAAP required gross up of our revenues and expenses for these reimbursed expenses. The amounts of reimbursed expenses and related revenues offset each other in our Consolidated Statements of Income with no impact to our net income. Except where noted, revenue amounts exclude reimbursements for out-of-pocket expenses. Expense amounts exclude reimbursed out-of-pocket expenses, special credits and charges, net corporate interest expense, 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 Compensation and Fringe Benefits include outsourced services, office rent and occupancy costs, other office operating expenses, cost of risk, and amortization and depreciation.

This discussion and analysis should be read in conjunction with our consolidated financial statements and the accompanying notes.

Operating results for our U.S. and international operations, reconciled to net income, were as follows:

(in thousands)

Years Ended December 31	2005	2004	2003	% Change From Prior Year 2005	% Change From Prior Year 2004
REVENUES:					
U.S., before reimbursements	$486,570	$478,137	$471,847	1.8%	1.3%
International, before reimbursements	285,413	255,430	219,086	11.7%	16.6%
Total, before reimbursements	771,983	733,567	690,933	5.2%	6.2%
Reimbursements	82,784	78,095	77,077	6.0%	1.3%
Total Revenues	$854,767	$811,662	$768,010	5.3%	5.7%
COMPENSATION & FRINGE BENEFITS:					
U.S.	$304,188	$290,804	$290,135	4.6%	0.2%
% of Revenues before reimbursements	62.5%	60.8%	61.5%		
International	199,421	175,538	152,231	13.6%	15.3%
% of Revenues before reimbursements	69.9%	68.7%	69.5%		
Total	$503,609	$466,342	$442,366	8.0%	5.4%
% of Revenues before reimbursements	65.2%	63.6%	64.0%		
EXPENSES OTHER THAN COMPENSATION & FRINGE BENEFITS:					
U.S.	$170,625	$166,533	$158,423	2.5%	5.1%
% of Revenues before reimbursements	35.1%	34.8%	33.6%		
International	72,664	68,306	60,104	6.4%	13.6%
% of Revenues before reimbursements	25.4%	26.8%	27.4%		
Total	243,289	234,839	218,527	3.6%	7.5%
% of Revenues before reimbursements	31.5%	32.0%	31.6%		
Reimbursements	82,784	78,095	77,077	6.0%	1.3%
Total	$326,073	$312,934	$295,604	4.2%	5.9%
% of Revenues	38.1%	38.6%	38.5%		
OPERATING EARNINGS:					
U.S.	$ 11,757	$ 20,800	$ 23,289	(43.5%)	(10.7%)
% of Revenues before reimbursements	2.4%	4.4%	4.9%		
International	13,328	11,586	6,751	15.0%	71.6%
% of Revenues before reimbursements	4.7%	4.5%	3.1%		
ADD/(DEDUCT):					
SPECIAL CREDIT (CHARGE)	--	8,573	(8,000)	(100.0%)	207.2%
NET CORPORATE INTEREST EXPENSE	(5,145)	(3,536)	(5,414)	45.5%	(34.7%)
INCOME TAXES	(7,059)	(12,251)	(8,964)	(42.4%)	36.7%
NET INCOME	$ 12,881	$ 25,172	$ 7,662	(48.8%)	228.5%

U.S. OPERATIONS

YEARS ENDED DECEMBER 31, 2005 AND 2004

REVENUES BEFORE REIMBURSEMENTS

U.S. revenues before reimbursements, by market type, for 2005 and 2004 were as follows:

(in thousands)	2005	2004	Variance
Insurance companies	$222,515	$233,531	(4.7%)
Self-insured entities	152,523	158,190	(3.6%)
Class action services	111,532	86,416	29.1%
TOTAL U.S. REVENUES BEFORE REIMBURSEMENTS	$486,570	$478,137	1.8%

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Revenues before reimbursements from insurance companies decreased 4.7% to $222.5 million in 2005 compared to $233.5 million in 2004, which reflected a $6.1 million decline in catastrophe-related revenues from the 2004 period when we were responding to the hurricanes that struck the southeastern United States. Revenues generated by our catastrophe adjusters totaled $36.4 million in 2005 compared to $42.5 million in 2004. The decrease in revenues from insurance company clients was also due to a continued softening in referrals for high-frequency, low-severity claims during 2005. Revenues from self-insured entities decreased 3.6%, to $152.5 million in 2005 from $158.2 million in 2004, due primarily to a reduction in claim referrals from our existing clients, only partially offset by net new business gains. See the following analysis of U.S. cases received. Class action services revenues, including administration and inspection services, increased 29.1%, from $86.4 million in 2004 to $111.5 million in 2005 due to several major securities class action projects. Class action services revenues are project-based and can fluctuate significantly.

REIMBURSEMENTS INCLUDED IN TOTAL REVENUES

Reimbursements for out-of-pocket expenses included in total revenues for our U.S. operations were $52.9 million in 2005, increasing from $49.1 million in 2004. This increase was primarily attributable to our class action services unit which had higher out-of-pocket costs in 2005 related to the increase in class action services revenues.

CASE VOLUME ANALYSIS

Excluding class action services revenues, U.S. unit volume, measured principally by cases received, decreased 10.7% from 2004 to 2005. This decrease was partially offset by a 7.2% revenue increase from changes in the mix of services provided and in the rates charged for those services, resulting in a net 3.5% decrease in U.S. revenues before reimbursements from 2004 to 2005. The decrease in referrals of high-frequency, low-severity claims increased our average revenue per claim in 2005. Growth in class action services revenues, which are project-based, increased U.S. revenues before reimbursements by 5.3% in 2005.

Excluding class action services, U.S. unit volume by major service line, as measured by cases received, for 2005 and 2004 was as follows:

(whole numbers)	2005	2004	Variance
Property	216,813	255,030	(15.0%)
Casualty	190,287	209,110	(9.0%)
Workers' Compensation	139,670	148,902	(6.2%)
Vehicle	126,486	144,306	(12.3%)
Other	21,367	20,808	2.7%
TOTAL U.S. CASES RECEIVED	694,623	778,156	(10.7%)

During 2004, property claims increased significantly due to the four hurricanes that struck Florida and other southeastern states. Hurricanes Katrina, Rita, and Wilma did not generate the same claims volume for us in 2005. The declines in casualty and workers' compensation claims in 2005 were due to a reduction in claims from our existing clients and reflected continued weakness in the growth of U.S. employment levels and associated workplace injuries. The decline in vehicle claims during 2005 was due to a decline in referrals of high-frequency, low-severity claims from our insurance company clients.

COMPENSATION AND FRINGE BENEFITS

Our most significant expense is the compensation of employees, including related payroll taxes and fringe benefits. U.S. compensation expense as a percent of revenues before reimbursements increased to 62.5% in 2005 as compared to 60.8%

in 2004. This increase primarily reflected an increase in capacity in our U.S. claims management operations due to the decline in claims volume. We have maintained our existing service capabilities in our U.S. field operations as we continue to focus on growing market share in our U.S. markets. Average full-time equivalent employees totaled 4,287 in 2005, up slightly from 4,263 in 2004.

U.S. salaries and wages increased 4.7%, to $251.7 million in 2005 from $240.5 million in 2004. This increase was primarily a result of merit salary increases granted during the year. Payroll taxes and fringe benefits for U.S. operations totaled $52.5 million in 2005, increasing 4.4% from 2004 costs of $50.3 million. The increase for 2005 was primarily due to higher costs in our self-insured workers' compensation and employee group medical benefit 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 before reimbursements to 35.1% in 2005 from 34.8% in 2004. This increase reflected higher outsourced administration fees associated with growth in class action services revenues during 2005.

REIMBURSED EXPENSES

Reimbursed out-of-pocket expenses included in total expenses for our U.S. operations were $52.9 million in 2005, increasing from $49.1 million in 2004. This increase was primarily attributable to our class action services unit which had higher out-of-pocket costs in 2005 related to the increase in class action services revenues.

YEARS ENDED DECEMBER 31, 2004 AND 2003

REVENUES BEFORE REIMBURSEMENTS

U.S. revenues before reimbursements, by market type, for 2004 and 2003 were as follows:

(in thousands)	2004	2003	Variance
Insurance companies	$233,531	$229,781	1.6%
Self-insured entities	158,190	167,526	(5.6%)
Class action services	86,416	74,540	15.9%
Total U.S. Revenues before Reimbursements	$478,137	$471,847	1.3%

Revenues before reimbursements from insurance companies increased 1.6% to $233.5 million in 2004 compared to $229.8 million in 2003, due to an $18.1 million increase in revenues generated by our catastrophe adjuster unit in response to the hurricanes that struck the southeastern United States during the 2004 third quarter. This increase was partially offset by a decline in referrals for high-frequency, low-severity claims from our insurance company clients during 2004. Revenues generated by our catastrophe adjusters totaled $42.5 million in 2004 compared to $24.4 million in 2003. Revenues from self-insured entities decreased 5.6%, to $158.2 million in 2004 from $167.5 million in 2003, due primarily to a reduction in claim referrals from our existing clients, only partially offset by net new business gains. See the following analysis of U.S. cases received. Class action services revenues, including administration and inspection services, increased 15.9%, from $74.5 million in 2003 to $86.4 million in 2004. This increase was due to work performed on several major projects awarded during 2004. Class action services revenues are project-based and can fluctuate significantly.

REIMBURSEMENTS INCLUDED IN TOTAL REVENUES

Reimbursements for out-of-pocket expenses included in total revenues for our U.S. operations increased slightly to $49.1 million in 2004 from $49.0 million

in 2003.

CASE VOLUME ANALYSIS

Excluding class action services revenues, U.S. unit volume, measured principally by cases received, decreased 5.5% from 2003 to 2004. This decrease was partially offset by a 4.3% revenue increase from changes in the mix of services provided and in the rates charged for those services, resulting in a net 1.2% decrease in U.S. revenues before reimbursements from 2003 to 2004. Growth in class action services revenues, which are project-based, increased U.S. revenues before reimbursements by 2.5% in 2004.

Excluding class action services, U.S. unit volume by major service line, as measured by cases received, for 2004 and 2003 was as follows:

(whole numbers)	2004	2003	Variance
Property	255,030	224,432	13.6%
Casualty	209,110	213,980	(2.3%)
Workers' Compensation	148,902	180,787	(17.6%)
Vehicle	144,306	184,266	(21.7%)
Other	20,808	20,107	3.5%
Total U.S. Cases Received	778,156	823,572	(5.5%)

The increase in property claims was due to the four hurricanes that struck Florida and other southeastern states during August and September of 2004. Conservative underwriting by insurance companies, including significant increases in policy deductibles, contributed to an industry-wide decline in property and casualty claims frequency, exclusive of hurricane-related claims. Our decline in workers' compensation

claims referrals was due to a reduction in claims from our existing clients, only partially offset by new business gains, and reflected a continued weakness in U.S. employment levels and associated workplace injury rates. The decline in vehicle claims was due to a decline in referrals of high-frequency, low-severity claims from our insurance company clients.

COMPENSATION AND FRINGE BENEFITS

Our most significant expense is the compensation of employees, including related payroll taxes and fringe benefits. U.S. compensation expense as a percent of revenues before reimbursements decreased to 60.8% in 2004 as compared to 61.5% in 2003, reflecting greater utilization of our operating capacity due to the increase in catastrophe claims in the second half of 2004. In response to the overall decline in U.S. claims volume, we reduced our U.S. full-time equivalent employees by 6.3% as compared to 2003. Average full-time equivalent employees totaled 4,263 in 2004, down from 4,548 in 2003.

U.S. salaries and wages increased 2.1%, to $240.5 million in 2004 from $235.6 million in 2003. This increase reflected higher compensation expense in our catastrophe unit due to the hurricanes that struck the southeastern United States during the 2004 third quarter. Payroll taxes and fringe benefits for U.S. operations totaled $50.3 million in 2004, decreasing 7.7% from 2003 expenses of $54.5 million. This decrease primarily reflected a reduction in pension expense of $5.4 million in 2004, net of an increase in self-insured workers' compensation costs.

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 before reimbursements to 34.8% in 2004 from 33.6% in 2003. This increase reflected higher outsourced administration fees associated with growth in class action services revenues during 2004.

REIMBURSED EXPENSES

Reimbursed expenses included in total expenses for our U.S. operations increased slightly to $49.1 million in 2004 from $49.0 million in 2003.

INTERNATIONAL OPERATIONS

YEARS ENDED DECEMBER 31, 2005 AND 2004

REVENUES BEFORE REIMBURSEMENTS

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

Revenues before reimbursements from our international operations totaled $285.4 million in 2005, an 11.7% increase from the $255.4 million reported in 2004. Excluding acquisitions, international unit volume, measured principally by cases received, increased 21.1% in 2005 compared to 2004. Our third quarter 2004 acquisition of the net assets of Cabinet Mayoussier, Cabinet Tricaud, and TMA in France increased international revenues by 0.8% in 2005. Revenues before reimbursements decreased 14.6% due to changes in the mix of services provided and in the rates charged for those services. Growth in high-frequency, low-severity claims referrals in the United Kingdom ("U.K.") and Continental Europe, Middle East, and Africa ("CEMEA") from new contracts entered into during 2004 and 2005 reduced the average revenue per claim during 2005. However,

this decline in average revenue per claim was offset by higher unit volume, resulting in an overall revenue increase in 2005. See the following analysis of international cases received. Revenues before reimbursements reflected a 4.4% increase during 2005 due to the positive effect of a weak U.S. dollar, primarily as compared to the British pound and the euro.

REIMBURSEMENTS INCLUDED IN TOTAL REVENUES

Reimbursements for out-of-pocket expenses included in total revenues for our international operations increased to $29.9 million in 2005 from $29.0 million in 2004. This increase was primarily due to the positive effect of a weak U.S. dollar, as compared to the British pound and the euro.

CASE VOLUME ANALYSIS

International unit volume by region for 2005 and 2004 was as follows:

(whole numbers)	2005	2004	Variance
United Kingdom	142,313	110,361	29.0%
Americas	125,192	113,701	10.1%
CEMEA	116,569	88,802	31.3%
Asia/Pacific	39,082	36,488	7.1%
TOTAL INTERNATIONAL CASES RECEIVED	423,156	349,352	21.1%

The increase in the U.K. during 2005 was due to claims received from new contracts entered into during 2004 and 2005. The increase in the Americas was primarily due to flood-related claims activity in Canada during the 2005 third and fourth quarters. The increase in CEMEA was primarily due to weather-related claims in Sweden received from two new clients and an increase in claims received from new contracts entered into during 2004 and 2005. The increase in Asia/Pacific was due to weather-related claims in various countries.

COMPENSATION AND FRINGE BENEFITS

As a percent of revenues before reimbursements, compensation expense, including related payroll taxes and fringe benefits, increased to 69.9% in 2005 from 68.7%

in 2004. This increase was due to higher incentive compensation expense related to the increase in international operating earnings, primarily in the U.K. There was an average of 3,238 full-time equivalent employees in 2005, up from 3,158 in 2004.

Salaries and wages of international personnel increased 12.7% to $167.2 million in 2005 compared to $148.3 million in 2004, increasing as a percent of revenues before reimbursements from 58.1% in 2004 to 58.6% in 2005. Payroll taxes and fringe benefits increased 18.4% to $32.2 million in 2005 compared to $27.2 million in 2004, increasing as a percent of revenues before reimbursements from 10.6% in 2004 to 11.3% in 2005. The increases in these costs were largely the result of a decline in the value of the U.S. dollar against other major currencies, primarily the British pound and euro, and staffing increases in the U.K. to handle claims received from new contracts entered into in late 2005.

EXPENSES OTHER THAN REIMBURSEMENTS, COMPENSATION AND FRINGE BENEFITS

Expenses other than reimbursements, compensation and related payroll taxes and fringe benefits decreased as a percent of revenues before reimbursements from 26.8% in 2004 to 25.4% in 2005. This decrease was primarily due to lower bad debt expense resulting

from improved collections and also due to greater utilization of our leased office space in response to the increase in incoming cases in the U.K. and CEMEA.

REIMBURSED EXPENSES

Reimbursed expenses for out-of-pocket costs included in total expenses for our international operations increased to $29.9 million in 2005 from $29.0 million in 2004. This increase was due to a decline in the value of the U.S. dollar against other major currencies.

YEARS ENDED DECEMBER 31, 2004 AND 2003

REVENUES BEFORE REIMBURSEMENTS

Revenues before reimbursements from our international operations totaled $255.4 million in 2004, a 16.6% increase from the $219.1 million reported in 2003. Excluding acquisitions, international unit volume, measured principally by cases received, increased 1.5% in 2004 compared to 2003. Our third quarter 2004 acquisition of the net assets of Cabinet Mayoussier, Cabinet Tricaud, and TMA in France increased international revenues before reimbursements by 0.7% in 2004. Revenues before reimbursements increased 4.3% due to changes in the mix of services provided and in the rates charged for those services. Revenues before reimbursements reflected a 10.1% increase during 2004 due to the positive effect of a weak U.S. dollar, primarily as compared to the British pound and the euro.

REIMBURSEMENTS INCLUDED IN TOTAL REVENUES

Reimbursements for out-of-pocket expenses included in total revenues for our international operations increased to $29.0 million in 2004 from $28.1 million in 2003. This increase was due to a greater use of outside experts associated with handling hurricane-related claims in the Caribbean during 2004.

CASE VOLUME ANALYSIS

Excluding the impact of acquisitions on 2004 cases received, international unit volume by region for 2004 and 2003 was as follows:

(whole numbers)	2004	2003	Variance
United Kingdom	110,361	96,429	14.4%
Americas	113,701	117,789	(3.5%)
CEMEA	84,831	86,504	(1.9%)
Asia/Pacific	36,488	39,475	(7.6%)

Total International Cases Received	345,381	340,197	1.5%

The increase in the U.K. was largely due to additional claims received from new contracts entered into in late 2003 and during 2004. The decrease in the Americas was due to the receipt of approximately 6,000 low-value property claims in Brazil during 2003. There was no such receipt of claims during 2004. This decline in the Americas was partially offset by an increase in weather-related claims in the Caribbean. The decrease in CEMEA was due to the loss of a client in South Africa which referred approximately 3,200 high-frequency, low-value claims to us during 2003. The decrease in Asia/Pacific was primarily due to a decline in weather-related claims in Australia during 2004.

COMPENSATION AND FRINGE BENEFITS

As a percent of revenues before reimbursements, compensation expense, including related payroll taxes and fringe benefits, decreased to 68.7% in 2004 from 69.5% in 2003 due primarily to greater utilization of operating capacity within the U.K. as a result of an increase in claims volume. Average full-time equivalent employees totaled 3,158 in 2004 (including approximately 41 full-time equivalent employees added by our acquisition in France), up from 3,115 in 2003.

Salaries and wages of international personnel increased 15.0% to $148.3 million in 2004 compared to $129.0 million in 2003, decreasing as a percent of revenues before reimbursements from 58.9% in 2003 to 58.1% in 2004. Payroll taxes and fringe benefits increased 17.2% to $27.2 million in 2004 compared to $23.2 million in 2003, remaining constant as a percent of revenues before reimbursements at 10.6% in 2004 and 2003. The increases in these costs were largely the result of a decline in the value of the U.S. dollar against other major currencies, primarily the British pound and euro, and staffing increases in the U.K. to handle claims received from new contracts entered into in late 2003 and during 2004.

EXPENSES OTHER THAN REIMBURSEMENTS, COMPENSATION AND FRINGE BENEFITS

Expenses other than reimbursements, compensation and related payroll taxes and fringe benefits decreased as a percent of revenues before reimbursements from 27.4% in 2003 to 26.8% in 2004 due primarily to an increase in profit sharing earned from a third-party Caribbean entity that we provided claims adjusters to on an outsourced basis.

REIMBURSED EXPENSES

Reimbursed expenses for out-of-pocket costs included in total expenses for our international operations increased to $29.0 million in 2004 from $28.1 million in 2003. This increase was due to the greater use of outside experts associated with handling hurricane-related claims in the Caribbean during 2004.

LIQUIDITY, CAPITAL RESOURCES, AND FINANCIAL CONDITION

At December 31, 2005, our working capital balance (current assets less current liabilities) was approximately $125.8 million, a decrease of $5.0 million from the working capital balance at December 31, 2004. Cash and cash equivalents at the end of 2005 totaled $49.4 million, increasing $5.9 million from $43.6 million at the end of 2004.

CASH PROVIDED BY OPERATING ACTIVITIES

Cash provided from operations increased by $4.1 million, from $35.8 million in 2004 to $39.8 million in 2005, despite lower net income in 2005 compared to 2004. Cash was generated in 2005 by the collections of accounts receivable related to the hurricanes that struck the southeastern U.S. and Caribbean region late in 2004 and by improved collections in our class action services unit. These collections were partially offset by higher income tax payments in 2005.

Income tax payments in 2005 were $10.6 million compared to net refunds received of $2.0 million in 2004. Cash provided by operations in 2005 included $2.1 million of reimbursements received from lessors for leasehold improvements we made to several of our offices under operating leases. During 2005, we made cash contributions of $6.7 million to our U.S. defined contribution retirement plan compared to $6.4 million in 2004. We plan to make contributions of $6.5 million in 2006 to this plan. Cash of $3.7 million was used to fund our defined benefit pension plans in 2005 compared to $4.1 million in 2004. During 2006, we expect to contribute $5.6 million to our defined benefit pension plans. Proposed legislation in the U.S. Congress and recent regulatory changes in the U.K. could significantly increase required future funding of our U.S. and U.K. defined benefit pension plans.

CASH USED IN INVESTING ACTIVITIES

Cash used in investing activities declined by $1.9 million, from $16.6 million in 2004 to $14.7 million in 2005. Net of the $2.1 million in leasehold improvements funded by lessors, cash used to acquire property and equipment, including capitalized software, increased $2.1 million from $18.2 million in 2004 to $20.3 million in 2005. We estimate our capital additions in 2006, including capitalized software, will approximate 2005 levels. Also in 2005, we received $7.6 million in full payment of a note receivable related to the 2004 sale of an undeveloped parcel of land.

CASH USED IN FINANCING ACTIVITIES

Cash used in financing activities declined by $3.4 million, from $22.2 million in 2004 to $18.8 million in 2005. Net debt reduction, primarily for short-term borrowings, was $8.0 million in 2005 compared to $11.3 million in 2004. During 2006, we are required to make a $5.6 million installment payment on our senior $50.0 million note payable. Cash dividends to shareholders in 2005 were not significantly different than 2004, approximating $11.7 million for each year. As a percentage of net income, cash dividends totaled 91.2% in 2005, compared to 58.7% (before special credit) in 2004.

The Board of Directors declares cash dividends to shareholders each quarter based on an assessment of current and projected earnings and cash flows. Our ability to pay future dividends could be impacted by many factors including the funding requirements for our defined benefit pension plans, repayments of outstanding borrowings, and future levels of cash generated by our operating activities.

Our senior debt and revolving credit agreement contain various provisions that limit the incurrence of certain liens, encumbrances, and disposition of assets in excess of defined amounts, none of which we expect to restrict future operations. Based on these provisions, a maximum amount of $16,881,000 of our retained earnings at December 31, 2005 is available for the payment of cash dividends to shareholders in 2006.

During 2005, we did not repurchase any shares of our Class A or Class B Common Stock. As of December 31, 2005, 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 the foreseeable

future due to the decline in the funded status of our defined benefit pension plans (see Note 2 of the consolidated financial statements).

OTHER MATTERS CONCERNING LIQUIDITY, CAPITAL RESOURCES, AND FINANCIAL CONDITION

We maintain a $70.0 million committed revolving credit line with a syndication of banks in order to meet seasonal working capital requirements and other financing needs that may arise. This committed revolving credit line was renewed on September 30, 2005, and the expiration date of the credit line was extended to September 2010. The renewal did not change the dollar amount of the credit line or interest rate terms. As a component of this credit line, we maintain a letter of credit facility to satisfy certain of our own contractual obligations. Including $13.3 million committed under the letter of credit facility, the balance of our unused line of credit totaled $27.8 million at December 31, 2005. Our short-term debt obligations typically peak during the first quarter and

generally decline during the balance of the year. Short-term borrowings outstanding, including bank overdraft facilities, as of December 31, 2005 totaled $28.9 million, decreasing from $36.7 million at the end of 2004. Long-term borrowings outstanding, including current installments, totaled $52.3 million as of December 31, 2005, compared to $53.4 million at December 31, 2004. We have historically used the proceeds from our long-term borrowings to finance business acquisitions, primarily in our international segment. Refer to the Debt Covenants discussion under the "Factors that May Affect Future Results" section of our MD&A for further discussion and analysis of our borrowing capabilities.

We believe our current financial resources, together with funds generated from operations and existing and potential borrowing capabilities, will be sufficient to maintain our current operations for the next 12 months.

We have not engaged 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 serves to hedge the currency exposure of our net investment in foreign operations.

Shareholders' investment at the end of 2005 was $179.0 million, compared with $194.8 million at the end of 2004. This decline was the result of dividends paid to shareholders and an increase in our minimum pension liabilities, partially offset by net income and net positive currency translations.

During 2005, we recorded an adjustment to Accumulated Other Comprehensive Loss, a component of Shareholders' Investment, to increase our minimum pension liabilities by $17.1 million, net of related tax benefit. During 2004, we recorded an adjustment to increase our minimum pension liabilities by $2.2 million, net of related tax benefit. These non-cash items resulted primarily from fluctuations in the fair market value of our pension investments as of the plans' respective measurement dates and an overall decline in applicable interest rates used to discount the plans' liabilities during 2005 and 2004.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

Management's Discussion and Analysis of Financial Condition and Results of Operations addresses our consolidated financial statements, which are prepared in accordance with accounting principles generally accepted in the U.S. The preparation of these

financial statements requires us 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, we evaluate these estimates and judgments based upon historical experience and various other factors that are believed to be reasonable under the circumstances. The results of these evaluations form the basis for making judgments 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, allowance for doubtful accounts, valuation of goodwill and other long-lived assets, defined benefit pension plans, determination of our effective tax rate, and self-insured risks require significant judgments 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, the amounts provided for are based on the best information available to us and we believe these estimates are reasonable.

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 incurred in administering a claim are passed on to our clients and included in our 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 evaluate 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, 2005, deferred revenues related to lifetime claim handling arrangements approximated $15.4 million. If the rate at which we close cases changes, the amount of revenues 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 $392,000, which is less than a $0.01 impact on net income per share, for the year ended December 31, 2005. If our average claim closing rates for lifetime claims increased by 1%, we would have recognized additional revenues of approximately $331,000, which is less than a $0.01 impact on net income per share, for the year ended December 31, 2005.

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 for estimated losses resulting from the inability of our clients to make required payments and adjustments clients may make to invoiced amounts. Losses resulting from the inability of clients to make required payments are accounted for as bad debt expense, while adjustments to invoices made by clients are accounted for as reductions to revenues. 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 evaluate 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, 2005, our allowance for doubtful accounts totaled $16.0 million or approximately 8.9% of gross billed receivables. If the financial condition of our clients deteriorated, resulting in an inability to make required payments to us, additional allowances may be required. If the allowance for doubtful accounts changed by 1% of gross billed receivables, reflecting either an increase or decrease in expected future write-offs, the impact to 2005 pretax income would have been approximately $1.8 million, or $0.02 on net income 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 Statement of Financial Accounting Standards ("SFAS") 142, "Goodwill and Other Intangible Assets" ("SFAS 142"), for goodwill, SFAS 109, "Accounting for Income Taxes" ("SFAS 109"), for deferred income tax assets, and SFAS 144, "Accounting for the Impairment or Disposal of Long-Lived Assets" ("SFAS 144"), for other long-lived assets. We believe goodwill and other long-lived assets were appropriately valued and not impaired at December 31, 2005.

We perform an annual impairment analysis of goodwill in accordance with SFAS 142 where we compare the book value of our operating segments to the estimated market value of those segments as determined by discounting future projected cash flows. Based upon our analysis completed in the 2005 fourth quarter, we did not have an impairment of goodwill in 2005. The estimated market values of our segments are based upon certain assumptions made by us. If the growth or weighted-average cost of capital assumptions used to calculate the market value of our operating segments changed, impairment could result. If the revenue growth rate assumption used to value our operating segments decreased to zero from 3.5%, or our weighted-average cost of capital assumption increased by 300 basis points from 10% to 13%, we would have a potential impairment in our international operating segment. We would then be required to perform a detailed analysis to measure the amount of impairment loss, if any. No potential impairment would exist in our U.S. segment for similar assumption changes.

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

DEFINED BENEFIT PENSION PLANS

We sponsor various defined benefit pension plans in the U.S., U.K., and Holland which cover a substantial number of employees in each location. We use a September 30 measurement date to determine pension expense under SFAS 87, "Employers' Accounting for Pensions" ("SFAS 87"), for our U.S. defined benefit pension plan and an October 31 measurement date for our international defined benefit pension plans. Our U.S. defined benefit retirement plan was frozen on December 31, 2002. Our U.K. defined benefit retirement plans have also been frozen for new employees, but existing participants may still accrue additional benefits. Benefits payable under our U.S. and Holland defined benefit retirement plans are generally based on career compensation, while the U.K. plans are generally based on an employee's final salary. Our 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 securities and fixed income investments, with a target allocation of approximately 40% to 80% in equity securities and 20% to 60% in fixed income investments.

We use the services of independent actuaries for our defined benefit pension plans. We review the actuarial assumptions on an annual basis and select the assumptions to be used by the actuaries. The major assumptions used in accounting for the plans in 2005 were a discount rate of 5.79% and an expected return on plan assets ranging from 7.40% to 8.50%. For the annual discount rate

assumption, we have adopted an appropriate single discount rate based on a portfolio of investment grade corporate bonds matched to the future payment of the benefit obligations. The expected long-term rates of return on plan assets are based on the plans' asset mix, actual historical returns on equity securities and fixed income investments held by the plans, and an assessment of expected future returns.

The estimated liabilities for our defined benefit pension plans are sensitive to changes in the underlying assumptions for the expected return on plan assets and the discount rate used to determine the present value of projected benefits payable under the plans. If our assumption for the expected return on plan assets of our U.S. and U.K. defined benefit pension plans changed by 0.50%, representing either an increase or decrease in expected returns, the impact to 2005 pretax income would have been approximately $2.1 million, or $0.03 on net income per share. If our assumption for the discount rate changed by 0.25%, representing either an increase or decrease in interest rates used to value pension plan liabilities, the impact to 2005 pretax income would have been approximately $1.6 million, or $0.02 on net income per share.

The estimates for our defined benefit pension plans are critical accounting estimates for both our U.S. and international segments.

DETERMINATION OF EFFECTIVE TAX RATE

We account 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 liabilities, unbilled and deferred revenues, self-insurance, and depreciation and amortization.

For financial reporting purposes, in accordance with the liability method of accounting for income taxes as specified in SFAS 109, the provision for income taxes is the sum of income taxes both currently payable and deferred. Currently payable income taxes represent the liability related to our income tax returns for the current year, while the net deferred tax expense or benefit represents the change in the balance of deferred tax assets or liabilities as reported on the Consolidated Balance Sheets. The changes in deferred tax assets and liabilities are determined based upon changes between the basis of assets and liabilities for financial reporting purposes and the basis of assets and liabilities for income tax purposes, measured by the enacted statutory tax rates for the year in which we estimate these differences will reverse.

We must estimate the timing of the reversal of temporary differences, as well as whether taxable income in future periods will be sufficient to fully recognize any gross deferred tax assets. Other factors which influence the effective tax rate include changes in enacted statutory tax rates, changes in the composition of taxable income from the countries in which we operate, and our ability to utilize net operating loss carryforwards in certain of our international subsidiaries.

Our effective tax rate was 35.4% of pretax income for 2005. If our effective tax rate changed by 1%, we would have recognized an increase or decrease to income tax expense of approximately $199,000, or less than a $0.01 impact on net income per share, for the year ended December 31, 2005.

The estimate for income taxes is a critical accounting estimate for both our U.S. and international segments.

SELF-INSURED RISKS

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, and those risks required to be insured by law or contract. Provisions for claims incurred under self-insured programs are made based on our estimates of the aggregate liabilities for claims incurred, losses that have occurred but have not been reported to us, and the adverse development of reserves on reported losses. These estimated liabilities are calculated based on historical claim payment experience, the expected life of the claims, and the reserves established on the claims. The liabilities for claims incurred under our self-insured workers' compensation and employee disability programs are discounted at the prevailing risk-free rate for government issues of an appropriate duration. All other self-insured liabilities are undiscounted. Each quarter we evaluate the adequacy of the assumptions used in developing these estimated liabilities and make adjustments as necessary. Changes in estimates are recognized in the period in which they are determined.

As of December 31, 2005, our estimated liability for self-insured risks totaled $26.8 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 our provisions for self-insured losses are adequate to cover the ultimate net cost of losses incurred. However, these provisions are estimates and amounts ultimately settled may be significantly greater or less than the provisions established. If the average discount rate we used to determine the present value of our self-insured workers' compensation and employee disability liabilities had changed by 1%, reflecting either an increase or decrease in underlying interest rates, our estimated liabilities for these self-insured risks would have been impacted by approximately $417,000, resulting in an increase or decrease to 2005 net income of approximately $269,000, or $0.01 per share.

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

NEW ACCOUNTING STANDARDS

Information related to new accounting standards adopted during 2005, 2004, and 2003 is provided in Note 1 to our consolidated financial statements contained in this Annual Report. Information related to our pending adoptions of new accounting standards is provided in the "Factors That May Affect Future Results" section of this MD&A.

MARKET RISK

DERIVATIVES

We did not enter into any transactions using derivative financial instruments or derivative commodity instruments during the years ended December 31, 2005, 2004, or 2003.

FOREIGN CURRENCY EXCHANGE

Our international operations expose us to foreign currency exchange rate changes that can 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 before reimbursements from international operations were 37.0%, 34.8%, and 31.7% of total revenues before reimbursements for 2005, 2004, and 2003, 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, 2005 were used to perform the sensitivity analysis. Such analysis indicated that a hypothetical 10% change in foreign currency exchange rates would have increased or decreased pretax income by approximately $1,097,000, or $0.01 on net income per share, during 2005 had the U.S. dollar exchange rate increased or decreased 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. As of December 31, 2005, we had $28.9 million in short-term borrowings outstanding, including bank overdraft facilities, with an average variable interest rate of 5.9%. If the average interest rate increased or decreased by 1%, the impact to 2005 pretax income would have been approximately $289,000, or less than a $0.01 impact on net income per share.

Changes in the projected benefit obligations of our defined benefit pension plans are largely dependent on changes in prevailing interest rates that we use to value these obligations under SFAS 87 as of the plans' respective measurement dates. If our assumption for the discount rate changed by 0.25%, representing either an increase or decrease in the rate, the projected benefit obligation of our U.S. and U.K. defined benefit pension plans would have changed by approximately $19.3 million. The impact of this change to 2005 pretax income would have been approximately $1.6 million, or $0.02 on net income per share.

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

On December 9, 2004, we received a subpoena from the State of New York, Office of the Attorney General, requesting various documents relating to our operations. We responded to that subpoena in early 2005 and the Office of the Attorney General requested no additional documents. We anticipate that we will have no further involvement in this matter. The actions taken by the Office of the Attorney General have had no material impact on our financial condition, results of operations, or cash flows.

We do not anticipate that this matter will have any effect on our financial condition, results of operations, or cash flows in the future.

We were recently audited under California Labor Code Sections 129 and 129.5 by the Audit Unit, Division of Workers' Compensation, Department of Industrial Relations, State of California ("Audit Unit"). The Audit Unit focused its audit on workers' compensation files which we handled on behalf of our clients in our El Segundo, California office in 2001 and 2002. We have agreed in principle to resolve the issues being reviewed by the Audit Unit and are currently documenting an agreement. Based on discussions with representatives of the Division of Workers' Compensation and the terms of the proposed agreement with the Division, we do not believe that the resolution of the matter will have a material effect on our financial condition, results of operations, or cash flows.

CONTINGENT PAYMENTS

We normally structure business 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 2005 levels of revenues and operating earnings, additional payments under existing earnout

agreements approximate $2.0 million through 2009, as follows: 2006 - $0; 2007 - $0; 2008 - $1.858 million; and 2009 - $142,000.

At December 31, 2005, we have committed $13.3 million under letters of credit to satisfy certain of our own contractual requirements. As noted in our discussion of Debt Covenants, these letter of credit commitments were outstanding under our $70.0 million revolving credit agreement.

CONTRACTUAL OBLIGATIONS

As of December 31, 2005, the impact that our contractual obligations (excluding payments for interest and short-term borrowings) are expected to have on our liquidity and cash flow in future periods is as follows:

	Payments Due by Period				
(in thousands)	Less than 1 Year	1-3 Years	3-5 Years	More than 5 Years	Total
Long-term debt, including current portions (Note 5)	$ 6,091	$22,651	$22,525	$ 114	$ 51,381
Operating lease obligations (Note 4)	29,908	42,963	26,558	28,538	127,967
Capital lease obligations (Note 5)	350	381	128	11	870
Outsourced services obligation	12,194	2,541	--	--	14,735
Total	$48,543	$68,536	$49,211	$28,663	$194,953

The obligation for outsourced services relates to certain information technology functions performed by a third-party provider under a contract with an initial term that will expire during the first quarter of 2007.

PENSION EXPENSE AND FUNDING

Net periodic benefit costs for our defined benefit pension plans totaled $7,795,000, $6,705,000 and $12,068,000 in 2005, 2004, and 2003, respectively. Effective December 31, 2002, we froze our U.S. defined benefit pension plan and replaced it with a defined contribution retirement plan. Future cash funding of our U.S. and international defined benefit pension plans will depend largely on future investment performance, interest rates, and regulatory requirements. The unrecognized net loss on our defined benefit pension plans totaled $133,211,000 and $108,774,000 at the end of 2005 and 2004, respectively. This increase was primarily due to a decline in long-term interest rates used to discount our defined benefit pension liabilities. For 2006, we expect to make contributions of approximately $5.6 million to our U.K. and Holland defined benefit pension plans. We are currently not required to make any contributions to the U.S. defined benefit pension plan in 2006. Pension costs for 2006 are expected to be $8.9 million for our defined benefit pension plans. Cash contributions to our U.S. defined contribution plan of approximately $6.5 million will be made in the 2006 first quarter.

PROPOSED LEGISLATION

We are aware of proposed U.S. legislation that may impact the Pension Benefit Guaranty Corporation ("PBGC") and the Employee Retirement Income Security Act of 1974 ("ERISA") as they relate to defined benefit pension plans in the U.S. Our frozen U.S. defined benefit pension plan is regulated by both the PBGC and ERISA. We understand that this proposed legislation, if enacted, could significantly alter future pension funding requirements and actuarial formulas used by sponsors of defined benefit pension plans that are regulated by the PBGC and ERISA. Our plan, including the related critical accounting policies and estimates, could be impacted by any such future legislation. This proposed legislation has not been finalized or enacted into law. Our defined benefit pension plans are significantly underfunded based on current long-term interest rates used to discount our pension liabilities, and any future required contributions to these plans could be substantial. The proposed U.S. legislation affecting pension plan funding could result in the need for additional cash

payments by us into our U.S. defined benefit pension plan.

DEBT COVENANTS

In October 2003, we entered into a committed $70.0 million revolving credit line pursuant to a revolving credit agreement (the "Revolving Credit Agreement") and issued $50.0 million in 6.08% senior notes pursuant to a notes purchase agreement (the "Notes Purchase Agreement"). As of December 31, 2005, there was $28.9 million outstanding on the revolving credit line, including bank overdrafts of $0.7 million, with an average variable interest rate of 5.9%. In addition, letters of credit of $13.3 million were also committed under this revolving credit line. The $50.0 million senior notes have scheduled principal repayments of approximately $5.6 million beginning October 2006 and continuing semi-annually through October 2010. The stock of Crawford & Company International, Inc. is pledged as security under these agreements and our U.S. subsidiaries have guaranteed our obligations under these agreements.

On September 30, 2005, we executed a First Amended and Restated Credit Agreement ("Amended Revolving Credit Agreement") to our existing $70.0 million Revolving Credit Agreement dated October 2003. The Amended Revolving Credit Agreement does not change the dollar amount of the credit line or interest rate terms. The expiration date is extended to September 29, 2010.

On September 30, 2005, we also executed a Waiver and Amendment (the "Amended Note Purchase Agreement") to our original Note Purchase Agreement of October 2003 involving our $50.0 million 6.08% senior notes payable. The Amended Note Purchase Agreement does not change the interest rate, payment schedule, or maturity date of the 6.08% senior notes.

Both the original Revolving Credit Agreement and the original Note Purchase Agreement contained various provisions which required us to maintain defined leverage ratios, fixed charge coverage ratios, and minimum net worth thresholds.

As a result of the amended agreements, the material provisions in the original agreements were modified at September 30, 2005 as follows:

1) We must maintain, on a rolling four quarter basis, a leverage ratio of consolidated debt to earnings before interest expense, income taxes, depreciation, amortization, certain non-recurring charges, and capitalization of internally developed software costs ("EBITDA") of no more than 2.75 times EBITDA. This ratio is reduced to 2.50 times EBITDA effective for the quarter ended September 30, 2006, and to 2.25 times EDITDA effective for the quarter ended September 30, 2007.

2) We must also maintain, on a rolling four quarter basis, a fixed charge coverage ratio of EBITDA plus lease expenses ("EBITDAR") to total fixed charges, consisting of interest expense and lease expense, of no less than 1.5 times fixed charges through the quarter ended September 30, 2007. Effective the quarter ended December 31, 2007, this ratio changes to no less than 1.75 times fixed charges.

3) We are also required to maintain a minimum net worth equal to $167,200,000 plus 50% of our cumulative positive consolidated net income earned after June 30, 2005, plus 100% of the net proceeds from any equity offering, subject to terms and conditions. For purposes of determining minimum net worth, any non-cash adjustments after June 30, 2005 related to our pension liabilities, goodwill, or foreign currency translation are excluded.

4) During 2006, we are authorized to pay dividends to holders of our common stock up to an amount not to exceed the sum of 2005 consolidated net income plus $4,000,000. All other original provisions regarding the payments of dividends during the terms of these original and amended agreements remain unchanged.

5) Prior to June 30, 2006, we are allowed to sell, or sell and lease back, the real estate that comprises our corporate headquarters in Atlanta, Georgia.

We were in compliance with these debt covenants as of December 31, 2005. If we

do not meet the covenant requirements in the future, we would be in default under these agreements. In such an event, we would need to obtain a waiver of the default or repay the outstanding indebtedness under the agreements. If we could not obtain a waiver on satisfactory terms, we could be required to renegotiate this indebtedness. Any such renegotiations could result in less favorable terms, including higher interest rates and accelerated payments. Based upon our projected operating results for 2006, we expect to remain in compliance with the financial covenants contained in the Amended Revolving Credit Agreement and the Amended Notes Purchase Agreement throughout 2006.

However, there can be no assurance that our actual financial results will match our planned results or that we will not violate the covenants.

OFF-BALANCE SHEET ARRANGEMENTS

At December 31, 2005, we have not entered into any off-balance sheet arrangements that could materially impact our operations, financial conditions, or cash flows.

PENDING ADOPTION OF NEW ACCOUNTING STANDARDS

In December 2004, the Financial Accounting Standards Board ("FASB") issued SFAS 123 (revised 2004), "Share-Based Payments" ("SFAS 123R"), which is a revision of SFAS 123, "Accounting for Stock Compensation." SFAS 123R supersedes SFAS 123 and Accounting Principles Board ("APB") Opinion 25 "Accounting for Stock Issued to Employees" ("APB 25") and amends SFAS 95, "Statement of Cash Flows." Additionally, the FASB issued three Staff Positions in 2005 related to SFAS 123R. In March 2005, the SEC issued Staff Accounting Bulletin 107, "Share-Based Payments", which expresses the SEC staff's views on various SFAS 123R implementation issues for public companies.

Generally, the approach in SFAS 123R is similar to the approach described in SFAS 123. However, SFAS 123R requires companies to measure and recognize compensation cost for all share-based payments based on the fair value of the shares, including employee stock options. Pro forma disclosure will not be permitted under SFAS 123R. When originally issued, SFAS 123R was to be effective for public companies for the first interim or annual period beginning after June 15, 2005. However, in April 2005 the SEC amended Regulation S-X to allow public companies that had not yet adopted SFAS 123R to delay adoption of the Statement until the beginning of the first annual period beginning after June 15, 2005. Accordingly, we expect to adopt SFAS 123R at the beginning of 2006.

SFAS 123R permits public companies to adopt its requirements using one of two methods: 1) a "modified prospective" method in which compensation cost is recognized beginning with the effective date (a) based on the requirements of SFAS 123R for all share-based payments granted after the effective date, and (b) based on the requirements of SFAS 123 for all awards granted to employees prior to the effective date of SFAS 123R that remain unvested on the effective date, or 2) a "modified retrospective" method which includes the requirements of the modified prospective method described above, but also permits companies to restate based on the amounts previously recognized under SFAS 123 for purposes of pro forma disclosures either (a) to all prior periods presented, or (b) to prior interim periods of the year of adoption. We plan to adopt SFAS 123R using the "modified prospective" method.

As permitted by SFAS 123, we currently account for share-based payments to our employees using APB 25's intrinsic value method. Under APB 25, we recognize compensation cost for stock grants, but we generally recognize no compensation cost for our employee stock option and employee stock purchase plans ("ESPP") due to the terms of those plans. Accordingly, the adoption of SFAS 123R's fair value method will have an impact on our results of operations, although it will have no net impact on our financial position. The future impact of adoption of SFAS 123R cannot be predicted at this time because it will depend on levels of share-based payments granted in the future. However, had we adopted SFAS 123R in prior periods, the impact of that Standard would have

approximated the impact of SFAS 123 as described in the disclosure of pro forma net income and earnings per share under "Stock-Based Compensation" in Note 1 to the consolidated financial statements. Based on ESPP activity and stock options issued through December 31, 2005, adoption of SFAS 123R at the beginning of 2006, and use of the "modified prospective" method, we expect the adoption of SFAS 123R to reduce net income by approximately $1,037,000 in 2006, or $0.02 per share.

SFAS 123R also requires the benefits of tax deductions in excess of recognized compensation cost to be reported as a financing cash flow rather than as an operating cash flow as required under current generally accepted accounting principles. Any additional impact on our future net income or cash flows cannot be predicted at this time because it will depend on levels of share-based payments granted in the future and on employee exercises of stock options.

In May 2005, the FASB issued SFAS 154, "Accounting Changes and Error Corrections" ("SFAS 154"). SFAS 154 provides guidance on the accounting for and reporting of accounting changes and error corrections. SFAS 154 requires retrospective application for reporting a change in accounting principle in the absence of explicit transition requirements specific to the newly adopted accounting principle. SFAS 154 also states that a correction of an error in previously issued financial statements is not an accounting change. However, the reporting of an error correction under SFAS 154 will involve adjustments to previously issued financial statements similar to those generally applicable to reporting an accounting change retrospectively. SFAS 154 is effective for accounting changes and corrections of errors made in fiscal years beginning after December 15, 2005. We do not expect the adoption of SFAS 154 to have a material impact on our consolidated financial statements. SFAS 123R, which we plan to adopt at the beginning of 2006, contains explicit transitional guidance. Accordingly, the requirements of SFAS 154 will not apply to our pending adoption of SFAS 123R.

CRAWFORD & COMPANY

MANAGEMENT'S STATEMENT ON RESPONSIBILITY FOR FINANCIAL REPORTING

The management of Crawford & Company is responsible for the integrity and objectivity of the financial information in this annual report. The consolidated 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, but not absolute, 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, were selected by the Audit Committee of the Board of Directors and approved by shareholder vote. 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 accounting, disclosure and financial reporting controls.

/s/ Thomas W. Crawford	/s/ John F. Giblin	/s/ W. Bruce Swain
Thomas W. Crawford President 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
March 9, 2006

MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

The management of Crawford & Company is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rules 13a-15(f) and 15d-15(f) under the Securities Exchange Act of 1934. The Company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. The Company's internal control over financial reporting includes those policies and procedures that:

(i) pertain to maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and disposition of the Company's assets;

(ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of the Company's management and directors; and

(iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Management assessed the effectiveness of the Company's internal control over financial reporting as of December 31, 2005. In making this assessment, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in Internal Control-Integrated Framework.

Based on this assessment, management determined that the Company maintained effective internal control over financial reporting as of December 31, 2005.

Management's assessment of the effectiveness of the Company's internal control over financial reporting as of December 31, 2005 has been audited by Ernst & Young LLP, an independent registered public accounting firm, as stated in their report dated March 9, 2006, which is included herein.

/s/ Thomas W. Crawford	/s/ John F. Giblin	/s/ W. Bruce Swain
Thomas W. Crawford President 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
March 9, 2006

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM
ON MANAGEMENT'S ASSESSMENT OF INTERNAL CONTROL OVER FINANCIAL REPORTING

TO THE SHAREHOLDERS AND BOARD OF DIRECTORS OF CRAWFORD & COMPANY:

We have audited management's assessment, included in the accompanying Management's Report on Internal Control Over Financial Reporting, that Crawford & Company maintained effective internal control over financial reporting as of December 31, 2005, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (the COSO criteria). Crawford & Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting. Our responsibility is to express an opinion on management's assessment and an opinion on the effectiveness of the Company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, evaluating management's assessment, testing and evaluating the design and operating effectiveness of internal control, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, management's assessment that Crawford & Company maintained effective internal control over financial reporting as of December 31, 2005, is fairly stated, in all material

respects, based on the COSO criteria. Also, in our opinion, Crawford & Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2005, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of Crawford & Company as of December 31, 2005 and 2004, and the related consolidated statements of income, shareholders' investment, and cash flows for each of the three years in the period ended December 31, 2005, and our report dated March 9, 2006 expressed an unqualified opinion thereon.

/s/ Ernst & Young LLP

Atlanta, Georgia
March 9, 2006

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM ON FINANCIAL STATEMENTS

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

We have audited the accompanying consolidated balance sheets of Crawford & Company as of December 31, 2005 and 2004, and the related consolidated statements of income, shareholders' investment, and cash flows for each of the three years in the period ended December 31, 2005. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (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 consolidated financial position of Crawford & Company at December 31, 2005 and 2004, and the consolidated results of its operations and its cash flows for each of the three years in the period ended December 31, 2005, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the effectiveness of Crawford & Company's internal control over financial reporting as of December 31, 2005, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated March 9, 2006 expressed an unqualified opinion thereon.

/s/ Ernst & Young LLP

Atlanta, Georgia
March 9, 2006

CRAWFORD & COMPANY

CONSOLIDATED STATEMENTS OF INCOME

FOR THE YEARS ENDED DECEMBER 31,	2005	2004	2003
(IN THOUSANDS, EXCEPT PER SHARE DATA)			
REVENUES:			
Revenues before reimbursements	$771,983	$733,567	$690,933
Reimbursements	82,784	78,095	77,077
TOTAL REVENUES	854,767	811,662	768,010
COSTS AND EXPENSES:			
Costs of services provided, before reimbursements	607,951	565,863	530,362
Reimbursements	82,784	78,095	77,077
COSTS OF SERVICES	690,735	643,958	607,439
Selling, general, and administrative expenses	138,947	135,318	130,531
Special (credit) and charge (Note 8)	--	(8,573)	8,000
Corporate interest expense, net of interest income of $714, $2,363, and $444, respectively	5,145	3,536	5,414
TOTAL COSTS AND EXPENSES	834,827	774,239	751,384
INCOME BEFORE INCOME TAXES	19,940	37,423	16,626
PROVISION FOR INCOME TAXES	7,059	12,251	8,964

NET INCOME	$ 12,881	$ 25,172	$ 7,662
NET INCOME PER SHARE:			
Basic	$ 0.26	$ 0.52	$ 0.16
Diluted	$ 0.26	$ 0.51	$ 0.16
WEIGHTED-AVERAGE SHARES OUTSTANDING:			
Basic	48,930	48,773	48,668
Diluted	49,347	48,996	48,776
CASH DIVIDENDS PER SHARE:			
Class A Common Stock	$ 0.24	$ 0.24	$ 0.24
Class B Common Stock	$ 0.24	$ 0.24	$ 0.24

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

CRAWFORD & COMPANY

CONSOLIDATED BALANCE SHEETS

AS OF DECEMBER 31, (IN THOUSANDS)	2005	2004
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 49,441	$ 43,571
Accounts receivable, less allowance for doubtful accounts of $15,986 in 2005 and $21,859 in 2004	163,087	176,187
Unbilled revenues, at estimated billable amounts	109,319	103,586
Prepaid expenses and other current assets	14,964	21,363
TOTAL CURRENT ASSETS	336,811	344,707
PROPERTY AND EQUIPMENT:		
Property and equipment, at cost	150,008	154,553
Less accumulated depreciation	(113,071)	(120,054)
NET PROPERTY AND EQUIPMENT	36,937	34,499
OTHER ASSETS:		
Intangible assets arising from acquisitions, net	110,035	109,410
Capitalized software costs, net	33,068	32,894
Deferred income tax assets	38,217	32,172
Other	16,596	17,578
TOTAL OTHER ASSETS	197,916	192,054
	$ 571,664	$ 571,260

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

CRAWFORD & COMPANY

CONSOLIDATED BALANCE SHEETS

AS OF DECEMBER 31, (IN THOUSANDS)	2005	2004
LIABILITIES AND SHAREHOLDERS' INVESTMENT		
CURRENT LIABILITIES:		
Short-term borrowings	$ 28,888	$ 36,731
Accounts payable	42,434	41,730
Accrued compensation and related costs	52,377	45,961
Self-insured risks	17,664	17,827
Accrued income taxes	17,880	22,760
Other accrued liabilities	25,670	24,062
Deferred revenues	19,608	22,682
Current installments of long-term debt and capital leases	6,441	2,056
TOTAL CURRENT LIABILITIES	210,962	213,809
NONCURRENT LIABILITIES:		
Long-term debt and capital leases, less current installments	45,810	51,389
Deferred revenues	10,409	10,179
Self-insured risks	9,122	10,958
Minimum pension liabilities	101,406	73,893
Post-retirement medical benefit obligation	4,569	5,544
Other	10,355	10,655
TOTAL NONCURRENT LIABILITIES	181,671	162,618
SHAREHOLDERS' INVESTMENT:		
Class A common stock, $1.00 par value, 50,000 shares authorized; 24,293 and 24,157 shares issued and outstanding in 2005 and 2004	24,293	24,157
Class B common stock, $1.00 par value, 50,000 shares authorized; 24,697 shares issued and outstanding in 2005 and 2004	24,697	24,697
Additional paid-in capital	6,311	5,606
Unearned stock-based compensation	(37)	--
Retained earnings	202,351	201,213
Accumulated other comprehensive loss	(78,584)	(60,840)
TOTAL SHAREHOLDERS' INVESTMENT	179,031	194,833
	$571,664	$571,260

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

CRAWFORD & COMPANY

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' INVESTMENT

(in thousands)	COMMON STOCK CLASS A NON-VOTING	COMMON STOCK CLASS B VOTING	UNEARNED STOCK-BASED COMPENSATION	ADDITIONAL PAID-IN CAPITAL	RETAINED EARNINGS	ACCUMULATED OTHER COMPREHENSIVE LOSS	TOTAL SHAREHOLDERS' INVESTMENT
Balance at December 31, 2002 - (See Note 1)	$ 23,925	$ 24,697	$ -	$ 4,688	$ 191,767	$ (85,646)	$ 159,431
Comprehensive income:							
Net income	-	-	-	-	7,662	-	7,662
Currency translation adjustment	-	-	-	-	-	10,806	10,806
Minimum pension liability adjustment (net of $3.4 million income tax expense)	-	-	-	-	-	5,958	5,958
Total comprehensive income							24,426
Dividends paid	-	-	-	-	(11,682)	-	(11,682)
Shares issued in connection with employee benefit plans	102	-	-	317	-	-	419
Balance at December 31, 2003	24,027	24,697	-	5,005	187,747	(68,882)	172,594
Comprehensive income:							
Net income	-	-	-	-	25,172	-	25,172
Currency translation adjustment	-	-	-	-	-	10,260	10,260
Minimum pension liability adjustment (net of $1.3 million income tax benefit)	-	-	-	-	-	(2,218)	(2,218)

Total comprehensive income							33,214
Dividends paid	-	-	-	-	(11,706)	-	(11,706)
Shares issued in connection with employee benefit plans	130	-	-	601	-	-	731
Balance at December 31, 2004	24,157	24,697	-	5,606	201,213	(60,840)	194,833
Comprehensive loss:							
Net income	-	-	-	-	12,881	-	12,881
Currency translation adjustment	-	-	-	-	-	(656)	(656)
Minimum pension liability adjustment (net of $7.7 million income tax benefit)	-	-	-	-	-	(17,088)	(17,088)
Total comprehensive loss							(4,863)
Dividends paid	-	-	-	-	(11,743)	-	(11,743)
Restricted shares issued	5	-	(37)	32	-	-	-
Tax benefit from exercises of stock options	-	-	-	90	-	-	90
Stock-based compensation	-	-	-	92	-	-	92
Shares issued in connection with employee benefit plans	131	-	-	491	-	-	622
Balance at December 31, 2005	$ 24,293	$ 24,697	$ (37)	$ 6,311	$ 202,351	$ (78,584)	$ 179,031

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

CRAWFORD & COMPANY

CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31,	2005	2004	2003
(IN THOUSANDS)			
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net income	$ 12,881	$ 25,172	$ 7,662
Reconciliation of net income to net cash provided by operating activities:			
Depreciation and amortization	19,183	18,177	16,642
Deferred income taxes	3,926	3,758	1,603
Stock-based compensation	92	--	--
Loss (gain) on sales of land, property, and equipment	271	(7,786)	54
Changes in operating assets and liabilities, net of effects of acquisitions:			
Accounts receivable, net	12,422	(30,726)	18
Unbilled revenues	(6,085)	3,191	1,042
Prepaid or accrued income taxes	(7,230)	11,246	(4,640)
Accounts payable and accrued liabilities	6,509	9,444	11,689
Deferred revenues	(3,105)	2,947	345
Prepaid and accrued pension costs	2,725	1,647	5,600
Prepaid expenses and other	(1,766)	(1,319)	(2,814)
Net cash provided by operating activities	39,823	35,751	37,201
CASH FLOWS FROM INVESTING ACTIVITIES:			
Acquisitions of property and equipment	(15,328)	(10,666)	(11,136)
Acquisitions of businesses, net of cash acquired	(121)	(617)	(277)
Capitalization of software costs	(7,040)	(7,574)	(12,681)
Proceeds from 2004 sale of undeveloped land	7,562	2,028	--
Proceeds from sales of property and equipment	330	250	373
Other investing activity	(112)	--	--
Net cash used in investing activities	(14,709)	(16,579)	(23,721)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Dividends paid	(11,743)	(11,706)	(11,682)
Proceeds from exercise of stock options	622	731	419
Increase in short-term borrowings	1,799	84	39,790
Payments on short-term borrowings	(8,426)	(10,031)	(33,094)
Proceeds from long-term debt	--	--	50,272
Payments on long-term debt and capital leases	(1,389)	(1,347)	(50,973)
Capitalized loan costs	313	31	891
Net cash used in financing activities	(18,824)	(22,238)	(4,377)
Effects of exchange rate changes on cash and cash equivalents	(420)	832	1,768

INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	5,870	(2,234)	10,871
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	43,571	45,805	34,934
CASH AND CASH EQUIVALENTS AT END OF YEAR	$ 49,441	$ 43,571	$ 45,805

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

CRAWFORD & COMPANY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. MAJOR ACCOUNTING AND REPORTING POLICIES

NATURE OF OPERATIONS AND INDUSTRY CONCENTRATION

Based in Atlanta, Georgia, Crawford & 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 63 countries. Major service lines include property and casualty claims management, integrated claims and medical management for workers' compensation, legal settlement administration including class action and warranty inspections, and risk management information services. The Company's shares are traded on the New York Stock Exchange under the symbols CRDA and CRDB. 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 are prepared in accordance with accounting principles generally accepted in the U.S. and 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 other than Canada 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.

Under Financial Accounting Standards Board ("FASB") Interpretation No. 46-Revised ("FIN 46R"), the Company consolidates the liabilities of its deferred compensation plan and the related assets, which are held in a rabbi trust and considered a variable interest entity of the Company under FIN 46R. At December 31, 2005, the liabilities under this deferred compensation plan were $8,064,000, and the fair value of the assets held in the related rabbi trust were $13,436,000. This variable interest entity is included in the Company's consolidated financial statements.

PRIOR YEAR RECLASSIFICATIONS AND CORRECTIONS

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

As previously disclosed in the Company's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2005, the Company recorded a reclassification during the third quarter of 2005. This reclassification is described below.

During 2002, the Company recorded in Accumulated Other Comprehensive Loss a tax benefit of $4,165,000 related to exercises of stock options. During the third quarter 2005, the Company reclassified this $4,165,000 tax benefit from Accumulated Other Comprehensive Loss to Additional Paid-In Capital within Shareholders' Investment as required by Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued

to Employees" ("APB 25"). This reclassification, which is a correction of a prior error, had no net impact on the Company's net income, financial position, shareholders' investment, or cash flows. This reclassification has been reflected in the accompanying Consolidated Balance Sheets and Consolidated Statements of Shareholders' Investment as of December 31, 2002.

Related to this reclassification, the following revisions have been made to the Company's Consolidated Statements of Shareholders' Investment and Consolidated Balance Sheets:

	Additional Paid-In Capital		Accumulated Other Comprehensive Loss	
(in thousands)	As originally reported	Corrected	As originally reported	Corrected
Balance at:				
December 31, 2002	$ 523	$4,688	$(81,481)	$(85,646)
December 31, 2003	840	5,005	(64,717)	(68,882)
December 31, 2004	1,441	5,606	(56,675)	(60,840)

Total Accumulated Other Comprehensive Loss as reported in Note 1, Major Accounting and Reporting Policies, to the Company's consolidated financial statements originally issued for the years ended December 31, 2004 and 2003 has been revised as follows to reflect this reclassification:

(in thousands)	2004	2003
Minimum pension liabilities	$(107,281)	$(103,741)
Tax benefit on minimum pension liabilities	39,083	37,761
Minimum pension liabilities, net of tax benefit	(68,198)	(65,980)
Cumulative translation adjustment	7,358	(2,902)
Total accumulated other comprehensive loss	$ (60,840)	$ (68,882)

The Company receives reimbursements from clients for pass-through expenses related to the cost of media advertising and postage incurred during advertising and noticing campaigns related to class action settlements administered by the Company. As previously disclosed in the Company's amended Annual Report on Form 10-K/A for the year ended December 31, 2003, the Company revised its Consolidated Statement of Income for the year ended December 31, 2003 in order to correctly reflect total reimbursements. The Company originally recorded certain of these reimbursements as a reduction of cost of services rather than reimbursement revenues. The impact of these revisions increased reimbursement revenues and expenses by $35,129,000 for the year ending December 31, 2003. These revisions had no effect on the Company's consolidated revenues before reimbursements, net income, financial position, or cash flows as originally reported.

The following table reconciles the Company's total revenues as originally reported in 2003 to total revenues after reflecting the effects of the revisions:

(in thousands)	2003

Total revenues, as originally reported	$732,881
Effect of revision	35,129
Total revenues, revised	$768,010

The following table reconciles the Company's costs of services as originally reported in 2003 to costs of services after reflecting the effects of the revisions:

(in thousands)	2003
Costs of services, as originally reported	$572,310
Effect of revision	35,129
Costs of services, revised	$607,439

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 current liabilities, including cash and cash equivalents, accounts receivable, 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.

ACCOUNTS RECEIVABLE AND ALLOWANCE FOR DOUBTFUL ACCOUNTS

The Company extends credit based on an evaluation of a client's financial condition and, generally, collateral is not required. Accounts receivable are typically due within 30 days and are stated at amounts due from clients net of an estimated allowance for doubtful accounts. Accounts outstanding longer than the contractual payment terms are considered past due.

The Company maintains an allowance for doubtful accounts for estimated losses resulting primarily from the inability of clients to make required payments and for adjustments clients may make to invoiced amounts. Losses resulting from the inability of clients to make required payments are accounted for as bad debt expense, while adjustments to invoices made by clients are accounted for as reductions to revenue. 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 writes off accounts receivable when they become

uncollectible, and any payments subsequently received are accounted for as recoveries. The Company's allowance for doubtful accounts on billed accounts receivables was $15,986,000, $21,859,000, $20,832,000, and $19,633,000 at December 31, 2005, 2004, 2003, and 2002, respectively.

For the years ended December 31, 2005, 2004, and 2003, the Company's adjustments to revenues associated with client adjustments totaled $8.3 million, $7.5 million and $8.8 million, respectively. Provisions for bad debt expense for the years ended December 31, 2005, 2004, and 2003 totaled $1.4 million, $3.9 million, and $3.1 million, respectively. Bad debt write-offs totaled $7.1 million, $3.1 million, and $2.1 million for the years ended December 31, 2005, 2004, and 2003, respectively.

GOODWILL AND OTHER LONG-LIVED ASSETS

Goodwill represents the excess of the purchase price over the fair value of the separately identifiable net assets acquired. The Company performs a goodwill impairment test as of October 1 each year and 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") 142, "Goodwill and Other Intangible Assets ("SFAS 142"), for goodwill, SFAS 109, "Accounting for Income Taxes" ("SFAS 109"), for deferred income tax assets, and SFAS 144, "Accounting for the Impairment or Disposal of Long-Lived Assets" ("SFAS 144"), for other long-lived assets.

PROPERTY AND EQUIPMENT

Property and equipment, including capital leases, consisted of the following at December 31, 2005 and 2004:

(in thousands)	2005	2004
Land	$ 1,407	$ 1,394
Buildings and improvements	25,260	22,832
Furniture and fixtures	56,899	62,226
Data processing equipment	61,072	62,521
Automobiles	5,370	5,580
Total property and equipment	150,008	154,553
Less accumulated depreciation	(113,071)	(120,054)
Net property and equipment	$ 36,937	$ 34,499

Additions to property and equipment under capital leases totaled $253,000, $441,000, and $276,000 for 2005, 2004, and 2003, respectively.

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 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, including property under capital leases and amortization of leasehold improvements, was $12,385,000, $12,233,000, and $11,711,000 for 2005, 2004, and 2003, respectively.

CAPITALIZED SOFTWARE

Capitalized software reflects costs related to internally developed or purchased software used internally by the Company that has future economic benefits. Only internal and external costs incurred during the application stage of development are capitalized in accordance with AICPA Statement of Position ("SOP") 98-1, "Accounting for Computer Software Developed or Obtained for Internal Use." Costs incurred during the preliminary project and post implementation stages, including training and maintenance costs, are expensed as incurred. The majority of these capitalized software costs consists of internal payroll costs and external payments for software purchases and related services. These capitalized computer software costs are amortized over periods ranging from three to ten years, depending on the estimated life of each software application. At least annually, the Company evaluates capitalized software for impairment in accordance with SFAS 144. Amortization expense for capitalized software was $6,798,000, $5,944,000 and $4,931,000 for 2005, 2004, and 2003, respectively.

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, and those risks required to be insured by law or contract. Provisions for claims under the self-insured programs are made based on the Company's estimates of the aggregate liabilities for claims incurred, losses that have occurred but have not been reported to the Company, and for the adverse development of reserves on reported losses. The estimated liabilities are calculated based on historical claims payment experience, the expected lives of the claims, and the reserves established on the claims. The liabilities for claims incurred under the Company's self-insured workers' compensation and employee disability programs are discounted at the prevailing risk-free rate for government issues of an appropriate duration. All other self-insured liabilities are undiscounted. At December 31, 2005 and 2004, accrued self-insured risks totaled $26,786,000 and $28,785,000, respectively, including current liabilities of $17,664,000 and $17,827,000, respectively.

DEFINED BENEFIT PENSION PLANS

The Company uses SFAS 87, "Employers' Accounting for Pensions" ("SFAS 87"), and related guidance to account for its defined benefit pension plans. The principal objective of SFAS 87 is to measure compensation cost associated with defined benefit pension plans and to recognize that cost over the employees' service periods. The benefits earned and costs recognized over the employees' service periods are computed by an independent actuary using the pension plan's benefit formula. For balance sheet

purposes, SFAS 87 uses a minimum liability approach. The minimum liability is the excess of the accumulated benefit obligation (ABO), which is actuarially determined, over the fair value of plan assets. The ABO and plan assets are not included in the Company's Consolidated Balance Sheets. The minimum liability recorded on the Company's Consolidated Balance Sheets is first recognized by recording an offsetting intangible asset up to the amount of unrecognized prior service cost. Any additional minimum liability recorded is considered a loss and is reported, net of income taxes, in Other Comprehensive Income (Loss). External trusts are maintained to hold assets of the plans. 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.

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. Certain out-of-pocket costs incurred in administering claims are passed on by the Company to its clients and included in total revenues as "Reimbursements." Deferred revenues represent the estimated unearned portion of fees derived from

certain fixed-rate claim service agreements. The Company's fixed-fee service arrangements typically call for the Company to handle claims on either a one- or two-year basis, or for the lifetime of the claim. In cases where the claim is handled on a non-lifetime basis, an additional fee is typically received on each anniversary date that the claim remains open. For service arrangements where services are provided for the life of the claim, the Company only receives one fee for the life of the claim, regardless of the ultimate duration of the claim. Deferred revenues are recognized based on the estimated rate at which the services are provided. These rates are primarily based on an historical evaluation of actual claim closing rates by major line of coverage.

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 liabilities, unbilled and deferred revenues, self-insurance, and depreciation and amortization.

For financial reporting purposes, in accordance with the liability method of accounting for income taxes as specified in SFAS 109, the provision for income taxes is the sum of income taxes both currently payable and deferred. Currently payable income taxes represent the liability related to the income tax returns for the current year, while the net deferred tax expense or benefit represents the change in the balance of deferred tax assets or liabilities as reported on the Consolidated Balance Sheets. The changes in deferred tax assets and liabilities are determined based upon changes between the basis of assets and liabilities for financial reporting purposes and the basis of assets and liabilities for income tax purposes, measured by the enacted statutory tax rates for the year in which the Company estimates these differences will reverse.

The Company must estimate the timing of the reversal of temporary differences, as well as whether taxable income in future periods will be sufficient to fully recognize any gross deferred tax assets. Other factors which influence the effective tax rate include changes in enacted statutory tax rates, changes in the composition of taxable income from the

countries in which the Company operates, and the ability of the Company to utilize net operating loss carryforwards in certain of its international subsidiaries.

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. Nonvested restricted shares issued and outstanding are not included in the weighted-average number of total common shares outstanding used to compute basic net income per share under SFAS 128, "Earnings Per Share." 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, shares issuable under employee stock purchase plans, nonvested restricted shares issued and contingently issuable shares under the executive stock bonus program, if any, using the "treasury stock" method.

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

(in thousands, except per share data)	2005	2004	2003
Net income available to common shareholders	$12,881	$25,172	$ 7,662
Weighted-average common shares outstanding - basic	48,930	48,773	48,668
Dilutive effect of stock-based compensation	417	223	108
Weighted-average common shares outstanding - diluted	49,347	48,996	48,776
Basic net income per share	$ 0.26	$ 0.52	$ 0.16

Diluted net income per share	$ 0.26	$ 0.51	$ 0.16

Additional options to purchase 2,906,215 shares of the Company's Class A Common Stock at $6.89 to $19.50 per share were outstanding at December 31, 2005, 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

Realized net gains from foreign currency transactions totaled $369,000 and $405,000 for the years ended December 31, 2005 and 2004, respectively.

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 translation adjustments are included in Comprehensive Income (Loss) in the Consolidated Statements of Shareholders' Investment, and the accumulated 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 translations, and minimum pension liability adjustments. The Company reports comprehensive income (loss) in the Consolidated Statements of Shareholders' Investment. Ending accumulated balances for each item in Accumulated Other Comprehensive Loss included in the Company's Consolidated Balance Sheet and Consolidated Statements of Shareholders' Investment were as follows:

(in thousands)	2005	2004	2003
Minimum pension liabilities	$(132,021)	$(107,281)	$(103,741)
Net tax benefit on minimum pension liabilities	46,735	39,083	37,761
Minimum pension liabilities, net of tax benefit	(85,286)	(68,198)	(65,980)
Cumulative translation adjustment	6,702	7,358	(2,902)
Total accumulated other comprehensive loss	$ (78,584)	$ (60,840)	$ (68,882)

STOCK-BASED COMPENSATION

As permitted by SFAS 123, "Accounting for Stock-Based Compensation" ("SFAS 123"), the Company accounts for stock-based compensation utilizing the intrinsic value method in accordance with the provisions of Accounting Principles Board Opinion 25, "Accounting for Stock Issued to Employees" ("APB 25"), and related interpretations. Accordingly, no compensation expense has been recognized for the stock option plans because the exercise prices of the stock options equal the market prices of the underlying stock on the dates of grant. The Company's employee stock purchase plans are also considered non-compensatory under APB 25. The Company obtains income tax benefits related to certain exercises of non-qualified stock options by the recipients of the options. The Company is usually entitled to a deduction for income tax purposes of the amount that a recipient reports as ordinary income, and the deduction is allowed to the Company in the year in which the amount is included in the gross income of the recipient. Since the Company does not record any compensation expense for its stock option plans under APB 25, no related income tax expense is recognized by the Company for financial reporting purposes. However, since these income tax deductions do reduce the Company's ultimate tax liability, they are added to Additional Paid-In Capital when deducted by the Company for income tax purposes.

The Company's executive stock bonus plan is considered compensatory under APB 25. Variable accounting and the accelerated expense attribution method are used to recognize compensation cost. For the year ended December 31, 2005 the Company recognized pre-tax compensation cost of approximately $92,000 for this plan.

The Company provides the annual disclosure required under SFAS 148, "Accounting for Stock-Based Compensation - Transition and Disclosure - an Amendment of SFAS 123" ("SFAS 148"). 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 123, 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)	2005	2004	2003
Net income as reported	$12,881	$25,172	$ 7,662
Add: Stock-based employee compensation included in reported net income, net of tax	60	--	--
Less: Stock-based compensation expense using the fair value method, net of tax	(1,480)	(946)	(1,384)
Pro forma net income	$11,461	$24,226	$ 6,278
Net income per share - basic:			
As reported	$ 0.26	$ 0.52	$ 0.16
Pro forma	$ 0.23	$ 0.50	$ 0.13
Net income per share - diluted:			
As reported	$ 0.26	$ 0.51	$ 0.16
Pro forma	$ 0.23	$ 0.49	$ 0.13

ADOPTION OF NEW ACCOUNTING STANDARDS

In December 2003, the FASB issued SFAS 132 (Revised), "Employers' Disclosures about Pensions and Other Post-Retirement Benefits" ("SFAS 132R"). This Statement amends SFAS 132 to provide additional disclosure requirements about pension plans and other post-retirement benefit plans. The Company adopted the annual disclosure provisions of SFAS 132R for the year ended December 31, 2003. The adoption of SFAS 132R did not have a material impact on the Company's consolidated results of operations, financial position, or cash flows.

In December 2003, the Securities and Exchange Commission ("SEC") issued Staff Accounting Bulletin No. 104, "Revenue Recognition" ("SAB 104"). SAB 104 updates interpretive guidance in the codification of other related SEC Staff Accounting Bulletins (mainly SAB 101) to provide accounting guidance on revenue recognition for SEC registrants. The adoption of SAB 104 did not have a material impact on the Company's consolidated results of operations, financial position, or cash flows.

FASB Interpretation 46, "Consolidation of Variable Interest Entities" ("FIN 46"), requires the primary beneficiary of a variable interest entity ("VIE") to include the assets, liabilities, and results of the activities of the VIE in its consolidated financial statements, as well as disclosure of information about the assets and liabilities, and the nature, purpose, and activities of consolidated VIEs. In December 2003, the FASB issued FIN 46 Revised ("FIN 46R") which modified and clarified certain provisions of FIN 46 as originally issued. Additionally, the FASB issued five Staff Positions related to FIN 46R. The Company's adoption of FIN 46 and FIN 46R did not have a material impact on the Company's consolidated results of operations, financial position, or cash flows.

On May 19, 2004, the FASB issued Staff Position 106-2, "Accounting and Disclosure Requirements Related to the Medicare Prescription Drug, Improvement and Modernization Act of 2003." This legislation was passed in December 2003, and provides for a federal subsidy to employers who offer retiree prescription

drug benefits that are at least actuarially equivalent to those offered under the government-sponsored Medicare Part D. The Company adopted the provisions of FASB Staff Position 106-2 during the third quarter of 2004, which reduced the accumulated post-retirement benefit obligation

by approximately $2.0 million, resulting in an unrecognized net gain to the Company's post-retirement medical plan. This unrecognized net gain is being amortized over the remaining life expectancy of the plan participants and for the years ended December 31, 2005 and 2004, such amortization reduced the Company's post-retirement liability and expense by $698,000 and $96,000, respectively.

In June 2005, the Emerging Issues Task Force ("EITF") of the FASB issued EITF 05-6, "Determining the Amortization Period for Leasehold Improvements." EITF 05-6 requires leasehold improvements purchased subsequent to the inception of a lease or acquired in a business combination to be amortized over the lesser of the useful life of the asset or the lease term that includes reasonably assured lease renewals as determined on the date of the acquisition of the leasehold improvement. EITF 05-6 was effective for leasehold improvements acquired in periods beginning after July 1, 2005. The adoption of EITF 05-6 did not have a material impact on the Company's results of operations, financial position, or cash flows.

PENDING ADOPTION OF NEW ACCOUNTING STANDARDS

On December 16, 2004, the FASB issued SFAS 123 (revised 2004), "Share-Based Payments" ("SFAS 123R"), which is a revision of SFAS 123. SFAS 123R supersedes APB 25 and amends SFAS 95, "Statement of Cash Flows." Additionally, the FASB issued three Staff Positions in 2005 related to SFAS 123R. In March 2005, the SEC issued Staff Accounting Bulletin 107, "Share-Based Payments," which expresses the SEC staff's views on various SFAS 123R implementation issues for public companies.

Generally, the approach in SFAS 123R is similar to the approach described in SFAS 123. However, SFAS 123R requires companies to measure and recognize compensation cost for all share-based payments based on the fair value of the shares, including employee stock options. Pro forma disclosure will not be permitted under SFAS 123R. When originally issued, SFAS 123R was to be effective for public companies for the first interim or annual period beginning after June 15, 2005. However, in April 2005 the SEC amended Regulation S-X to allow public companies that had not yet adopted SFAS 123R to delay adoption of the statement until the beginning of the first annual period beginning after June 15, 2005. The Company is adopting SFAS 123R at the beginning of 2006.

SFAS 123R permits public companies to adopt its requirements using one of two methods: 1) a "modified prospective" method in which compensation cost is recognized beginning with the effective date (a) based on the requirements of SFAS 123R for all share-based payments granted after the effective date and (b) based on the requirements of SFAS 123 for all awards granted to employees prior to the effective date of SFAS 123R that remain unvested on the effective date, or 2) a "modified retrospective" method which includes the requirements of the modified prospective method described above, but also permits companies to restate based on the amounts previously recognized under SFAS 123 for purposes of pro forma disclosures either (a) to all prior periods presented or (b) to prior interim periods of the year of adoption. The Company plans to adopt SFAS 123R using the modified prospective method.

As permitted by SFAS 123, the Company currently accounts for share-based payments to employees using APB 25's intrinsic value method. Under APB 25 and related guidance, the Company recognizes compensation cost for stock grants, but generally recognizes no compensation cost for employee stock options and employee stock purchase plans

("ESPPs") due to the terms of those plans. Accordingly, the adoption of SFAS 123R's fair value method will have an impact on the Company's results of

operations, although it will have no net impact on the Company's financial position. The impact of adoption of SFAS 123R cannot be predicted at this time because it will depend on levels of share-based payments granted in the future. However, had the Company adopted SFAS 123R in prior periods, the impact of that Standard would have approximated the impact of SFAS 123 as described in the disclosure of pro forma net income and earnings per share under "Stock-Based Compensation" in Note 1 to the consolidated financial statements. Based on ESPP activity and stock options issued through December 31, 2005, and the adoption of SFAS 123R at the beginning of 2006 by use of the modified prospective method, the Company expects the adoption of SFAS 123R to reduce net income by approximately $1,037,000 in 2006, or $0.02 per share.

SFAS 123R also requires the benefits of tax deductions in excess of recognized compensation cost to be reported as a financing cash flow rather than as an operating cash flow as required under current generally accepted accounting principles. Any additional impact on the Company's future net income or cash flows cannot be predicted at this time because it will depend on levels of share-based payments granted in the future and on employee exercises of stock options.

In May 2005, the FASB issued SFAS 154, "Accounting Changes and Error Corrections" ("SFAS 154"). SFAS 154 provides guidance on the accounting for and reporting of accounting changes and error corrections. SFAS 154 requires retrospective application for reporting a change in accounting principle in the absence of explicit transition requirements specific to the newly adopted accounting principle. SFAS 154 also states that a correction of an error in previously issued financial statements is not an accounting change. However, the reporting of an error correction under SFAS 154 will involve adjustments to previously issued financial statements similar to those generally applicable to reporting an accounting change retrospectively. SFAS 154 is effective for accounting changes and corrections of errors made in fiscal years beginning after December 15, 2005. The Company does not expect the adoption of SFAS 154 to have a material impact on its consolidated financial statements. SFAS 123R, which the Company plans to adopt January 1, 2006, contains explicit transitional guidance. Accordingly, the requirements of SFAS 154 will not apply to the Company's pending adoption of SFAS 123R.

2. RETIREMENT PLANS

The Company and its subsidiaries sponsor various defined contribution and defined benefit retirement plans covering substantially all employees. Effective December 31, 2002, the Company elected to freeze its U.S. defined benefit plan and replace it with a defined contribution plan. The Company's United Kingdom ("U.K.") defined benefit retirement plans have also been frozen for new employees, but existing participants may still accrue additional benefits. 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 years of service. The cost of defined contribution plans totaled $14,661,000, $14,153,000, and $13,683,000 in 2005, 2004, and 2003, respectively.

Benefits payable under the Company's U.S. and Holland defined benefit pension plans are generally based on career compensation, while its U.K. plans are generally based on an employee's final salary. The U.S. plan has a September 30 measurement date and the

international plans (U.K. and Holland) have an October 31 measurement date. 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. The Company is not required to make any contributions to its frozen U.S. defined benefit pension plan during 2006. Cash contributions to the Company's international defined benefit plans are expected to total approximately $5,562,000 during 2006.

The following schedule reconciles the funded status of the U.S. and international defined benefit plans with amounts reported in the Company's Consolidated Balance Sheets at December 31, 2005 and 2004:

(in thousands)	2005	2004
CHANGE IN BENEFIT OBLIGATIONS:		
Benefit obligations at beginning of year	$ 510,774	$479,205
Service cost	2,430	1,719
Interest cost	31,193	29,940
Employee contributions	672	743
Actuarial loss	45,755	11,995
Benefits paid	(23,047)	(22,285)
Foreign currency effects	(4,113)	9,457
Benefit obligations at end of year	563,664	510,774
CHANGE IN PLANS' ASSETS:		
Fair value of plans' assets at beginning of year	433,437	409,544
Actual return on plans' assets	47,017	32,629
Employer contributions	3,688	4,093
Employee contributions	672	743
Benefits paid	(23,047)	(22,285)
Foreign currency effects	(3,598)	8,713
Fair value of plans' assets at end of year	458,169	433,437
Funded status of plans	(105,495)	(77,337)
Unrecognized net loss	133,211	108,774
Unrecognized prior service cost	84	174
Net amount recognized	$ 27,800	$ 31,611
Amounts recognized in the Consolidated Balance Sheets consist of:		
Minimum pension liability - U.S. pension plan	$ (89,179)	$(62,991)
Minimum pension liability - International pension plans	(12,227)	(10,902)
Pension obligations included in other accrued liabilities	(4,089)	(3,444)
Intangible assets included in other assets	1,274	1,667
Accumulated other comprehensive loss	132,021	107,281
Net amount recognized	$ 27,800	$ 31,611

Net periodic benefit cost related to the U.S. and international defined benefit pension plans in 2005, 2004, and 2003 included the following components:

(in thousands)	2005	2004	2003
Service cost	$ 2,430	$ 1,719	$ 1,983
Interest cost	31,193	29,940	29,791
Expected return on assets	(33,438)	(31,980)	(31,494)
Net amortization	346	--	1,607
Recognized net actuarial loss	7,264	7,026	10,181
Net periodic benefit cost	$ 7,795	$ 6,705	$ 12,068

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 as follows:

(in thousands)	2005	2004
Projected benefit obligations	$563,778	$510,888
Accumulated benefit obligations	563,664	510,774
Fair value of plans' assets	458,169	433,437

The Company reviews the actuarial assumptions of its defined benefit pension plans on an annual basis as of each plan's respective measurement date. Major assumptions used in accounting for the plans were:

	2005	2004
Discount rate	5.79%	6.30%
Expected returns on plans' assets	7.40% - 8.50%	6.60% - 8.50%

The expected long-term rates of return on plan assets were based on the plans' asset mix, historical returns on equity securities and fixed income investments, and an assessment of expected future returns. Plan assets are invested in equity securities and fixed income investments, with a target allocation of approximately 40% to 80% in equity securities and 20% to 60% in fixed income investments. The plans' asset allocations at the respective measurement dates, by asset category for the Company's U.S. and international defined benefit pension plans, were as follows:

	2005	2004
Equity securities	72.4%	67.6%
Fixed income investments	26.9%	28.7%
Cash	0.7%	3.7%
Total asset allocation	100.0%	100.0%

Plan assets at December 31, 2005 and 2004 included shares of the Company's common stock with a fair value of $4,851,000 and $4,150,000, respectively.

The following benefit payments are expected to be paid from the Company's U.S. and international defined benefit pension plans:

YEAR	EXPECTED BENEFIT PAYMENTS (in thousands)
2006	$ 23,505
2007	24,481
2008	25,530
2009	26,868
2010	28,271
2011 - 2015	169,001

Certain U.S. retirees and a fixed number of U.S. long-term employees are entitled to receive post-retirement medical benefits under the Company's various medical benefit plans. The post-retirement medical benefit obligation was $4,569,000 and $5,544,000 at December 31, 2005 and 2004, respectively. The Company accounts for this obligation by using SFAS 106 "Employers' Accounting for Postretirement Benefits Other than Pensions" and FASB Staff Position 106-2. See "Adoption of New Accounting

Standards" in Note 1.

3. INCOME TAXES

Income before provision for income taxes consisted of the following:

(in thousands)	2005	2004	2003
U.S.	$ 8,310	$27,779	$12,153
Foreign	11,630	9,644	4,473
Income before taxes	$19,940	$37,423	$16,626

The provision (benefit) for income taxes consisted of the following:

(in thousands)	2005	2004	2003
Current:			
U.S. federal and state	$(1,350)	$ 5,775	$ 4,545
Foreign	4,483	2,718	2,816
Deferred:			
U.S. federal and state	3,147	3,149	2,602
Foreign	779	609	(999)
Provision for income taxes	$ 7,059	$12,251	$ 8,964

Net cash payments (refunds) for income taxes were $10,561,000 in 2005, $(1,989,000) in 2004, and $12,867,000 in 2003.

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

(in thousands)	2005	2004	2003
Federal income taxes at statutory rate	$ 6,979	$13,098	$ 5,819
State income taxes, net of federal benefit	324	791	216
Effect of nondeductible government settlement	--	--	2,912
Foreign taxes	807	(572)	912
Research credit settlement	--	(1,745)	--
Net operating loss utilization	(455)	--	(1,073)
Credits and other	(596)	679	178
Provision for income taxes	$ 7,059	$12,251	$ 8,964

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, 2005, such undistributed earnings totaled $72,971,000. 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. The Company reviewed recent clarifications from the Treasury Department concerning the provision in the American Jobs Creation Act of 2004 ("the Act") related to a special one-time tax deduction for the repatriation of certain foreign dividends to a U.S. tax

payer. After review of the Act and the related clarifications, the Company decided not to utilize the special repatriation provision of the

Act and concluded that no material changes were warranted to its current policy on undistributed earnings of its foreign subsidiaries.

Deferred income taxes consisted of the following at December 31, 2005 and 2004:

(in thousands)	2005	2004
Accrued compensation	$ 6,484	$ 6,003
Minimum pension liabilities	46,735	39,083
Self-insured risks	10,469	11,296
Deferred revenues	5,728	5,770
Post-retirement benefits	1,672	2,074
Net operating loss carryforwards	8,401	9,358
Other	1,851	723
Gross deferred tax assets	81,340	74,307
Accounts receivable allowance	6,965	4,533
Prepaid pension cost	8,605	10,116
Unbilled revenues	20,789	17,277
Depreciation and amortization	13,067	11,064
Installment sale	--	2,528
Other	598	513
Gross deferred tax liabilities	50,024	46,031
Net deferred tax assets before valuation allowance	31,316	28,276
Less: valuation allowance	(7,635)	(8,091)
Net deferred tax asset	$ 23,681	$ 20,185
Amounts recognized in the Consolidated Balance Sheets consist of :		
Current deferred tax assets included in accrued income taxes	$ 13,816	$ 13,048
Current deferred tax liabilities included in accrued income taxes	(28,352)	(25,035)
Long-term deferred tax assets included in deferred income tax assets	51,284	43,235
Long-term deferred tax liabilities included in deferred income tax assets	(13,067)	(11,063)
Net deferred tax assets	$ 23,681	$ 20,185

At December 31, 2005, the Company has a deferred tax asset related to net operating loss carryforwards of $8.4 million. Approximately $5.6 million of the deferred tax asset will not expire, and $2.8 million will expire over the next 20 years if not utilized by the Company. 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. At December 31, 2005, the Company has a $7.6 million valuation allowance related to certain net operating loss carryforwards generated in its international operations. The remaining net operating loss deferred tax asset of $766,000 is not subject to a valuation allowance, and is expected to be fully utilized by the Company before its expiration in 2010.

4. COMMITMENTS UNDER OPERATING LEASES

The Company and its subsidiaries lease certain office space, computer equipment, and automobiles under operating leases. For office leases that contain scheduled rent increases or rent concessions, the Company recognizes monthly rent expense based on a calculated average monthly rent amount that considers the rent increases and rent concessions over the life of the lease term. Leasehold improvements of a capital nature that are made to leased office space under operating leases are amortized over the shorter of the term of the lease or the estimated useful life of the improvement. License and maintenance costs related to the leased vehicles are paid by the Company. Rental expenses, net of amortization of any incentives provided by lessors, for operating leases consisted of the following:

(in thousands)	2005	2004	2003
Office space	$28,775	$30,071	$30,483
Automobiles	7,764	7,884	9,040
Computers and equipment	305	284	274
Total operating leases	$36,844	$38,239	$39,797

At December 31, 2005, future minimum payments under non-cancelable operating leases with terms of more than 12 months are as follows: 2006 - $29,908,000; 2007 - $23,625,000; 2008 - $19,338,000; 2009 - $14,530,000; 2010 - $12,028,000; and thereafter - $28,538,000.

5. SHORT-TERM BORROWINGS AND LONG-TERM DEBT

The Company maintains a $70.0 million committed revolving credit line with a syndication of banks in order to meet working capital requirements and other financing needs that may arise. This committed revolving credit line was renewed on September 30, 2005 and the expiration date of the credit line was extended to September 2010. The renewal did not change the dollar amount of the credit line or interest rate terms. As a component of this credit line, the Company maintains a letter of credit facility to satisfy certain of its own contractual obligations. Including $13,259,000 committed under the letter of credit facility, the unused balance of the line of credit totaled $27,853,000 at December 31, 2005. Short-term borrowings, including bank overdraft facilities, totaled $28,888,000 and $36,731,000 at December 31, 2005 and 2004, respectively. The weighted-average interest rate on world-wide short-term borrowings was 5.9% during 2005 and 5.2% during 2004.

Long-term debt consisted of the following at December 31, 2005 and 2004:

(in thousands)	2005	2004
Senior debt, semi-annual principal repayments of $5,556 due each April and October, beginning October 2006 through October 2010, and interest payable semi-annually at 6.08%	$50,000	$50,000
Term loans payable to banks:		
Principal and interest at 4.55%, payable monthly through March 2006	271	1,390
Principal and interest at 4.75%, payable monthly through April 2006	129	263
Principal and interest at 3.97%, payable monthly through December 2010	506	670
Principal and interest at 7.5%, payable monthly through April 2009	475	--
Capital lease obligations	870	1,122
Total long-term debt and capital leases	52,251	53,445
Less: current installments	(6,441)	(2,056)
Total long-term debt and capital leases, less current installments	$45,810	$51,389

The Company's capital leases are primarily comprised of leased automobiles with terms ranging from 24 to 60 months.

The senior debt and revolving credit agreement contain various provisions that, among other things, require the Company to maintain defined leverage ratios, fixed charge coverage ratios, and minimum net worth thresholds. These provisions also 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. Based on these provisions, a maximum of $16,881,000 of the Company's retained earnings at December 31, 2005 is available for the payment of cash dividends to shareholders in 2006. The Company was in compliance with its debt covenants as of December 31, 2005.

Scheduled principal repayments of long-term debt, including capital leases, as of December 31, 2005 are as follows:

	Payments Due by Period				
(in thousands)	Less than 1 Year	1-3 Years	3-5 Years	More than 5 Years	Total
Long-term debt, including current portions	$6,091	$22,651	$22,525	$114	$51,381
Capital lease obligations	350	381	128	11	870
Total	$6,441	$23,032	$22,653	$125	$52,251

Under the Company's long-term debt and short-term borrowing agreements, the stock of Crawford & Company International, Inc. is pledged as security, and the Company's U.S. subsidiaries have guaranteed certain borrowings of the Company's foreign subsidiaries.

Interest expense on the Company's short-term and long-term borrowings was $5,859,000, $5,899,000, and $5,858,000 for 2005, 2004, and 2003, respectively. Interest paid on the Company's short-term and long-term borrowings was $5,901,000, $5,892,000, and $5,513,000 for 2005, 2004, and 2003, respectively.

6. SEGMENT AND GEOGRAPHIC INFORMATION

The Company has two reportable segments: one which provides various claims administration services through offices located in the United States ("U.S. Operations") and the other which provides similar services through offices or representatives located in 62 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, a non-GAAP financial measure defined as earnings before special credits and charges, net corporate interest expense, and income taxes.

Financial information as of and for the years ended December 31, 2005, 2004, and 2003 covering the Company's reportable segments is presented below:

(in thousands)	U.S. Operations	International Operations	Consolidated Totals
2005			
REVENUES BEFORE REIMBURSEMENTS	$486,570	$285,413	$771,983
OPERATING EARNINGS	11,757	13,328	25,085
DEPRECIATION AND AMORTIZATION	11,992	7,191	19,183
CAPITAL EXPENDITURES	15,715	6,653	22,368

ASSETS	319,444	252,220	571,664
2004			
Revenues before reimbursements	$478,137	$255,430	$733,567
Operating earnings	20,800	11,586	32,386
Depreciation and amortization	11,687	6,490	18,177
Capital expenditures	11,390	6,850	18,240
Assets	314,384	256,876	571,260
2003			
Revenues before reimbursements	$471,847	$219,086	$690,933
Operating earnings	23,289	6,751	30,040
Depreciation and amortization	10,762	5,880	16,642

The total of both reportable segments' revenues reconciled to total consolidated revenues for the years ended December 31, 2005, 2004, and 2003 is presented below:

(in thousands)	2005	2004	2003
Segments' revenues before reimbursements	$771,983	$733,567	$690,933
Reimbursements	82,784	78,095	77,077
Total consolidated revenues	$854,767	$811,662	$768,010

The total of both reportable segments' operating earnings reconciled to consolidated income before income taxes for the years ended December 31, 2005, 2004, and 2003 is presented below:

(in thousands)	2005	2004	2003
Operating earnings of both segments	$25,085	$32,386	$30,040
Net corporate interest expense	(5,145)	(3,536)	(5,414)
Special credit (charge)	--	8,573	(8,000)
Income before income taxes	$19,940	$37,423	$16,626

The Company's most significant international operations are in the U.K. and Canada, as presented below:

(in thousands)	U.K.	Canada	Other	Total
2005				
REVENUES BEFORE REIMBURSEMENTS	$101,529	$68,489	$115,395	$285,413
LONG-LIVED ASSETS	57,919	28,427	18,049	104,395
2004				
Revenues before reimbursements	$ 82,392	$64,339	$108,699	$255,430
Long-lived assets	53,477	27,209	23,919	104,605
2003				
Revenues before reimbursements	$ 65,412	$60,143	$ 93,531	$219,086

Revenues before reimbursements by market type for the years ended December 31, 2005, 2004, and 2003 are presented below:

(in thousands)	2005	2004	2003
Insurance companies	$222,515	$233,531	$229,781
Self-insured entities	152,523	158,190	167,526
Class action services	111,532	86,416	74,540
Total U.S. revenues	486,570	478,137	471,847
Total international revenues	285,413	255,430	219,086
Total revenues before reimbursements	771,983	733,567	690,933
Reimbursements	82,784	78,095	77,077
Total revenues	$854,767	$811,662	$768,010

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

7. ACQUISITIONS

The Company's acquisitions for the years presented were not material individually, or in the aggregate, to the Company's consolidated financial statements. Accordingly, pro forma results of operations are not presented.

The Company uses the purchase method of accounting for all acquisitions where the Company is required to consolidate the acquired entity into the Company's financial statements. The Company considers the purchase price allocations of all acquisitions to be preliminary for the 12 months following the acquisition date, and the allocations 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 2004, the Company acquired the net assets of France-based loss adjusting firms Cabinet Mayoussier, Cabinet Tricaud, and TMA ("Mayoussier") for an initial purchase price of $1.4 million, including deferred consideration of $828,000. This acquisition was made to strengthen the Company's position in the French loss adjusting market. The market strength of Mayoussier, the established locations, and the assembled workforce supported a premium above the fair value of separately identifiable net assets. This premium was recorded as goodwill. Additional contingent payments may be earned based on the Company's operating performance in France through October 2009.

During 2003, the Company recorded the acquisition of Robco Claims Management PTY LTD, a Papau, New Guinea claims adjusting company, for a purchase price of $116,000 in cash, excluding cash acquired. The Company also recorded additional payments of

$316,000 to the former owners of Certiser, SA, under the terms of a purchase agreement originally executed in 1999.

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 $10,194,000 in cash, excluding cash acquired. This acquisition was made in order to expand the Company's presence in the Australian market. The market strength of Robertson, the established locations, and the assembled workforce supported a premium above the fair value of separately identifiable net assets. This premium was recorded as goodwill. The purchase price of Robertson was reduced by $542,000 in 2003 due to a refund received from the Australian government for Goods & Services Taxes associated with the acquisition. The purchase price of Robertson may be further increased based on future earnings through October 31, 2008.

During 2001, the Company recorded the acquisition of SVS Experts B.V. ("SVS"), a

Dutch independent adjuster. In 2004, 2003 and 2002, additional payments of $41,000, $91,000 and $96,000, respectively, were paid to the former owners of SVS pursuant to the purchase agreement. There are no additional contingent payments due under the SVS agreement.

During 2000, the Company recorded the acquisition of Greentree Investigations, Inc. ("Greentree"), a provider of surveillance services, for an aggregate initial purchase price of $900,000 in cash, excluding cash acquired. Additional payments of $121,000, $203,000, $296,000, $230,000, $239,000 and $42,000 in 2005, 2004, 2003, 2002, 2001, and 2000, respectively, were paid to the former owner of Greentree, pursuant to the purchase agreement. There are no additional contingent payments due under the Greentree agreement.

The goodwill recognized, fair values of assets acquired, liabilities assumed, and net cash paid for the acquisitions detailed above were as follows:

(in thousands)	2005	2004	2003
Goodwill recognized:			
U.S. operations	$ 121	$ 492	$ 296
International operations	--	1,704	36
Total goodwill recognized	121	2,196	332
Fair values of assets acquired	--	1,164	87
Other liabilities assumed	--	(2,743)	(142)
Cash paid, net of cash acquired	$ 121	$ 617	$ 277

The changes in the carrying amount of goodwill for the years ended December 31, 2005 and 2004 were as follows:

(in thousands)	U.S. Segment	International Segment	Total
Balance at December 31, 2003	$27,759	$76,764	$104,523
Acquired goodwill	492	1,704	2,196
Foreign currency effects	--	2,691	2,691
Balance at December 31, 2004	28,251	81,159	109,410
ACQUIRED GOODWILL	121	--	121
FOREIGN CURRENCY EFFECTS	--	504	504
BALANCE AT DECEMBER 31, 2005	$28,372	$81,663	$110,035

8. SPECIAL CREDIT AND CHARGE

During September 2004, the Company completed the sale of an undeveloped parcel of real estate to a limited liability company wholly owned and controlled by a person who, at the time of the sale, was a member of the Company's Board of Directors. The purchase price was $9.7 million. This purchase price represented a premium over an independent appraised value of the property. The Company received cash, net of transaction expenses, of $2.0 million and a $7.6 million first lien mortgage note receivable, at an effective interest rate of approximately 4% per annum, due in its entirety in 270 days. A pretax gain of $8.6 million was recognized in 2004 on the sale. This special credit, net of related income tax expense, increased net income per share by $0.11 during 2004. The note receivable was paid in its entirety in June 2005.

During November 2003, the Company made a nondeductible payment of $8,000,000 under an agreement reached with the U.S. Department of Justice to resolve an

investigation of the Company's billing practices. This payment reduced net income per share by $0.16 in 2003.

9. 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 $206,554,000 and $217,910,000 at December 31, 2005 and 2004, 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 vary for each acquisition, and the ultimate payments when made will vary, as they are dependent on future events. Based on 2005 levels of revenues and operating earnings, additional payments under existing earnout agreements approximate $2,000,000 through 2009, as follows: 2006 - $0; 2007 - $0; 2008 - $1,858,000; and 2009 - $142,000.

As part of the $70.0 million revolving credit agreement, the Company maintains a letter of credit facility to satisfy certain of its own contractual requirements. At December 31, 2005, the aggregate amount committed under the facility was $13,259,000.

In the normal course of the claims management services business, the Company is named as a defendant in suits by insureds or claimants contesting decisions by the Company or

its clients with respect to the settlement of claims. Additionally, clients of the Company have brought actions for indemnification on the basis of alleged negligence on the part of the Company, its agents or its employees in rendering service to clients. The majority of these claims are of the type covered by insurance maintained by the Company, however the Company is self-insured for the deductibles under its various insurance coverages. Based on information available to the Company, adequate liabilities have been recorded for such self-insured risks.

10. 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. As described below, certain Class A Common Stock shares are issued with restrictions under executive compensation plans.

SHARE REPURCHASES

In April 1999, the Company's Board of Directors authorized a discretionary 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, 2005, the Company has reacquired 2,150,876 shares of its Class A Common Stock and 143,261 shares of its Class B Common Stock at an average cost of $10.99 and $12.21 per share, respectively. No shares were repurchased in 2005, 2004, or 2003.

EMPLOYEE STOCK PURCHASE PLANS

Under the 1996 Employee Stock Purchase Plan, the Company is authorized to issue up to 1,500,000 shares of the Company's Class A Common Stock to eligible employees in the U.S., Canada, Puerto Rico, and the Virgin Islands. Under the terms of the plan, employees can choose each year to have up to $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 2005, 2004, and 2003, the Company issued 91,218, 94,454, and 101,520 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 the Company's 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, 2005, there were 6,193 shares issued under this scheme.

EXECUTIVE STOCK BONUS PLAN

Under the Company's Executive Stock Bonus Plan, the Company is authorized to issue up to 4,000,000 shares of the Company's Class A Common Stock. This plan, accounted for under APB 25, became effective and was approved by the Company's shareholders in 2005. The plan has two components: the Performance Share Plan and the Restricted Share Plan.

Under the Performance Share Plan, key employees of the Company are eligible to earn shares of the Company's Class A Common Stock upon the achievement of certain individual and corporate objectives. Shares grants are determined at the discretion of the

Company's Board of Directors each year and vest ratably over five years. Shares are not issued until the vesting requirements have lapsed. Dividends are not paid or accrued on unvested shares. For 2005, approximately 130,000 shares were eligible to be earned by key employees based on the achievement of corporate and personal goals. At December 31, 2005, an estimated 44,000 shares are contingently issuable with a fair value of $5.80 per share, subject to final determination of achievement rates for corporate and personal goals.

Under the Restricted Share Plan, the Company's Board of Directors may elect to issue restricted shares of the Company's Class A Common Stock in lieu of, or in addition to, cash bonus payments to certain key employees of the Company. Employees receiving these shares have restrictions on the ability to sell the shares. Such restrictions lapse ratably over vesting periods ranging from two to five years. Under this component of the plan, vested and unvested shares issued are eligible to receive dividends. At December 31, 2005, 5,000 unvested restricted shares have been issued with a grant-date fair value of $7.64 per share.

STOCK OPTION PLANS

The Company has various stock option plans for employees and directors that 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 anniversary of the grant date of the options. At December 31, 2005, there were 2,180,645 shares available for future option grants under the plans.

The fair values of options were estimated on the dates of grant using the Black-Scholes option-pricing model with the following weighted-average assumptions:

	2005	2004	2003
Expected dividend yield	4.2%	3.2%	3.6%
Expected volatility	37%	36%	34%
Risk-free interest rate	4.1%	3.8%	3.6%
Expected life of options	7 years	7 years	7 years

All of the outstanding and exercisable options as of December 31, 2005 were for Class A Common Stock. A summary of the status of the Company's stock option plans is as follows:

(shares in thousands)	2005 SHARES	2005 WEIGHTED-AVERAGE EXERCISE PRICE	2004 SHARES	2004 WEIGHTED-AVERAGE EXERCISE PRICE	2003 SHARES	2003 WEIGHTED-AVERAGE EXERCISE PRICE
Outstanding, beginning of year	5,223	$ 10	5,320	$ 11	5,495	$ 12
Options granted	109	7	1,597	6	456	5
Options exercised	(35)	5	(36)	3	--	--
Options forfeited and expired	(702)	12	(1,658)	11	(631)	12
Outstanding, end of year	4,595	9	5,223	10	5,320	11
Exercisable, end of year	2,790	11	2,548	12	2,015	12
Weighted-average fair value of options granted during the year:						
Incentive stock options		$2.11		$1.27		$1.27
Nonqualified stock options		2.21		1.48		1.21

The following table summarizes information about stock options outstanding at December 31, 2005 (shares in thousands):

	Options Outstanding			Options Exercisable	
RANGE OF EXERCISE PRICES	NUMBER OUTSTANDING AT 12/31/05	WEIGHTED-AVERAGE REMAINING CONTRACTUAL LIFE	WEIGHTED-AVERAGE EXERCISE PRICE	NUMBER EXERCISABLE AT 12/31/05	WEIGHTED-AVERAGE EXERCISE PRICE
$ 2.40 to $ 8.50	1,816	8.0	$ 5.85	561	$ 5.67
8.51 to 12.50	1,802	4.0	10.35	1,252	10.62
12.51 to 17.50	854	1.8	13.86	854	13.86
17.51 to 19.50	123	2.2	18.91	123	18.91
2.40 to 19.50	4,595	5.2	9.45	2,790	10.98

CRAWFORD & COMPANY

Selected Financial Data

FOR THE YEARS ENDED DECEMBER 31,	2005	2004	2003	2002	2001
(in thousands, except per share data)					
Revenues Before Reimbursements	$771,983	$733,567	$690,933	$699,390	$725,539
Reimbursements	82,784	78,095	77,077	58,228	54,244
Total Revenues	854,767	811,662	768,010	757,618	779,783
U.S. Operating Earnings (1)	11,757	11,586	6,751	7,986	12,773
International Operating Earnings (1)	13,328	20,800	23,289	29,261	43,255
Special Credits (Charges)	--	8,573	(8,000)	6,000	--
Net Corporate Interest Expense	(5,145)	(3,536)	(5,414)	(4,706)	(4,779)
Amortization of Goodwill	--	--	--	--	(3,448)
Income Taxes	(7,059)	(12,251)	(8,964)	(14,029)	(18,356)
Net Income	12,881	25,172	7,662	24,512	29,445
Net Income Margin	1.51%	3.10%	1.00%	3.24%	3.78%
Net Income Per Share:					
Basic	0.26	0.52	0.16	0.50	0.61
Diluted	0.26	0.51	0.16	0.50	0.61
Current Assets	336,811	344,707	302,663	272,025	261,284
Total Assets	571,664	571,260	517,239	474,776	431,415

Current Liabilities	210,962	213,809	187,171	148,249	156,307
Long-Term Debt, Less Current Installments	45,810	51,389	50,664	49,976	36,378
Total Debt	81,139	90,176	96,777	81,488	73,144
Shareholders' Investment	179,031	194,833	172,594	159,431	188,300
Total Capital	260,170	285,009	269,371	240,919	261,444
Current Ratio	1.6:1	1.6:1	1.6:1	1.8:1	1.7:1
Total Debt-to-Total Capital	31.2%	31.6%	35.9%	33.8%	28.0%
Return on Average Shareholders' Investment	6.9%	13.7%	4.6%	14.1%	14.5%
Cash Flows from Operating Activities	39,823	35,751	37,201	52,031	63,072
Cash Flows from Investing Activities	(14,709)	(16,579)	(23,721)	(33,371)	(28,275)
Cash Flows from Financing Activities	(18,824)	(22,238)	(4,377)	(11,099)	(34,126)
Shareholders' Equity Per Share	3.65	3.99	3.54	3.28	3.88
Cash Dividends Per Share:					
Class A Common Stock	0.24	0.24	0.24	0.32	0.56
Class B Common Stock	0.24	0.24	0.24	0.32	0.56
Weighted-Average Shares Outstanding:					
Basic	48,930	48,773	48,668	48,580	48,492
Diluted	49,347	48,996	48,776	48,664	48,559

(1) This is a non-GAAP financial measure representing earnings before special credits and charges, amortization of goodwill, net corporate interest expense, and income taxes.

CRAWFORD & COMPANY

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

2005	FIRST	SECOND	THIRD	FOURTH	FULL YEAR
(IN THOUSANDS, EXCEPT PER SHARE DATA)					
REVENUES:					
REVENUES BEFORE REIMBURSEMENTS	$184,334	$186,002	$184,720	$216,927	$771,983
REIMBURSEMENTS	15,309	20,779	21,500	25,196	82,784
TOTAL REVENUES:	199,643	206,781	206,220	242,123	854,767
PRETAX INCOME	3,654	4,151	2,921	9,214	19,940
U.S. OPERATING EARNINGS (1)	1,836	1,810	1,236	6,875	11,757
INTERNATIONAL OPERATING EARNINGS (1)	3,345	3,696	3,019	3,268	13,328
NET CORPORATE INTEREST EXPENSE	(1,527)	(1,355)	(1,334)	(929)	(5,145)
INCOME TAXES	(1,293)	(1,470)	(1,034)	(3,262)	(7,059)
NET INCOME	2,361	2,681	1,887	5,952	12,881
NET INCOME PER SHARE - BASIC	0.05	0.05	0.04	0.12	0.26
NET INCOME PER SHARE - DILUTED	0.05	0.05	0.04	0.12	0.26
CASH DIVIDENDS PER SHARE:					
CLASS A COMMON STOCK	0.06	0.06	0.06	0.06	0.24
CLASS B COMMON STOCK	0.06	0.06	0.06	0.06	0.24
COMMON STOCK QUOTATIONS: (3)					
CLASS A - HIGH	7.26	7.58	7.90	7.80	7.90
CLASS A - LOW	6.70	6.55	6.06	5.50	5.50
CLASS B - HIGH	7.45	7.82	8.39	8.15	8.39
CLASS B - LOW	6.85	6.78	6.03	5.53	5.53

2004	First	Second	Third	Fourth	Full Year
(in thousands, except per share data)					
Revenues:					

Revenues before reimbursements	$169,855	$172,016	$185,870	$205,826	$733,567
Reimbursements	14,881	14,517	31,638	17,059	78,095
Total revenues:	184,736	186,533	217,508	222,885	811,662
Pretax income	3,757	6,265	15,478	11,923	37,423
U.S. operating earnings (1)	2,892	3,826	7,023	7,059	20,800
International operating earnings (1)	2,202	1,905	1,348	6,131	11,586
Special credit	--	--	8,573	--	8,573
Net corporate interest expense	(1,337)	534	(1,466)	(1,267)	(3,536)
Income taxes	(1,368)	(725)	(5,953)	(4,205)	(12,251)
Net income	2,389	5,540	9,525	7,718	25,172
Net income per share - basic	0.05	0.11	0.20	0.16	0.52
Net income per share - diluted (2)	0.05	0.11	0.20	0.16	0.51
Cash dividends per share:					
Class A Common Stock	0.06	0.06	0.06	0.06	0.24
Class B Common Stock	0.06	0.06	0.06	0.06	0.24
Common stock quotations:(3)					
Class A - High	7.07	5.24	6.50	7.68	7.68
Class A - Low	4.73	4.50	4.55	6.26	4.50
Class B - High	7.23	5.56	6.76	8.28	8.28
Class B - Low	4.75	4.60	4.53	6.48	4.53

(1) This is a non-GAAP financial measure representing earnings before special credit, net corporate interest expense, and income taxes.

(2) Due to the method used in calculating per share data as prescribed by SFAS 128, "Earnings Per Share," the quarterly per share data may not total to the full year per share data.

(3) 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, as reported on the New York Stock Exchange Composite Tape.

The approximate number of record holders of the Company's stock as of December 31, 2005: Class A - 2,035 and Class B - 686.

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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 Subrogation and Recovery, Inc.	Georgia
Crawford & Company Adjusters Limited	England
Crawford Adjusters Canada Incorporated	Canadian Federal
Crawford Healthcare Management of Norfolk and Baltimore, Inc.	Virginia
Crawford Investigation Services, Inc.	Georgia
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, 2005.

EXHIBIT 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in this Annual Report (Form 10-K) of Crawford & Company of our reports dated March 9, 2006 with respect to the consolidated financial statements of Crawford & Company, Crawford & Company management's assessment of the effectiveness of internal control over financial reporting, and the effectiveness of internal control over financial reporting of Crawford & Company, included in the 2005 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 of our reports dated March 9, 2006, with respect to the consolidated financial statements of Crawford & Company, Crawford & Company management's assessment of the effectiveness of internal control over financial reporting, and the effectiveness of internal control over financial reporting of Crawford & Company, incorporated by reference in this Annual Report (Form 10-K) for the year ended December 31, 2005.

/s/ ERNST & YOUNG LLP

Atlanta, Georgia
March 9, 2006

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 ALLEN W. NELSON 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, 2005; (2) 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 7th day of February, 2006.

/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 ALLEN W. NELSON 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, 2005; (2) 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 7th day of February, 2006.

/s/ J. Hicks Lanier

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 ALLEN W. NELSON 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, 2005; (2) 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 7th day of February, 2006.

/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 ALLEN W. NELSON 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, 2005; (2) 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 7th day of February, 2006.

/s/ P. George Benson

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 ALLEN W. NELSON 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, 2005; (2) 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 7th day of February, 2006.

/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 ALLEN W. NELSON 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, 2005; (2) 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 7th day of February, 2006.

/s/ Clarence H. Ridley

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 ALLEN W. NELSON 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, 2005; (2) 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 7th day of February, 2006.

/s/ Robert T. Johnson

EXHIBIT 24.8

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 ALLEN W. NELSON 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, 2005; (2) 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 7th day of February, 2006.

/s/ James D. Edwards

Exhibit 31.1

CERTIFICATION

I, Thomas W. Crawford, certify that:

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

2. Based on my knowledge, this 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 report;

3. Based on my knowledge, the financial statements, and other financial information included in this 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 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-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:

a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, 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 report is being prepared;

b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c. Evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d. Disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's fourth fiscal quarter that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and

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

a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and

b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

Date: March 14, 2006

/s/ Thomas W. Crawford

Thomas W. Crawford, President and Chief Executive Officer (Principal Executive Officer)

Exhibit 31.2

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 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 report;

3. Based on my knowledge, the financial statements, and other financial information included in this 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 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-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:

a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, 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 report is being prepared;

b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c. Evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d. Disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's fourth fiscal quarter that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and

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

a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and

b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

Date: March 14, 2006

/s/ John F. Giblin

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

Exhibit 32.1

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, 2005 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Thomas W. Crawford, 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 14, 2006

/s/ Thomas W. Crawford

Thomas W. Crawford
Chief Executive Officer

Exhibit 32.2

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, 2005 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 14, 2006

/s/ John F. Giblin

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