EMPLOYERS®

America's small business insurance specialist.®

November, 2007

Management Presentation

EIG LISTED NYSE

Safe Harbor Disclosure

This slide presentation is for informational purposes only. It should be read in conjunction with our Form 10-K for the year 2006, our Form 10-Q for the second and third quarters of 2007 and our Form 8-Ks filed with the Securities and Exchange Commission (SEC), all of which are available on the "Investor Relations" section of our website at www.employers.com.

Non-GAAP Financial Measures

In presenting Employers Holdings, Inc.'s (EMPLOYERS) results, management has included and discussed certain non-GAAP financial measures, as defined in Regulation G. Management believes these non-GAAP measures better explain EMPLOYERS results allowing for a more complete understanding of underlying trends in our business. These measures should not be viewed as a substitute for those determined in accordance with GAAP. The reconciliation of these measures to their most comparable GAAP financial measures is included in this presentation or in our Form 10-K for the year 2006, our Form 10-Q for the second quarter 2007 and our Form 8-Ks filed with the Securities and Exchange Commission (SEC) and available in the "Investor Relations" section of our website at www.employers.com.

Forward-looking Statements

This presentation contains certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements include statements regarding anticipated future results and can be identified by the fact that they do not relate strictly to historical or current facts. They often include words like "believe", "expect", "anticipate", "estimate" and "intend" or future or conditional verbs such as "will", "would", "should", "could" or "may". Certain factors that could cause actual results to differ materially from expected results include increased competitive pressures, changes in the interest rate environment, general economic conditions, and legislative and regulatory changes that could adversely affect the business of EMPLOYERS and its subsidiaries. All subsequent written and oral forward-looking statements attributable to us or individuals acting on our behalf are expressly qualified in their entirety by these cautionary statements. We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

EMPLOYERS®

America's small business insurance specialist.®

Contents

EIG LISTED NYSE

Corporate Overview

Overview

Business	• **Specialty provider of workers' compensation insurance** – **18th largest private writer in the U.S.** [(1)] – **8th largest private writer in California** [(1)] – **2nd largest writer in Nevada** [(1)]
Customers	• **Small businesses in low to medium hazard industries** • **Distribution through independent agents and strategic partners** • **33,027 policies in force at 9/30/2007** • **Average annual policy premium of approximately $11,000**
Geographic	• **Focused in western U.S. – direct premiums written as of the third quarter of 2007** – **71% in California** – **19% in Nevada** – **10% in nine other states**

(1) Based on "One-Year Premium and Loss Study," U.S., California and Nevada, A.M. Best Company, 2006

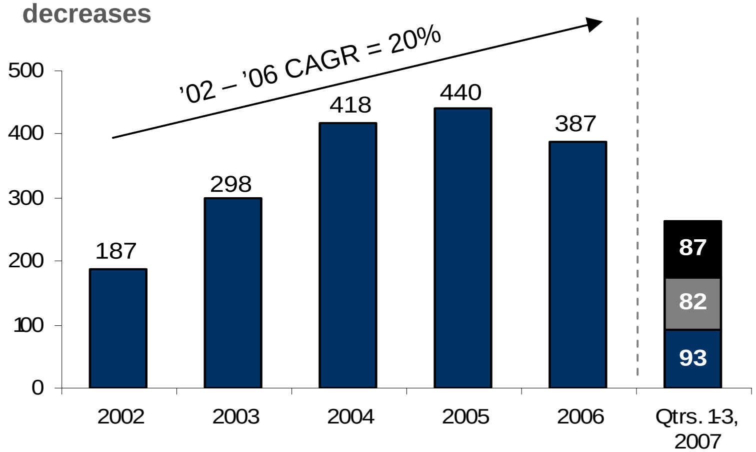
Key Strengths

- Established enterprise with 94 year operating history
- Focused operations and disciplined underwriting – target an attractive and underserved market segment with growth opportunities
- Unique and long-standing strategic distribution relationships
- Financial strength and flexibility - strong balance sheet and conservative reserving
- Experienced management team with deep knowledge of workers' compensation

Financial Snapshot ($ million)

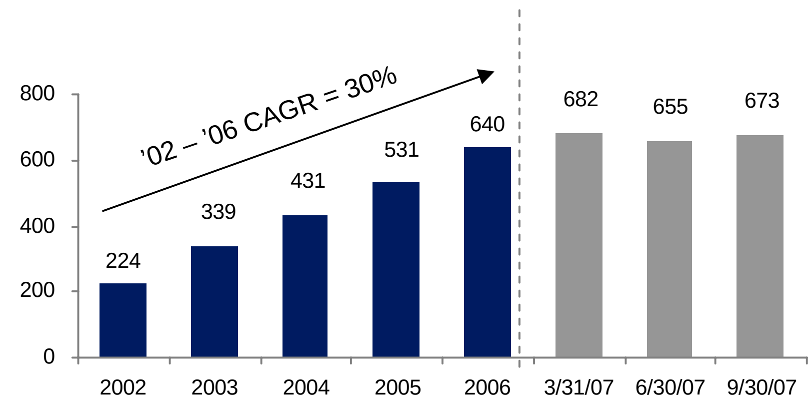
Net Premium Written

Premium growth has declined due to California rate decreases



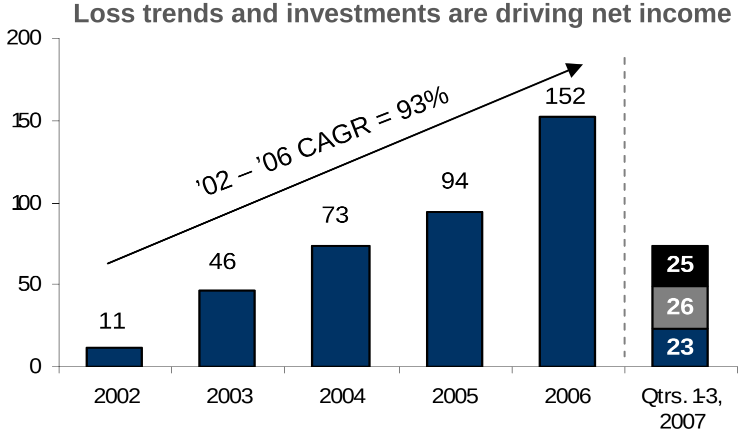
Statutory Surplus

Strong growth provides a solid basis for underwriting



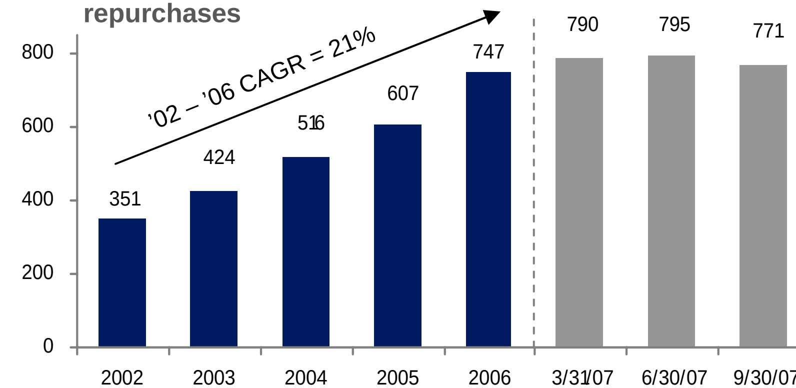
Net Income Before Loss Portfolio Transfer (LPT)

Loss trends and investments are driving net income



Equity Incl. Deferred Gain - LPT

Capital management plans include dividends and share repurchases



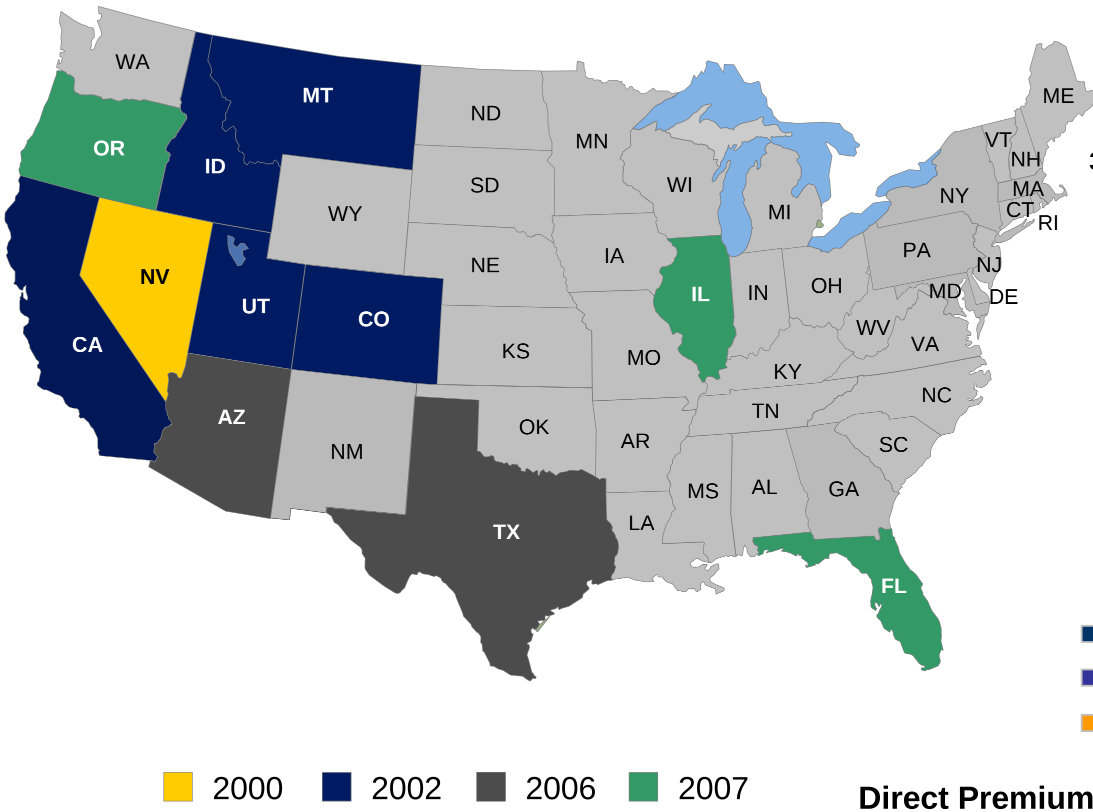
Strategies

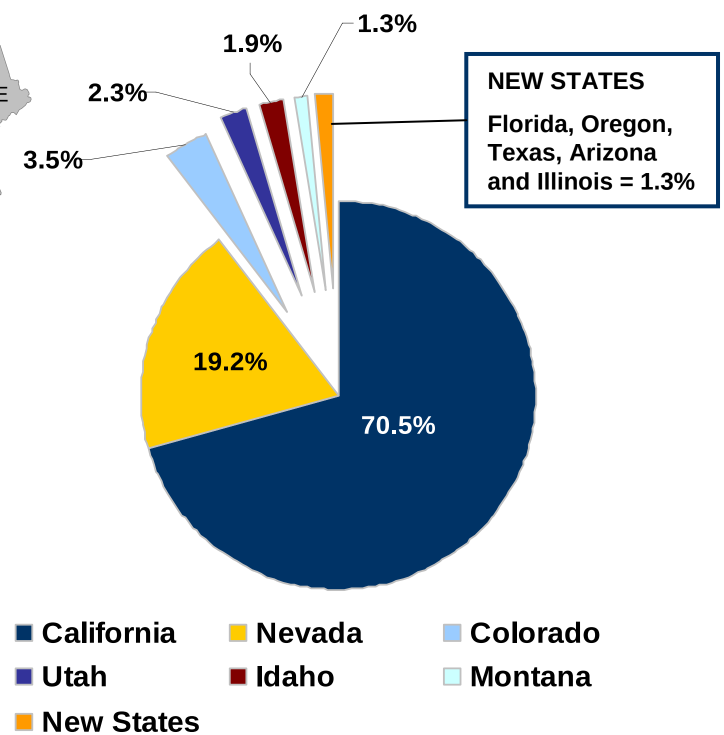
Focus on Profitability	• Target attractive, underserved small business market • Maintain disciplined risk selection, underwriting and pricing
Pursue Organic Growth Opportunities	• Expand in current markets and in our new states • Leverage infrastructure, technology and systems • Utilize existing and new strategic distribution partners
Optimize Capital Structure	• Invest in operations and manage capital prudently • Return capital to shareholders • Consider opportunistic strategic transactions

EMPLOYERS®

America's small business insurance specialist.®

Expanding Geographic Footprint





Direct Premiums Written (%) for nine months ended 9/30/07

EIG LISTED NYSE

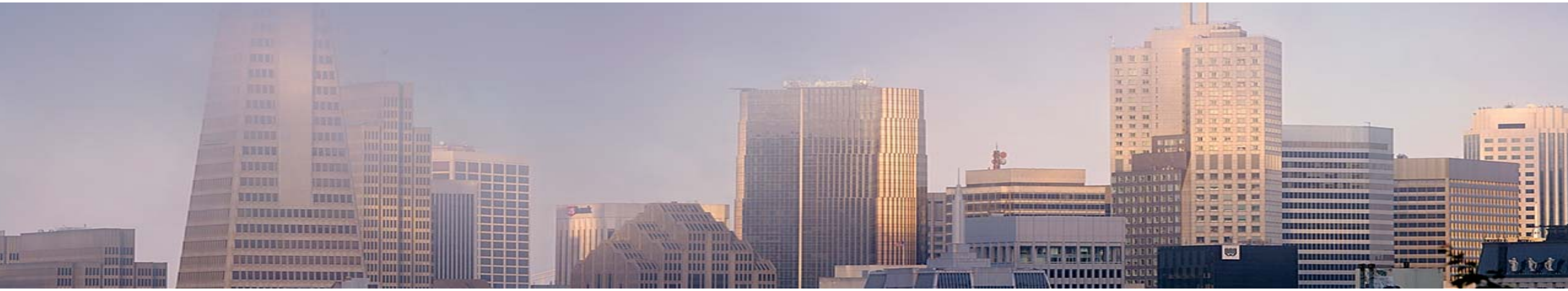
Seasoned Executives with Extensive Experience

Name	Title	Experience (Years)
Douglas D. Dirks	Chief Executive Officer	22
Martin J. Welch	President and Chief Operating Officer	29
William E. Yocke	EVP, Chief Financial Officer	31
T. Hale Johnston	SVP, President of Pacific Region	16
David M. Quezada	SVP, President of Strategic Markets Region	22
George Tway	SVP, President of Western Region	19
Stephen V. Festa	SVP, Chief Claims Officer	25
Jeff J. Gans	SVP, Chief Underwriting Officer	28

Average experience of senior operating leadership = 24 years

EMPLOYERS®

America's small business insurance specialist.®



Insurance Operations

EIG LISTED NYSE

Disciplined Underwriting

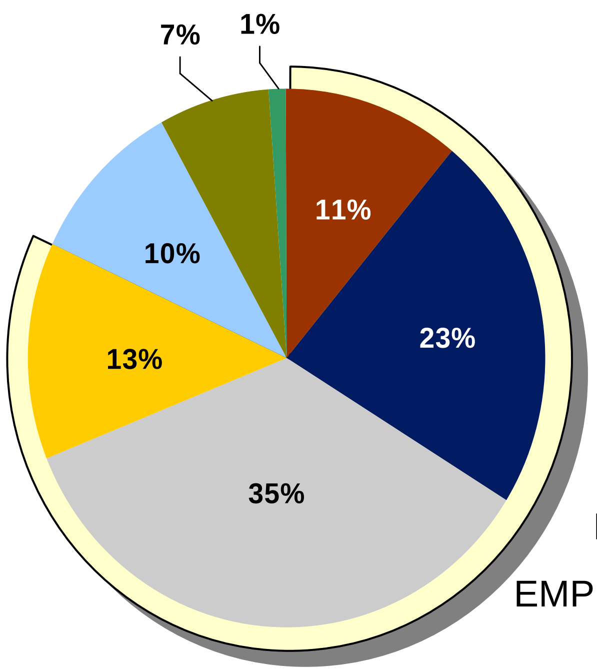
Five Basic Elements

37.9% statutory loss and LAE ratio in 2006

Focus on Low to Medium Hazard Groups

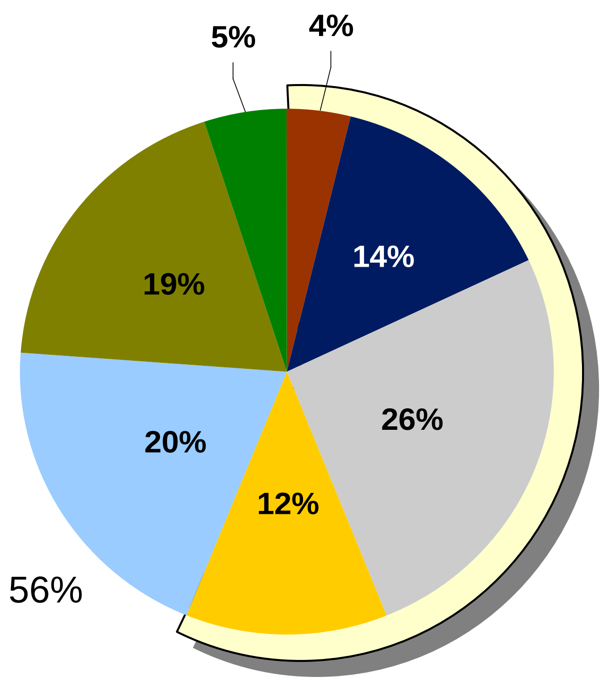
% of Premiums Written, 12/31/06

EMPLOYERS	Industry (1)



Hazard Group A
Hazard Group B
Hazard Group C
Hazard Group D
Hazard Group E
Hazard Group F
Hazard Group G

Lower Risk
Higher Risk



Hazard Groups A through D

EMPLOYERS = 82% Industry = 56%

Focus on low to medium hazard risks allows us to optimize risk selection and pricing adequacy

(1) NCCI 2006 Premium Distribution by Hazard Group (as presented at 2007 Annual Issues Symposium).

EIG LISTED NYSE

Customer Selection

Top Ten Classes in 2006

Hazard Group	Class	Direct Premiums Written (000s)	Percent of Total
A	Restaurants	$ 27,654	7.1%
C	Physicians & Clerical	24,858	6.4
B	Store: Wholesale	18,854	4.8
B	College: Professional Employees & Clerical	11,590	3.0
B	Store: Retail	11,189	2.9
C	Clerical Office Employees	9,846	2.5
D	Machine Shops	9,455	2.4
C	Clothing Manufacturers	9,040	2.3
C	Dentists & Dental Surgeons & Clerical	7,939	2.0
D	Automobile	6,458	1.7
	Top 10	$136,883	35.1%

EMPLOYERS further differentiates risks within industry-defined customer classes

Focused Marketing and Distribution

Independent Agents and Brokers

PACIFIC REGION

- California
- In 2006, 44% of direct premiums written

WESTERN REGION

- Nevada, Colorado, Utah, Montana, Idaho, Texas, Arizona, Illinois, Oregon, Florida
- In 2006, 26% of direct premiums written

Strategic Distribution Partners

STRATEGIC REGION

- Largely ADP & Wellpoint; added E-CHX in Qtr 4, 2006
- Primarily California today
- Intego Insurance Services, LLC, in Qtr. 3, 2007
- In 2006, 30% of direct premiums written

Three business units target customer segments with a focused underwriting approach

Strategic Distribution Partners

ADP®
Automatic Data Processing, Inc.

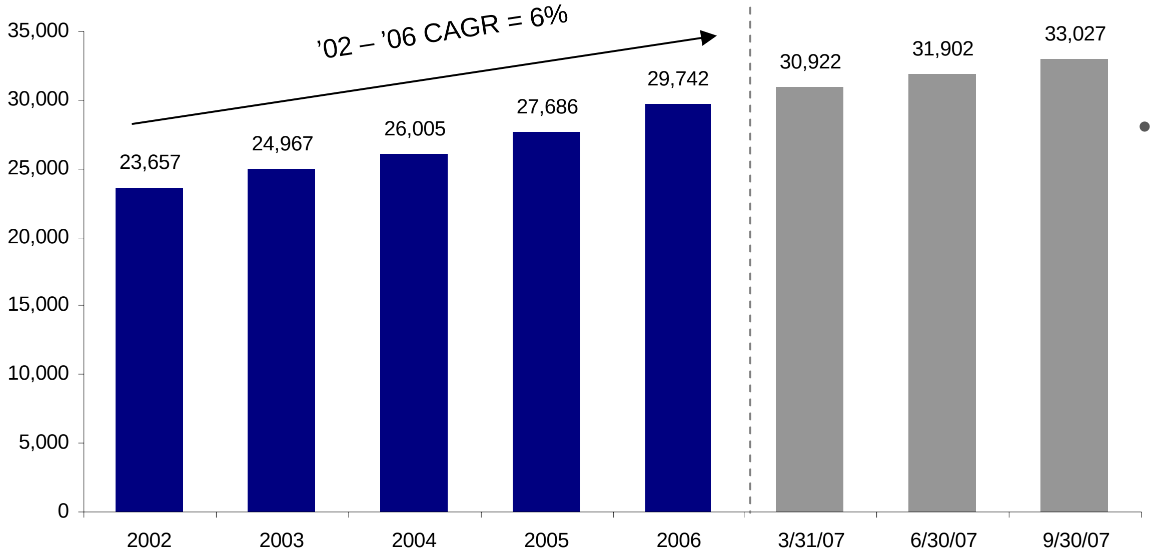
- Largest payroll services company in the U.S. with over 450,000 clients
- Partner since entering California market in 2002
- Business originated by ADP's field sales staff and insurance agency
- "Pay-by-Pay" premium collection

WELLPOINT®

- Largest group health carrier in California
- Partner since entering California market in 2002
- Business originated by Wellpoint's health insurance agents
- Single bill to customers

Strategic partners expand market reach and produce business with high persistency

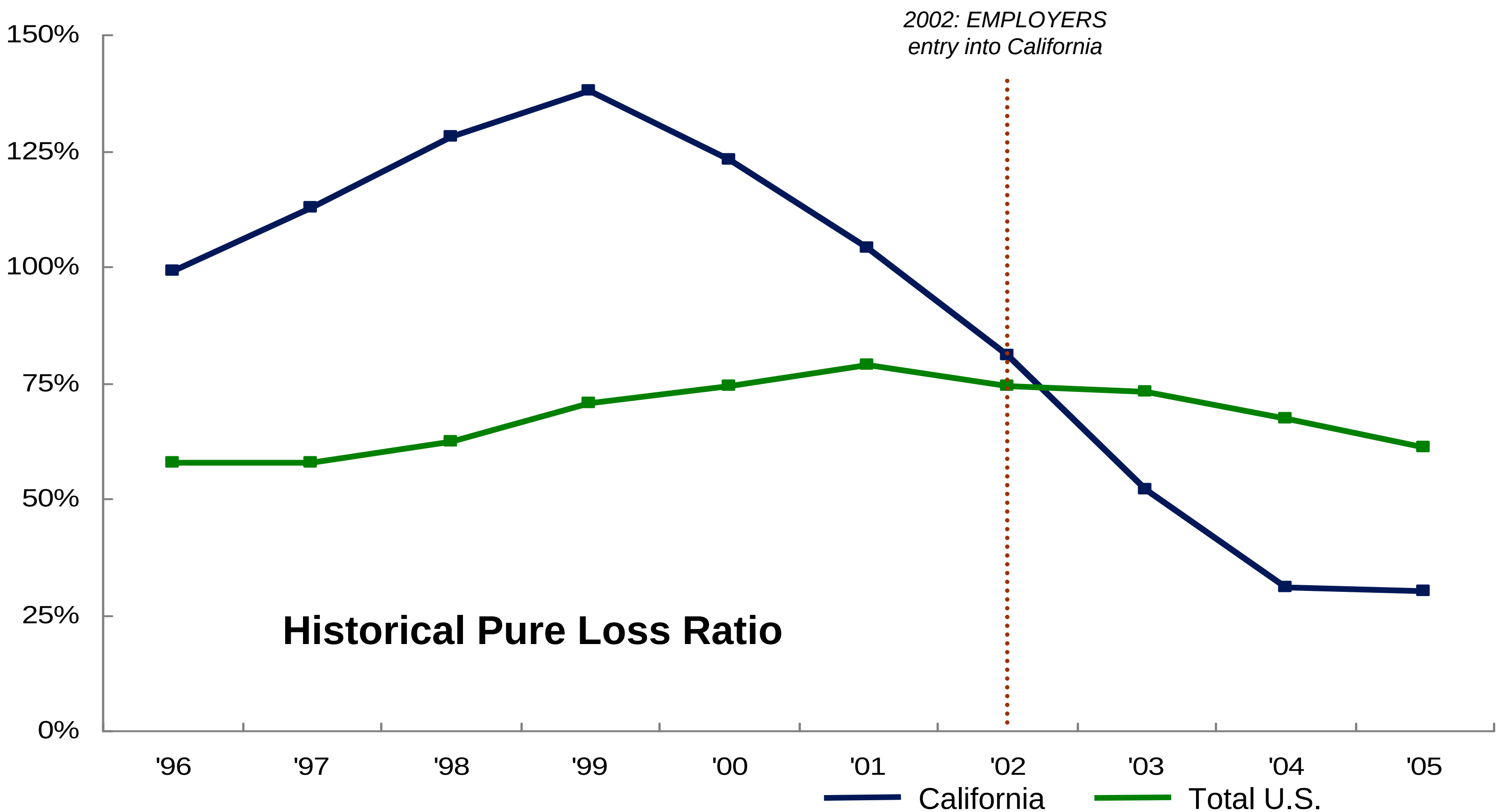
In Force Policy Count



- Solid in force policy count growth continued in the third quarter, 2007
  - 33,027 at 9/30/07
  - 29,311 at 9/30/06
  - Total increase of 3,716 or 12.7%

Total in force policy count has grown consistently with a 2002 – 2006 CAGR of 6%

Workers' Compensation Industry



Source: WCIRB as of 09/30/06 (California); Insurance Information Institute as of 12/31/05 (Total U.S.)

California Rates and Rate Setting

Recent Commissioner Ordered Advisory Pure Premium Changes	
January 1, 2004	-14.9%
July 1, 2004	- 7.0%
January 1, 2005	- 2.2%
July 1, 2005	-18.0%
January 1, 2006	-15.3%
July 1, 2006	-16.4%
January 1, 2007	- 9.5%
July 1, 2007	- 14.2%
Cumulative Change	***-65.1%***

- **Workers' Compensation Insurance Rating Bureau (WCIRB) recommended increase of 5.2% in October, 2007**
- **Company's choice to implement rate changes**
  - Internal analyses are compared to Bureau's view of the industry to confirm actual experience
  - Filed loss cost multipliers (LCMs) account for loss adjustment, underwriting and commission expenses and targeted unlevered return of 12% to 13%
  - Rate deviation plans modify full premium rates based on individual or group risk characteristics to yield "effective rates"
- **EMPLOYERS filed a 4.5% decrease in premium for California policies incepting on or after September 15, 2007**
  - Rate filing accepted August, 2007
- **Awaiting Commissioner Ordered Advisory Pure Premium Change for rates on January 1, 2008**

Insurance Operations Summary

- High performing insurance operation, built upon four key elements
  - A highly focused customer base
  - A disciplined underwriting culture
  - An efficient – and scalable – infrastructure
  - Strong producer and strategic partner relationships, providing us with:
    - broader access to markets
    - enhanced value delivery to our customers
    - more cost-effective production

EMPLOYERS®

America's small business insurance specialist.®

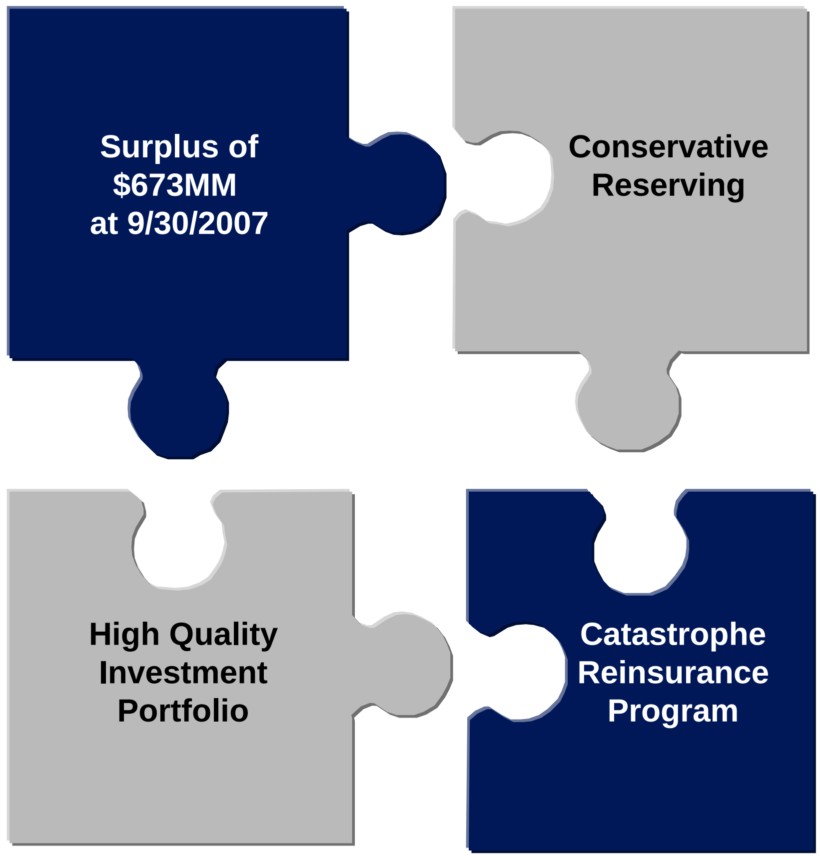
Financial Results

EIG LISTED NYSE

Four Key Elements of Our Financial Strength

0.5:1 NPW / Surplus (Trailing 12 months NPW at 9/30/07)

Track record of reserve strength



Approximately 90% fixed maturity with average rating AA

Coverage up to $200MM loss

Loss Portfolio Transfer (LPT)

- Non-recurring transaction with no ongoing cash benefits or charges to current operations
- Retroactive 100% quota share reinsurance coverage for all losses occurring prior to 7/1/95
- Gain on transaction booked as statutory surplus; deferred and amortized under GAAP

Contract

$ millions

Total Coverage	$2,000
Original Reserves Transferred	$1,525
Consideration	775
Gain at 1/1/2000	**750**
Subsequent Reserve Adjustments	(147.5)
Gain at 9/30/2007	**$602.5**

Accounting at 9/30/07

$ millions

Statutory Surplus Created	$602.5
Cumulative Amortization To Date	(173.2)
GAAP: Deferred Reinsurance Gain – LPT Agreement	**$429.3**

EIG LISTED NYSE

Selected Operating Results

$ Million	12/31/05	12/31/06		Q1 2007	Q2 2007	Q3 2007	YTD 2007
Income Statement Data							
Gross Premiums Written	$ 458.7	$ 401.8		$ 96.5	$ 84.6	$ 90.3	$ 271.3
Net Premiums Written	439.7	387.2		93.2	81.5	87.3	262.0
Net Premiums Earned	438.3	393.0		89.8	84.1	88.5	262.4
Net Investment Income	54.4	68.2		20.8	19.3	19.2	59.4
Net Income	137.6	171.6		27.9	30.8	29.9	88.5
Net Income Before LPT	93.8	152.2		23.3	26.2	25.3	74.8
Balance Sheet Data							
Total investments	1,595.8	1,715.7		1,768.6	1,695.2	1,730.9	
Cash and cash equivalents	61.1	80.0		66.5	149.3	93.2	
Total assets	3,094.2	3,195.7		3,221.2	3,221.2	3,169.3	
Reserves for loss & LAE	2,350.0	2,307.8		2,307.2	2,294.3	2,282.5	
Shareholders' equity	144.6	303.8		352.0	361.6	341.8	
Equity including LPT deferred gain	607.0	746.8		790.4	795.5	771.1	

Premiums are declining due to California rate decreases

Loss trends and investments are driving net income

Portfolio re-allocation (equity sales) in Q4 of 2006 reduced volatility

While premiums have declined in California, losses have also declined

Earnings and EPS

$ Million (except per share data)	12/31/05	12/31/06		Q1 2007	Q2 2007	Q3 2007	YTD 2007
GAAP Net Income	$ 137.6	$171.6		$27.9	$30.8	$29.9	$88.5
Less: LPT Deferred Gain Amortization	(43.8)	(19.4)		(4.6)	(4.6)	(4.6)	(13.7)
Net Income Before LPT	$ 93.8	$ 152.2		$ 23.3	$ 26.2	$ 25.3	$ 74.8
EPS for Feb. 5 through the period (required reporting due to conversion)				.40	---	---	$ 1.55
GAAP EPS for the period	$2.75 (1)	$3.43 (1)		.53 (2)	.58 (3)	.58 (4)	$ 1.69 (2,4)
EPS attributable to LPT	.87 (1)	.39 (1)		.08 (2)	.09 (3)	.09 (4)	.26 (2,4)
EPS Before Impacts of the LPT, pro forma	$ 1.88 **(1)**	$ 3.04 **(1)**		$ .45 **(2)**	$ .49 **(3)**	$ .49 **(4)**	$ 1.43 **(2,4)**

(1) **Pro Forma** EPS for 2005 and 2006 assumes 50,000,002 shares outstanding before the conversion.
(2) Pro forma basic and diluted EPS computed using the weighted average shares outstanding **during** the period after the Company's IPO and assumes the 50,000,002 shares outstanding prior to the IPO. Equity instruments have been excluded in computing the diluted earnings per share because their inclusion would be anti-dilutive.
(3) Basic and Diluted EPS computed using the actual weighted shares outstanding **during** the period.
(4) Basic EPS and Diluted EPS round to the same amount for the period.

Underwriting Profitability

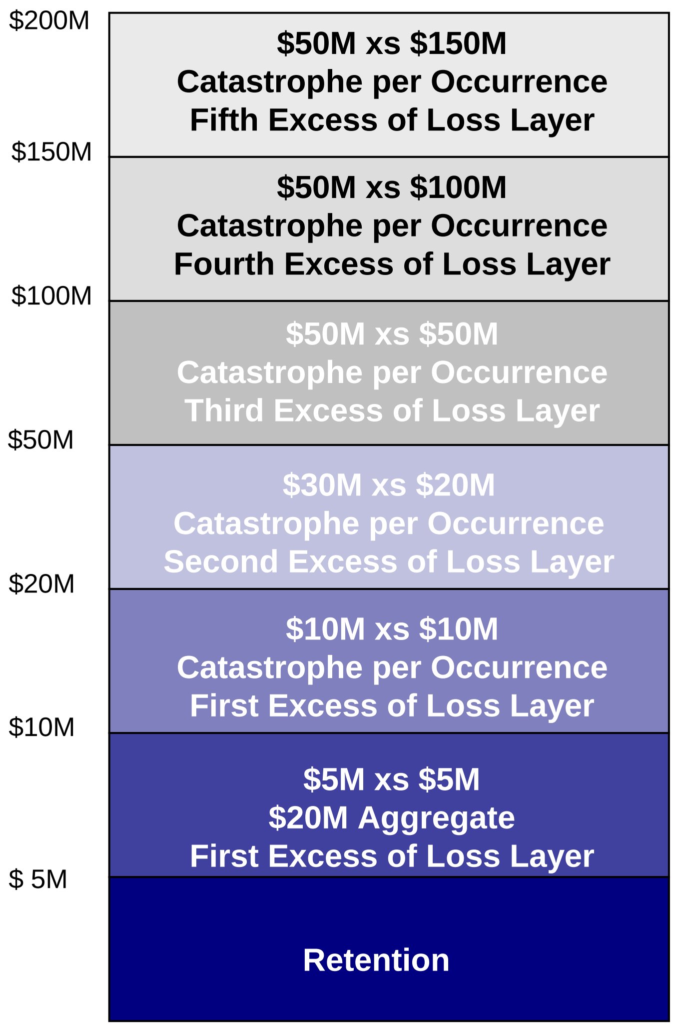
COMBINED RATIO	12/31/05	12/31/06		YTD 2007	Excluding reserve development for 9 months, 2007 (1)
Loss & LAE Ratio	48.3%	33.0%		42.4%	59.0%
Less: Impact of LPT (2)	10.0%	4.9%		5.2%	5.2%
Loss & LAE Ratio (excl. LPT)	**58.3%**	**37.9%**		**47.6%**	**64.2%**
Commission Expense Ratio (3)	10.7%	12.3%		13.6%	13.6%
Underwriting & Other Expense Ratio (3)	16.0%	22.3%		25.8%	25.8%
Combined Ratio (excl. LPT)	**84.9%**	**72.6%**		**87.1%**	**103.7%**
Favorable Reserve Development ($ million)	*$78.1*	*$107.1*		*$43.4*	*$43.4*

(1) Excluding $43.4 million of favorable development in the first nine months of 2007, our loss ratio before the LPT would have been 64.2% and our combined ratio would have been 103.7%. We target a combined ratio of 100.

(2) Total deferred gain amortization and LPT reserve adjustment of $43.8 million in 2005, $19.4 million in 2006, $4.6 million in the first, second and third quarters of 2007.

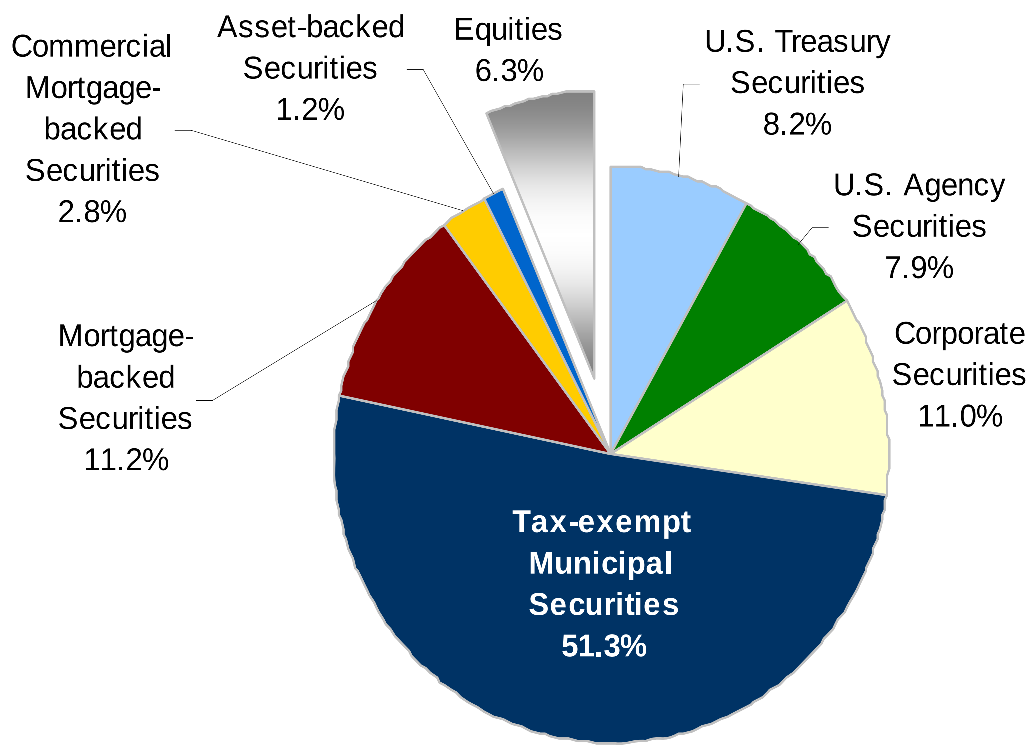
(3) Our higher expense ratio is largely a function of falling California rates.

Reinsurance Program



- Expires 7/1/08
- Priced annually
- Includes terrorism, except nuclear, biological, chemical and radiological
- Increased retention to $5.0M from $4.0M from previous treaty
- Increased total limits by $25.0M from previous treaty
- Catastrophe Excess of Loss includes maximum any one life of $10.0M

Investment Portfolio



Portfolio Mix at 9/30/07

- $1.7 billion of investment securities
  - Less than .03% related to sub-prime
  - Less than 6% related to financials
- Approximately 90% AA rated
- Book yield of 4.4%
- Tax equivalent book yield of 5.3%
- Effective duration of 5.7
- Outsourced to Conning Asset Management

Capital Management

Strong Capital Position

- $771 million GAAP adjusted equity at 9/30/2007
- 0.5:1 NPW/surplus at 9/30/2007
- No debt
- Reserve strength

Holding Company Cash Flow

- $38 million ordinary dividend capacity (unassigned surplus at 12/31/2006), *plus*
- $9.7 million in net proceeds from the IPO, *plus*
- $55 million up-streamed extraordinary dividend

➢ *Greater than $100 million available cash in 2007*

Capital Management Tools

- Shareholder dividends
  - $0.06 per share quarterly dividend
  - Three quarters declared, two paid
    - $3.2 million Q2, 2007
    - $3.1 million Q3, 2007
    - $3.0 million Q4, 2007
- Share repurchase
  - $75 million in open market in 2007
    - 3,911,272 shares

Our goal is to drive shareholder value through an improving ROE resulting from (i) profitability consistent with historical results, (ii) disciplined growth and (iii) prudent capital management

Summary

Summary

- Established enterprise with 94 year operating history
- Focused operations and disciplined underwriting – target an attractive and underserved market segment with growth opportunities
- Unique and long-standing strategic distribution relationships
- Financial strength and flexibility - strong balance sheet and conservative reserving
- Experienced management team with deep knowledge of workers' compensation

Douglas D. Dirks
President & Chief Executive Officer
Employers Holdings, Inc.

William E. (Ric) Yocke
Chief Financial Officer
Employers Holdings, Inc.

Analyst Contact:

Vicki Erickson
Vice President, Investor Relations
Employers Holdings, Inc.
(775) 327-2794
verickson@employers.com

EMPLOYERS℠
9790 Gateway Drive
Reno, NV. 89521-5906
(775) 327-2700