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BBSI Enters Workers' Compensation Insurance Arrangement With ACE Group

VANCOUVER, WA -- (Marketwired) -- 01/21/14 -- Barrett Business Services, Inc. ("BBSI" or the "Company") (NASDAQ: BBSI), a leading provider of business management solutions, has reached an agreement in principle for a workers' compensation insurance arrangement with ACE Group to provide coverage to BBSI employees in California beginning in the first quarter of 2014. The agreement will be effective through January 2015 with the potential for annual renewals thereafter.

The arrangement, typically known as a fronted program, will provide BBSI with the use of a licensed, admitted insurance carrier in California to issue policies on behalf of BBSI without the intention of transferring any of the workers' compensation risk for the first \$5.0 million per claim. The risk of loss up to the first \$5.0 million per claim will be retained by BBSI through an indemnity agreement. While this portion of the risk of loss remains with BBSI, ACE assumes credit risk should BBSI be unable to satisfy its indemnification obligations to ACE. ACE will also bear the economic burden for all costs in excess of \$5.0 million per claim.

The arrangement with ACE addresses the requirements of California Senate Bill 863, under which the Company cannot continue its self-insurance program in California beyond January 1, 2015.

"We are pleased to align ourselves with a partner like ACE," said Michael Elich, president and CEO of BBSI. "ACE is one of the world's largest insurance companies and is highly recognized throughout the country. We expect our partnership with such an organization will complement our product offering for both current and prospective clients."

About ACE Group

ACE Group is one of the world's largest multiline property and casualty insurers. With operations in 54 countries, ACE provides commercial and personal property and casualty insurance, personal accident and supplemental health insurance, reinsurance and life insurance to a diverse group of clients. ACE Limited, the parent company of ACE Group, is listed on the New York Stock Exchange and is a component of the S&P 500 index. Additional information can be found at: www.acegroup.com.

About BBSI

BBSI (NASDAQ: BBSI) is a leading provider of business management solutions, combining human resource outsourcing and professional management consulting to create a unique operational platform that differentiates it from competitors. The Company's integrated platform is built upon expertise in payroll processing, employee benefits, workers' compensation coverage, risk management and workplace safety programs, and human resource administration. BBSI's partnerships help businesses of all sizes improve the

efficiency of their operations. The Company works with more than 3,000 clients across all lines of business in 23 states. For more information, please visit www.barrettbusiness.com.

Forward-Looking Statements

Statements in this release about future events or performance are forward-looking statements, which involve known and unknown risks, uncertainties and other factors that may cause the actual results of the Company to be materially different from any future results expressed or implied by such forward-looking statements. Factors that could affect future results include economic conditions in the Company's service areas, the effect of changes in the Company's mix of services on gross margin, the Company's ability to retain current customers and attract new customers, material deviations from expected future workers' compensation claims experience, the effect of changes in the workers' compensation regulatory environment in one or more of the Company's primary markets, the collectability of accounts receivable, and the effect of conditions in the global capital markets on the Company's investment portfolio, among others. Other important factors that may affect the Company's future prospects are described in the Company's 2012 Annual Report on Form 10-K. Although forward-looking statements help to provide complete information about the Company, readers should keep in mind that forward-looking statements may be less reliable than historical information. The Company undertakes no obligation to update or revise forward-looking statements in this release to reflect events or changes in circumstances that occur after the date of this release.

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