

news release
For Immediate Release

July 30, 2014

Employers Holdings, Inc. Reports Second Quarter 2014 Earnings and Declares Third Quarter 2014 Dividend

Key Highlights

(Q2, 2014 compared to Q2, 2013 except where noted)

- Net income before the LPT of \$14.6 million; up \$0.15 per diluted share
- Overall net rate up 5.8%
- Net written premiums of \$190.8 million; up 2.1%
- Net earned premiums of \$172.7 million; up 7.9%
- Revenues of \$200.3 million; up 10.3%
- Realized gains of \$9.2 million
- Combined ratio before the LPT down 0.1 percentage point
- Adjusted book value per common share of \$27.58; up 5.5% since 12/31/13

Reno, Nevada-July 30, 2014-Employers Holdings, Inc. ("EHI" or the "Company") (NYSE:EIG) today reported second quarter 2014 net income of \$45.6 million or \$1.42 per diluted share.

Net income includes the following items related to the Loss Portfolio Transfer ("LPT") Agreement: reserve adjustments, adjustments to the contingent profit commission, and amortization of the deferred reinsurance gain. In the second quarter of 2014, favorable development in the estimated reserves ceded under the LPT Agreement resulted in a \$20.1 million cumulative adjustment to the deferred reinsurance gain, which reduced losses and loss adjustment expense (LAE). Also, an increase in the contingent commission receivable under the LPT Agreement resulted in a \$7.3 million cumulative adjustment, which reduced losses and LAE. Consolidated net income before the impact of the LPT (the Company's non-GAAP measure described below) was \$14.6 million or \$0.46 per diluted share in the second quarter of 2014 and \$9.9 million or \$0.31 per diluted share in the second quarter of 2013.

In addition to the LPT adjustments, there was a reallocation of \$12.0 million of reserves from non-taxable periods prior to January 1, 2000, to more recent taxable years. This reduced our effective tax rate by 3.7 percentage points and increased net income by \$2.2 million or \$0.07 per diluted share for the second quarter of 2014.

Collectively, the LPT adjustments and the reallocation of reserves increased net income by \$29.6 million or \$0.93 per diluted share during the second quarter of 2014.

The second quarter 2014 combined ratio was 88.0% and 106.0% before the impact of the LPT, compared with 103.2% and 106.1% before the impact of the LPT for the second quarter of 2013. Year over year, the combined ratio improved 15.2 percentage points on a GAAP basis and 0.1 percentage points before the impact of the LPT.

President and Chief Executive Officer Douglas D. Dirks commented on the results: "We are pleased with our second quarter results. Earnings before the LPT increased \$0.15 per diluted share year-over-year. Revenues increased 10%, driven by pricing improvements, organic growth, realized gains associated with the sale of equities and modestly higher investment income. We achieved record high levels of premium and policies. As in the first quarter, our overall indemnity claims frequency decreased year-over-year. Our loss experience indicated upward trends in medical and indemnity costs per claim, partially driven by an increase in the number of cumulative trauma claims. These loss trends are reflected in our current accident year loss estimate. As our net rate continued to increase, we lowered our current accident year loss estimate 0.6 percentage points relative to the first quarter."

Dirks continued: "Importantly, litigated indemnity claims as a percentage of total indemnity claims in southern California were flat compared with year-end 2013 and the first quarter of 2014. While litigation adds costs to claims for all companies writing business in California, at year-end 2013, our average paid cost per open indemnity and medical claim was significantly --- approximately 37% --- less than the California industry average, according to data from the California Workers Compensation Institute."

Dirks concluded: "Our balance sheet is strong. Despite one large accident in 2013 which pierced our reinsurance layer in the second quarter of 2014, our overall reserves were not strengthened. The market value of our investment portfolio is at a record high of \$2.5 billion and our adjusted book value per outstanding share of common stock increased over 5% since the end of last year."

Third Quarter Dividend

The Board of Directors declared a third quarter 2014 dividend of six cents per share. The dividend is payable on August 27, 2014 to stockholders of record as of August 13, 2014.

Conference Call and Web Cast; Form 10-Q; Supplemental Information

The Company will host a conference call on Thursday, July 31, 2014, at 8:30 a.m. Pacific Daylight Time. The conference call will be available via a live web cast on the Company's web site at www.employers.com. An archived version will be available several hours after the call. The conference call replay number is (888) 286-8010 with a pass code of 15739846. International callers may dial (617) 801-6888.

EHI expects to file its Form 10-Q for the quarter ended June 30, 2014, with the Securities and Exchange Commission ("SEC") on or about Thursday, July 31, 2014. The Form 10-Q will be available without charge through the EDGAR system at the SEC's web site and will also be posted on the Company's website, www.employers.com, through the "Investors" link.

The Company provides a list of portfolio securities in the Calendar of Events, "Investors" section of its website at www.employers.com. The Company also provides investor presentations on its website.

Discussion of Non-GAAP Financial Measures

This earnings release includes non-GAAP financial measures used to analyze the Company's operating performance for the periods presented.

These non-GAAP financial measures exclude impacts related to the LPT Agreement deferred reinsurance gain. The 1999 LPT Agreement was a non-recurring transaction that does not result in ongoing cash benefits and, consequently, the Company believes these non-GAAP measures are useful in providing stockholders and management a meaningful understanding of the Company's operating performance. In addition, these measures, as defined, are helpful to management in identifying trends in the Company's performance because the items excluded have limited significance in current and ongoing operations.

The Company strongly urges stockholders and other interested persons not to rely on any single financial measure to evaluate its business. The non-GAAP measures are not a substitute for GAAP measures and investors should be careful when comparing the Company's non-GAAP financial measures to similarly titled measures used by other companies.

Net Income before impact of the LPT Agreement. Net income less (a) amortization of deferred reinsurance gain—LPT Agreement; (b) adjustments to LPT Agreement ceded reserves; and (c) adjustments to contingent commission receivable—LPT Agreement.

Deferred reinsurance gain—LPT Agreement (Deferred Gain). This reflects the unamortized gain from the LPT Agreement. Under GAAP, this gain is deferred and amortized using the recovery method, whereby the amortization is determined by the proportion of actual reinsurance recoveries to total estimated recoveries, except for the contingent profit commission, which is amortized through June 30, 2024. The amortization is reflected in losses and LAE.

Gross Premiums Written. Gross premiums written is the sum of both direct premiums written and assumed premiums written before the effect of ceded reinsurance. Direct premiums written represents the premiums on all policies the Company's insurance subsidiaries have issued during the year. Assumed premiums written represents the premiums that the insurance subsidiaries have received from an authorized state-mandated pool.

Net Premiums Written. Net premiums written is the sum of direct premiums written and assumed premiums written less ceded premiums written. Ceded premiums written is the portion of direct premiums written that are ceded to reinsurers under reinsurance contracts. The Company uses net premiums written, primarily in relation to gross premiums written, to measure the amount of business retained after cession to reinsurers.

Losses and LAE before impact of the LPT Agreement. Losses and LAE less (a) amortization of Deferred Gain; (b) adjustments to LPT Agreement ceded reserves; and (c) adjustments to contingent commission receivable—LPT Agreement.

Losses and LAE Ratio. The losses and LAE ratio is a measure of underwriting profitability. Expressed as a percentage, it is the ratio of losses and LAE to net premiums earned.

Commission Expense Ratio. The commission expense ratio is the ratio (expressed as a percentage) of commission expense to net premiums earned.

Underwriting and Other Operating Expense Ratio. The underwriting and other operating expense ratio is the ratio (expressed as a percentage) of underwriting and other operating expense to net premiums earned.

Combined Ratio. The combined ratio represents a summary percentage of claims and expenses to net premiums earned. The combined ratio is the sum of the losses and LAE ratio, the commission expense ratio, and the underwriting and other operating expense ratio.

Combined Ratio before impacts of the LPT Agreement. Combined ratio before impacts of LPT is the GAAP combined ratio before (a) amortization of deferred reinsurance gain—LPT Agreement; (b) adjustments to LPT Agreement ceded reserves; and (c) adjustments to contingent commission receivable—LPT Agreement.

Equity including Deferred Gain. Equity including Deferred Gain is total equity plus the Deferred Gain.

Book value per share. Equity including Deferred Gain divided by number of shares outstanding.

Net rate. Net rate, defined as total premium in-force divided by total insured payroll exposure, is a function of a variety of factors, including rate changes, underwriting risk profiles and pricing, and changes in business mix related to economic and competitive pressures.

Forward-Looking Statements

In this press release, the Company and its management discuss and make statements based on currently available information regarding their intentions, beliefs, current expectations, and projections regarding the Company's future operations, growth and pricing strategies, and financial and operating performance, as well as trends in loss experience and litigated indemnity claims, and the strength of the Company's balance sheet. Certain of these statements may constitute "forward-looking" statements as that term is defined in the Private Securities Litigation Reform Act of 1995. Forward-looking statements can be identified by the fact that they do not relate strictly to historical or current facts and are often identified by words such as "may," "will," "could," "would," "should," "expect," "plan," "anticipate," "target," "project," "intend," "believe," "estimate," "predict," "potential," "proforma," "seek," "likely," or "continue," or other comparable terminology and their negatives. EHI and its management caution investors that such forward-looking statements are not guarantees of future performance. Risks and uncertainties are inherent in EHI's future performance. Factors that could cause the Company's actual results to differ materially from those indicated by such forward-looking statements include, among other things, those discussed or identified from time to time in EHI's public filings with the SEC, including the risks detailed in the Company's Quarterly Reports on Form 10-Q and the Company's Annual Reports on Form 10-K. Except as required by applicable securities laws, the Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise.

The SEC filings for EHI can be accessed through the "Investors" link on the Company's website, <u>www.employers.com</u>, or through the SEC's EDGAR Database at <u>www.sec.gov</u> (EHI EDGAR CIK No. 0001379041).

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Employers Holdings, Inc. and Subsidiaries Consolidated Statements of Comprehensive Income

In thousands, except per shared data) 2014 2013 2014 2013 Recente (Substitution) (Substituti	Consolidated Statements of Co	Three Months Ended June 30,				Six Months Ended June 30,			
Corporations written Signature Sign	(in thousands, except per share data)	_							
Net premiums written				dite				dit	
Net premiums carned \$172,659\$ \$15,953\$ \$33,813\$ \$30,090 Net investment income 18,8285 17,645 36,298 33,090 Net realized gains on investments 9,167 3,866 12,426 4,660 Other income 1711 1,444 220 247 Total revenues 200,282 181,608 388,763 347,885 Expenses 203,011 20,127 40,376 38,520 Commission expenses 203,01 20,127 40,376 36,520 Underwriting and other operating expenses 753 797 1,531 1,608 Incress expense 753 797 1,531 1,609 Net income before income taxes 475,48 15,797 59,619 22,078 Net income before income taxes 475,48 15,797 59,619 22,078 Net income before income taxes 3,024 3,275 5,619 32,208 Net income before impact of the Deferred Gain related to losses 3,024 3,275 5,010 6,585	Gross premiums written	\$,		/	\$,		/
Net investment income 18,285 17,645 3,609 12,426 4,600 Other income 20,167 3,866 12,426 4,600 Other income 20,0282 181,608 38,876 347,885 Total revenues 98,524 112,638 220,780 220,910 Losses and loss adjustment expenses 98,524 112,638 220,780 230,800 Underwriting and other operating expenses 33,156 32,249 66,457 36,789 Interest expense 715,2734 165,811 329,144 324,849 Interest expense 19,51 15,979 36,619 23,061 Net income before income taxes 447,548 15,797 59,619 23,061 Net income before income taxes 447,548 15,797 59,619 23,061 Net income before income taxes 41,548 15,797 59,619 23,061 Net income before income taxes 42,424 43,079 59,10 6,580 Net income before income taxes 42,424 43,00 32,01	Net premiums written	\$	190,849	\$	186,996	\$	374,099	\$	359,022
Net realized gains on investments 9,167 3,866 12,426 4,600 Other income 171 144 226 247 Total revenues 200,282 181,608 38,763 347,885 Expenses 200,301 112,638 220,708 220,910 Commission expense 98,524 111,638 220,708 38,520 Underwriting and other operating expenses 33,156 32,249 40,376 38,520 Increst expense 753 797 1,531 1,605 Income before income taxes 1,527,34 165,811 329,144 324,828 Net income before income taxes 4,754 1,5797 5,351 2,306 32,828 Net income before income taxes 3,024 3,275 3,291 32,828 Net income before the Deferred Gain related to losses 3,024 3,275 5,910 6,580 Impact of LPT Reserve Adjustment 20,132 4 6,293 7,88 Impact of LPT Centingent Commission Adjustments ended June 30, 2014 and 2013, respectively, and 51,4144 and 51,631 for	Net premiums earned	\$	172,659	\$	159,953	\$	339,813	\$	307,928
Net realized gains on investments 9,167 3,866 12,426 2,476 Other income 171 144 220 2,477 Total revenues 200,282 181,608 38,763 347,885 Expenser 200,301 112,638 220,708 220,910 Commission expense 98,524 111,638 220,708 230,209 Underwriting and other operating expenses 33,156 32,249 40,375 38,250 Interest expense 753 797 1,531 1,606 Net income before income taxes 47,548 165,811 329,144 324,828 Net income before income taxes 4,455 1,5797 51,301 32,482 Net income before income taxes 4,455 1,5797 52,910 32,048 Net income before income taxes 3,024 3,275 5,910 3,520 Resimpact of LPT Agreement 20,142 4,03 3,02 7,88 Impact of LPT Reserve Adjustment 20,13 1,02 3,03 1,23 1,02 <t< td=""><td>Net investment income</td><td></td><td>18,285</td><td></td><td>17,645</td><td></td><td>36,298</td><td></td><td>35,050</td></t<>	Net investment income		18,285		17,645		36,298		35,050
Total revenues	Net realized gains on investments		*						· ·
Expenses 98,524 112,638 220,780 220,910 20,0107 40,375 63,789 20,010 20,127 40,375 63,789 20,010 20,127 40,375 63,789 20,010 20,127 40,375 63,789 20,010 20,127 40,375 63,789 20,010 20,127 40,375 63,789 20,010 20,127 40,375 63,789 20,010 20,127 20,010 20,127 20,010 20,127 20,1	_		171		144		226		247
Expenses	Total revenues		200,282	_	181,608	_	388,763	_	347,885
Losses and loss adjustment expenses 98,524 112,638 20,0780 38,520 Underwriting and other operating expenses 20,301 32,244 66,647 38,520 Interest expenses 753 3,797 1,531 1,605 Total expenses 152,734 165,811 329,144 324,824 Net income before income taxes 47,548 15,797 59,619 23,061 Income tax expense 47,548 15,797 59,619 23,061 Net income 345,591 1,209 3,269 988 Net income 3,024 3,275 5,910 6,580 Net income 3,024 3,275 5,910 6,580 Amortization of the Deferred Gain related to losses 3,024 3,225 5,910 6,580 Impact of LPT Reserve Adjustment 20,142 2,082 7,639 1,299 Ret income before impact of the LPT Agreement 20,145 9,883 21,048 3,341 Net income before impact of LPT Contingent Commission Adjustments 5,165 9,883 1,32,0	Expenses		•		ŕ		•		ŕ
Inderwriting and other operating expenses			98,524		112,638		220,780		220,910
Total expenses	Commission expense		20,301		20,127		40,376		38,520
Total expenses	Underwriting and other operating expenses		33,156		32,249		66,457		63,789
Net income before income taxes 47,548 15,797 59,619 23,061 Income tax expense 1,951 1,209 3,269 983 Net income 3,45,597 1,1858 5,6350 922,078 Less impact of LPT Agreement: 3,024 3,275 5,910 6,580 Amortization of the Deferred Gain related to losses 3,024 3,275 5,910 6,580 Amortization of LPT Reserve Adjustment commission 20,142 — 20,821 — Impact of LPT Reserve Adjustment 7,305 1,024 7,639 1,299 Net income before impact of the LPT Agreement 814,594 9,838 20,104 — Impact of LPT Reserve Adjustment 814,594 9,838 20,104 — 1,299 Net income before impact of the LPT Agreement 81,595 1,024 7,639 1,299 Well income and Stock Stock of the EPT Agreement of the EPT Agreement (benefit) of the EPT Agreement (benefit) of the EPT Agreement (benefit) of St.641 and 3(20,886) for the three months ended (benefit) of St.641 and 3(20,886) for the three months ended of taxes of St.208 and \$1,353 for the three months ended of taxes of St.208 and \$1,353 for the three months ended	Interest expense		753		797		1,531		1,605
Note income tax expense 1,951 1,209 3,269 20,2078	Total expenses		152,734		165,811		329,144		324,824
Not income \$45,597 \$14,588 \$6,350 \$22,078 Less impact of LPT Agreement:	Net income before income taxes		47,548		15,797		59,619		23,061
Amortization of the Deferred Gain related to losses 3,024 3,275 5,910 6,580	Income tax expense		1,951		1,209		3,269		983
Amortization of the Deferred Gain related to contingent commission 3,024 3,275 5,910 6,580 Amortization of the Deferred Gain related to contingent commission 532 406 932 788 Impact of LPT Reserve Adjustment 20,142 — 20,821 — Impact of LPT Contingent Commission Adjustments 7,305 1,024 7,639 1,299 Net income before impact of the LPT Agreement 814,594 9,883 21,048 13,411 Comprehensive income Unrealized gains (losses) during the period (net of tax expense (benefit) of \$8,641 and \$(20,886) for the three months ended June 30, 2014 and 2013, respectively, and \$14,144 and \$(20,886) for the three months ended June 30, 2014 and 2013, respectively, and \$14,144 and \$(20,886) for the three months ended June 30, 2014 and 2013, respectively, and \$4,349 and \$1,631 for the six months ended June 30, 2014 and 2013, respectively, and \$4,349 and \$1,631 for the six months ended June 30, 2014 and 2013, respectively, and \$4,349 and \$1,631 for the six months ended June 30, 2014 and 2013, respectively (5,959) (2,513) (8,077) (3,029) Other comprehensive income (loss), net of tax 10,091 (41,300) 18,191 (41,790) Total comprehensive income (loss) 31,518,473 31,079,713 31,464,198 30,997,52 </td <td>Net income</td> <td>\$</td> <td>45,597</td> <td>\$</td> <td>14,588</td> <td>\$</td> <td>56,350</td> <td>\$</td> <td>22,078</td>	Net income	\$	45,597	\$	14,588	\$	56,350	\$	22,078
Amortization of the Deferred Gain related to contingent commission 532 406 932 788 Impact of LPT Reserve Adjustment 20,142 — 20,821 — Impact of LPT Contingent Commission Adjustments 7,305 1,024 7,639 1,299 Net income before impact of the LPT Agreement 814,594 9,883 21,048 \$13,411 Comprehensive income Unrealized gains (losses) during the period (net of tax expense (benefit) of \$8,641 and \$(20,886) for the three months ended June 30, 2014 and 2013, respectively, and \$14,144 and \$14,144 and \$2013, respectively, and \$4,349 and \$1,404 and \$2013, respectively, and \$4,349 and \$1,631 for the six months ended June 30, 2014 and 2013, respectively, and \$4,349 and \$1,631 for the six months ended June 30, 2014 and 2013, respectively, and \$4,349 and \$1,631 for the six months ended June 30, 2014 and 2013, respectively. \$16,050 \$2,513 \$(8,077) \$(3,029) Other comprehensive income (loss), net of tax 10,091 \$(41,300) \$18,191 \$(41,790) Total comprehensive income (loss), net of tax \$5,5688 \$(26,712) \$74,541 \$(19,712) Weighted average shares outstanding \$31,518,473 \$1,079,713 \$31,464,198 \$30,997,552 Tarnings per common share \$1,00	Less impact of LPT Agreement:	-							
commission 532 406 932 788 Impact of LPT Reserve Adjustment 20,142 — 20,821 — Impact of LPT Contingent Commission Adjustments 7,305 1,024 7,639 1,299 Net income before impact of the LPT Agreement 814,594 9,883 21,048 9,134 Comprehensive income Unrealized gains (losses) during the period (net of tax expense (benefit) of \$8,641 and \$(20,886) for the three months ended June 30, 2014 and 2013, respectively, and \$14,144 and \$(20,886) for the three months ended June 30, 2014 and 2013, respectively, and \$14,144 and \$(20,886) for the six months ended June 30, 2014 and 2013, respectively, and \$1,631 for the six months ended June 30, 2014 and 2013, respectively, and \$4,349 and \$1,631 for the six months ended June 30, 2014 and 2013, respectively, and \$4,349 and \$1,631 for the six months ended June 30, 2014 and 2013, respectively \$(5,959) \$(2,513) \$(8,077) \$(3,029) Other comprehensive income (loss), net of tax \$(5,959) \$(2,513) \$(8,077) \$(3,029) Other comprehensive income (loss) \$(5,959) \$(2,513) \$(8,077) \$(3,029) Other comprehensive income (loss) \$(5,959) \$(2,513) \$(8,077) \$(3,029) Diluted \$(5,959) \$(2,			3,024		3,275		5,910		6,580
The part of LPT Contingent Commission Adjustments 7,305 1,024 7,639 1,299 Net income before impact of the LPT Agreement 1,299 1,291 Comprehensive income 1,299 1,291 Unrealized gains (losses) during the period (net of tax expense (benefit) of \$8,641 and \$(20,886) for the three months ended June 30, 2014 and 2013, respectively, and \$14,144 and \$(20,886) for the six months ended June 30, 2014 and 2013, respectively, and \$14,144 and \$(20,886) for the six months ended June 30, 2014 and 2013, respectively, and \$4,349 and \$1,631 for the six months ended June 30, 2014 and 2013, respectively, and \$4,349 and \$1,631 for the six months ended June 30, 2014 and 2013, respectively. Other comprehensive income (loss), net of tax 10,091 2,013 3,000 3			532		406		932		788
Net income before impact of the LPT Agreement S 14,594 S 9,883 S 21,048 S 13,411	Impact of LPT Reserve Adjustment		20,142		_		20,821		_
Comprehensive income Unrealized gains (losses) during the period (net of tax expense (benefit) of \$8,641 and \$(20,886) for the three months ended June 30, 2014 and 2013, respectively, and \$14,144 and \$(20,870) for the six months ended June 30, 2014 and 2013, respectively) \$16,050 \$(38,787) \$26,268 \$(38,761) Reclassification adjustment for realized gains in net income (net of taxes of \$3,208 and \$1,353 for the three months ended June 30, 2014 and 2013, respectively) \$(5,959) \$(2,513) \$(8,077) \$(3,029) Other comprehensive income (loss), net of tax \$10,091 \$(41,300) \$18,191 \$(19,712) Total comprehensive income (loss) \$55,688 \$(26,712) \$74,541 \$(19,712) Weighted average shares outstanding \$31,518,473 \$1,079,713 \$31,464,198 \$0,997,552 Diluted \$32,030,954 \$1,656,916 \$2,030,194 \$31,583,057 Earnings per common share \$1,45 \$0,47 \$1,79 \$0,71 Diluted \$1,45 \$0,47 \$1,79 \$0,71 Earnings per common share attributable to the LPT Agreement \$0,99 \$0,15 \$1,12 \$0,28 Basic \$0,99 \$0,15 \$1,10	Impact of LPT Contingent Commission Adjustments		7,305		1,024		7,639		1,299
Unrealized gains (losses) during the period (net of tax expense (benefit) of \$8,641 and \$(20,886) for the three months ended June 30, 2014 and 2013, respectively, and \$14,144 and \$(20,870) for the six months ended June 30, 2014 and 2013, respectively)	Net income before impact of the LPT Agreement	\$	14,594	\$	9,883	\$	21,048	\$	13,411
Chenefit) of \$8,641 and \$(20,886) for the three months ended June 30, 2014 and 2013, respectively, and \$14,144 and \$(20,870) for the six months ended June 30, 2014 and 2013, respectively) Reclassification adjustment for realized gains in net income (net of taxes of \$3,208 and \$1,353 for the three months ended June 30, 2014 and 2013, respectively, and \$4,349 and \$1,631 for the six months ended June 30, 2014 and 2013, respectively, and \$4,349 and \$1,631 for the six months ended June 30, 2014 and 2013, respectively) Other comprehensive income (loss), net of tax 10,091 (41,300) 18,191 (41,790) Total comprehensive income (loss) \$55,688 (26,712) 74,541 (19,712) Weighted average shares outstanding 31,518,473 31,079,713 31,464,198 30,997,552 Diluted 32,030,954 31,656,916 32,030,194 31,583,057 Earnings per common share 21,425 20,46 21,76 20,70 Earnings per common share attributable to the LPT Agreement 21,425 20,46 21,76 20,70 Earnings per common share attributable to the LPT Agreement 30,998 30,997,552 30,288 Diluted 30,997 30,097 30,	•								
taxes of \$3,208 and \$1,353 for the three months ended June 30, 2014 and 2013, respectively, and \$4,349 and \$1,631 for the six months ended June 30, 2014 and 2013, respectively) (5,959) (2,513) (8,077) (3,029) Other comprehensive income (loss), net of tax 10,091 (41,300) 18,191 (41,790) Total comprehensive income (loss) \$55,688 (26,712) 74,541 (19,712) Weighted average shares outstanding Basic 31,518,473 31,079,713 31,464,198 30,997,552 Diluted 32,030,954 31,656,916 32,030,194 31,583,057 Earnings per common share Basic \$1.45 \$0.47 \$1.79 \$0.71 Diluted 1.42 0.46 1.76 0.70 Earnings per common share attributable to the LPT Agreement Basic \$0.99 \$0.15 \$1.12 \$0.28 Diluted 0.96 0.15 1.10 0.28 Earnings per common share before the LPT Agreement Basic \$0.46 \$0.32 \$0.67 \$0.43	(benefit) of \$8,641 and \$(20,886) for the three months ended June 30, 2014 and 2013, respectively, and \$14,144 and \$(20,870) for the six months ended June 30, 2014 and 2013,	\$	16,050	\$	(38,787)	\$	26,268	\$	(38,761)
Other comprehensive income (loss), net of tax 10,091 (41,300) 18,191 (41,790) Total comprehensive income (loss) \$55,688 (26,712) 74,541 (19,712) Weighted average shares outstanding Basic 31,518,473 31,079,713 31,464,198 30,997,552 Diluted 32,030,954 31,656,916 32,030,194 31,583,057 Earnings per common share \$1,45 \$0.47 \$1.79 \$0.71 Diluted 1.42 0.46 1.76 0.70 Earnings per common share attributable to the LPT Agreement \$0.99 \$0.15 \$1.12 \$0.28 Diluted 0.96 0.15 1.10 0.28 Earnings per common share before the LPT Agreement \$0.46 0.32 0.67 \$0.43	taxes of \$3,208 and \$1,353 for the three months ended June 30, 2014 and 2013, respectively, and \$4,349 and \$1,631 for the six		(5 959)		(2 513)		(8 077)		(3.029)
Total comprehensive income (loss) \$ 55,688 \$ (26,712) \$ 74,541 \$ (19,712) Weighted average shares outstanding Basic 31,518,473 31,079,713 31,464,198 30,997,552 Diluted 32,030,954 31,656,916 32,030,194 31,583,057 Earnings per common share Basic \$ 1.45 \$ 0.47 \$ 1.79 \$ 0.71 Diluted 1.42 0.46 1.76 0.70 Earnings per common share attributable to the LPT Agreement Basic \$ 0.99 \$ 0.15 \$ 1.12 \$ 0.28 Diluted 0.96 0.15 1.10 0.28 Earnings per common share before the LPT Agreement Basic \$ 0.46 \$ 0.32 \$ 0.67 \$ 0.43						_		_	
Weighted average shares outstanding Basic 31,518,473 31,079,713 31,464,198 30,997,552 Diluted 32,030,954 31,656,916 32,030,194 31,583,057 Earnings per common share \$ 1.45 \$ 0.47 \$ 1.79 \$ 0.71 Diluted 1.42 0.46 1.76 0.70 Earnings per common share attributable to the LPT Agreement \$ 0.99 \$ 0.15 \$ 1.12 \$ 0.28 Diluted 0.96 0.15 1.10 0.28 Earnings per common share before the LPT Agreement \$ 0.46 \$ 0.32 \$ 0.67 \$ 0.43	•	\$		\$. , ,			\$	
Basic Diluted 31,518,473 31,079,713 31,464,198 30,997,552 Earnings per common share 32,030,954 31,656,916 32,030,194 31,583,057 Basic Diluted \$ 1.45 \$ 0.47 \$ 1.79 \$ 0.71 Earnings per common share attributable to the LPT Agreement \$ 0.99 \$ 0.15 \$ 1.12 \$ 0.28 Diluted 0.96 0.15 \$ 1.10 0.28 Earnings per common share before the LPT Agreement \$ 0.46 \$ 0.32 \$ 0.67 \$ 0.43	1	Ť	,	Ť	(==,, ==)	_	,	Ť	(,,)
Diluted 32,030,954 31,656,916 32,030,194 31,583,057 Earnings per common share Basic \$ 1.45 \$ 0.47 \$ 1.79 \$ 0.71 Diluted 1.42 0.46 1.76 0.70 Earnings per common share attributable to the LPT Agreement Basic \$ 0.99 \$ 0.15 \$ 1.12 \$ 0.28 Diluted 0.96 0.15 1.10 0.28 Earnings per common share before the LPT Agreement Basic \$ 0.46 \$ 0.32 \$ 0.67 \$ 0.43	5	3	1.518.473	3	1.079.713	3	1.464.198	3	30.997.552
Earnings per common share Basic \$ 1.45 \$ 0.47 \$ 1.79 \$ 0.71 Diluted 1.42 0.46 1.76 0.70 Earnings per common share attributable to the LPT Agreement Basic \$ 0.99 \$ 0.15 \$ 1.12 \$ 0.28 Diluted 0.96 0.15 \$ 1.10 0.28 Earnings per common share before the LPT Agreement Basic \$ 0.46 \$ 0.32 \$ 0.67 \$ 0.43									
Basic Diluted \$ 1.45 \$ 0.47 \$ 1.79 \$ 0.71 Diluted 1.42 0.46 1.76 0.70 Earnings per common share attributable to the LPT Agreement \$ 0.99 \$ 0.15 \$ 1.12 \$ 0.28 Diluted 0.96 0.15 \$ 1.10 0.28 Earnings per common share before the LPT Agreement \$ 0.46 \$ 0.32 \$ 0.67 \$ 0.43			, ,		, ,		, ,		, ,
Earnings per common share attributable to the LPT Agreement Basic \$ 0.99 \$ 0.15 \$ 1.12 \$ 0.28 Diluted 0.96 0.15 \$ 1.10 0.28 Earnings per common share before the LPT Agreement Basic \$ 0.46 \$ 0.32 \$ 0.67 \$ 0.43	~ ·	\$	1.45	\$	0.47	\$	1.79	\$	0.71
Basic \$ 0.99 \$ 0.15 \$ 1.12 \$ 0.28 Diluted 0.96 0.15 \$ 1.10 \$ 0.28 Earnings per common share before the LPT Agreement Basic \$ 0.46 \$ 0.32 \$ 0.67 \$ 0.43			1.42		0.46		1.76		0.70
Diluted 0.96 0.15 1.10 0.28 Earnings per common share before the LPT Agreement \$ 0.46 \$ 0.32 \$ 0.67 \$ 0.43	5 2								
Earnings per common share before the LPT Agreement Basic \$ 0.46 \$ 0.32 \$ 0.67 \$ 0.43		\$		\$		\$		\$	
Basic \$ 0.46 \$ 0.32 \$ 0.67 \$ 0.43			0.96		0.15		1.10		0.28
	9.	Ф	0.46	¢	0.22	¢	0.67	Φ	0.42
		Ф		Þ		Þ		Þ	

Employers Holdings, Inc. and Subsidiaries Consolidated Balance Sheets

(in thousands, except share data)		As of June 30, 2014	Do	As of ecember 31, 2013
Assets	(unaudited)		
Available for sale: Fixed maturity securities at fair value (amortized cost \$2,189,306 at June 30, 2014 and \$2,116,064 at December 31, 2013) Equity securities at fair value (cost \$94,187 at June 30, 2014 and \$89,689 at December	\$	2,287,127	\$	2,182,546
31, 2013)		163,457		162,312
Total investments		2,450,584		2,344,858
Cash and cash equivalents		36,956		34,503
Restricted cash and cash equivalents		8,454		6,564
Accrued investment income Premiums receivable (less bad debt allowance of \$7,609 at June 30, 2014 and \$7,064 at December 31, 2013)		20,557 321,576		20,255 279,080
Reinsurance recoverable for: Paid losses		9,062		ŕ
				8,412
Unpaid losses, including bad debt allowance of \$389 at December 31, 2013		699,200		742,666
Deferred policy acquisition costs		48,951		43,532
Deferred income taxes, net		47,907		58,062
Property and equipment, net		15,675		16,616
Intangible assets, net		9,349		9,685
Goodwill Contingent commission receivable—LPT Agreement		36,192 34,415		36,192 25,104
Other assets		25,699		25,104 17,920
Total assets	\$	3,764,577	\$	3,643,449
Liabilities and stockholders' equity	Ф	3,704,377	<u> </u>	3,043,449
Claims and policy liabilities:				
Unpaid losses and loss adjustment expenses	\$	2,354,759	\$	2,330,491
Unearned premiums	Ψ	339,699	Ψ	303,967
Total claims and policy liabilities	-	2,694,458		2,634,458
Commissions and premium taxes payable		46,920		45,314
Accounts payable and accrued expenses		17,276		18,711
Deferred reinsurance gain—LPT Agreement		223,080		249,072
Notes payable		102,000		102,000
Other liabilities		35,591		25,191
Total liabilities		3,119,325		3,074,746
Commitments and contingencies				
Stockholders' equity: Common stock, \$0.01 par value; 150,000,000 shares authorized; 54,855,474 and 54,672,904 shares issued and 31,482,500 and 31,299,930 shares outstanding at June 30, 2014 and December 31, 2013, represtively:		540		547
2014 and December 31, 2013, respectively		549		547
Additional paid-in capital		343,869		338,090
Retained earnings Accumulated other comprehensive income, net		554,775 108,609		502,198 90,418
Treasury stock, at cost (23,372,974 shares at June 30, 2014 and December 31, 2013)		(362,550)		(362,550)
Total stockholders' equity		645,252		568,703
Total liabilities and stockholders' equity	\$	3,764,577	\$	3,643,449
Total habilities and stockholders equity	Φ	3,704,377	Φ	3,043,449
Equity including deferred reinsurance gain - LPT				
Total stockholders' equity	\$	645,252	\$	568,703
Deferred reinsurance gain–LPT Agreement	_	223,080	.	249,072
Total equity including deferred reinsurance gain—LPT Agreement (A)	\$	868,332	\$	817,775
Shares outstanding (B)		31,482,500		31,299,930
Book value per share (A * 1000) / B	\$	27.58	\$	26.13

Employers Holdings, Inc. and Subsidiaries Consolidated Statements of Cash Flows

Six Months Ended June 30,

(in thousands) 2014 2013 Operating activities \$ 5,330 \$ 22,078 Adjustments to reconcile net income to net eash provided by operating activities 3,508 2,200 Depreciation and amortization 3,508 2,800 Stock-based compensation 3,485 4,169 Amortization of premium on investments, net 5,140 4,310 Deferred income tax expense 360 (2,558) Net realized gains on investments (11,52) (349) Other (1) 50 Change in operating assets and liabilities: (43,041) (63,091) Reinsurance recoverable for paid and unpaid losses 43,204 4,246 Federal income taxes 33,272 2,848 Unpaid losses and loss adjustment expenses 24,268 59,721 Unearmed premiums 35,373 25,886 Accounts payable, accrued expenses and other liabilities 8,964 15,389 Deferred reinsurance gain—LPT Agreement (25,992) (6,860) Other (70,100) (70,800) Net eash provided by operating activities			June 30,	
Net income \$ 56,350 \$ 22,078 Adjustments to reconcile net income to net cash provided by operating activities: Depreciation and amortization 3,508 2,800 Stock-based compensation 3,485 4,169 Amortization of premium on investments, net 5,140 4,310 Deferred income tax expense 3,208 (2,558) Net realized gains on investments (12,426) (4,600) Excess tax benefits from stock-based compensation (1,152) (349) Other (1) 549 Change in operating assets and liabilities: Termium's receivable (43,041) (63,091) Reinsurance recoverable for paid and unpaid losses 43,204 4,246 Federal income taxes 33,237 2,848 Unpaid losses and loss adjustment expenses 24,268 59,721 Unearned premiums 35,732 52,586 Accounts payable, accrued expenses and other liabilities 8,964 15,389 Deferred einsurance gain—LPT Agreement (9,311) (1,807) Other (14,304) (41,79) Net cash provided by operating act				
Adjustments to reconcile net income to net cash provided by operating activities: 3,508 2,800 Depreciation and amortization 3,485 4,169 Amortization of premium on investments, net 5,140 4,310 Deferred income tax expense 360 (2,558) Net realized gains on investments (12,426) (4,660) Excess tax benefits from stock-based compensation (1) 549 Other (1) 549 Premiums receivable (43,041) (63,091) Reinsurance recoverable for paid and unpaid losses 43,204 4,246 Federal income taxes 3,327 2,848 Unpaid losses and loss adjustment expenses 24,268 59,721 Unearned premiums 35,732 52,586 Accounts payable, accrued expenses and other liabilities 8,964 15,389 Deferred reinsurance gain—LPT Agreement (25,992) (6,860) Contingent commission receivable—LPT Agreement (9,311) (1,807) Other (21,488) (3,192) Investing activities 78,112 18,912 Purcha			,	
Depreciation and amortization 3,508 2,800 Stock-based compensation 3,485 4,169 Amortization of premium on investments, net 5,140 4,310 Deferred income tax expense 360 (2,558) Net realized gains on investments (12,426) (4,660) Excess tax benefits from stock-based compensation (1,152) (349) Other (1) 549 Change in operating assets and liabilities: Termiums receivable (43,041) (63,091) Reinsurance recoverable for paid and unpaid losses 43,204 4,246 Federal income taxes 3,327 2,848 Unpaid losses and loss adjustment expenses 42,268 59,721 Unearned premiums 35,732 52,586 Accounts payable, accrued expenses and other liabilities 8,964 15,389 Deferred reinsurance gain—LPT Agreement (25,992) 6,860 Contingent commission receivable—LPT Agreement (9,311) (18,07) Other (14,304) (4,179) Net cash provided by operating activities 2(15,885) (211,889)		\$	56,350 \$	22,078
Stock-based compensation 3,485 4,169 Amortization of premium on investments, net 5,140 4,310 Deferred income tax expense 360 (2,558) Net realized gains on investments (10,2426) (4,660) Excess tax benefits from stock-based compensation (11,52) (349) Other (1) 549 Change in operating assets and liabilities: Interview of the company of the co				
Amortization of premium on investments, net 5,140 4,310 Deferred income tax expense 360 (2,558) Net realized gains on investments (12,426) (4,660) Excess tax benefits from stock-based compensation (11) 549 Other (1) 549 Change in operating assets and liabilities: "In 19 549 Premiums receivable (43,041) (63,091) Reinsurance recoverable for paid and unpaid losses 43,204 4,246 Federal income taxes 3,327 2,848 Unpaid losses and loss adjustment expenses 24,268 59,721 Unearned premiums 35,732 25,586 Accounts payable, accrued expenses and other liabilities 8,964 15,389 Deferred reinsurance gain—LPT Agreement (25,992) (6,860) Contingent commission receivable—LPT Agreement (9,311) (1,807) Other (14,304) (4,179) Net cash provided by operating activities (21,585) (211,889) Purchase of fixed maturity securities (215,885) (211,889) Pr				
Deferred income tax expense 360 (2,558) Net realized gains on investments (12,426) (4,660) Excess tax benefits from stock-based compensation (1,152) (349) Other (1) 549 Change in operating assets and liabilities: (43,041) (63,091) Reinsurance recoverable for paid and unpaid losses 43,204 4,246 Federal income taxes 3,327 2,848 Unpaid losses and loss adjustment expenses 24,268 59,721 Unearned premiums 35,732 52,586 Accounts payable, accrued expenses and other liabilities 8,964 15,389 Deferred reinsurance gain—LPT Agreement (25,992) (6,860) Contingent commission receivable—LPT Agreement (9,311) (1,807) Other (14,304) (4,179) Net cash provided by operating activities 78,111 85,192 Purchase of fixed maturity securities (215,885) (211,889) Purchase of fixed maturity securities (14,212) (18,190) Proceeds from sale of fixed maturity securities 21,288 18,357				
Net realized gains on investments (12,426) (4,660) Excess tax benefits from stock-based compensation (1,152) (349) Other (1) 549 Change in operating assets and liabilities: (43,041) (63,091) Premiums receivable (43,041) (63,091) Reinsurance recoverable for paid and unpaid losses 43,204 4,246 Federal income taxes 3,327 2,848 Unpaid losses and loss adjustment expenses 24,268 59,721 Unearned premiums 35,732 52,586 Accounts payable, accrued expenses and other liabilities 8,964 15,389 Deferred reinsurance gain—LPT Agreement (9,311) (1,807) Other (78,111) 85,192 Net cash provided by operating activities 78,111 85,192 Investing activities 78,111 85,192 Purchase of fixed maturity securities (215,885) (211,889) Purchase of fixed maturity securities (212,885) (211,889) Proceeds from sale of fixed assets 2,128 18,357 Proceeds from s			5,140	4,310
Excess tax benefits from stock-based compensation (1,152) (349) Other (1) 549 Change in operating assets and liabilities: (3,041) (63,091) Premiums receivable (43,041) (63,091) Reinsurance recoverable for paid and unpaid losses 43,204 4,246 Federal income taxes 3,327 2,848 Unpaid losses and loss adjustment expenses 24,268 59,721 Unearned premiums 35,732 52,586 Accounts payable, accrued expenses and other liabilities 8,964 15,389 Deferred reinsurance gaim—LPT Agreement (9,311) (1,807) Other (14,304) (4,179) Net cash provided by operating activities 78,111 85,192 Investing activities 78,111 85,192 Purchase of fixed maturity securities (215,885) (211,889) Purchase of equity securities (14,212) (18,190) Proceeds from sale of fixed maturity securities 38,028 706 Proceeds from sale of fixed maturity securities 100,700 86,326 Pr	*		360	(2,558)
Other (1) 549 Change in operating assets and liabilities: Preminums receivable (43,041) (63,091) Reinsurance recoverable for paid and unpaid losses 43,204 4,246 Federal income taxes 3,327 2,848 Unpaid losses and loss adjustment expenses 24,268 59,721 Unearned premiums 35,732 52,586 Accounts payable, accrued expenses and other liabilities 8,964 15,389 Deferred reinsurance gain—LPT Agreement (25,992) (6,860) Contingent commission receivable—LPT Agreement (9,311) (18,07) Other (14,304) (4,179) Net cash provided by operating activities 78,111 85,192 Investing activities 78,111 85,192 Purchase of fixed maturity securities (215,885) (211,889) Purchase of fixed maturity securities (14,212) (18,190) Proceeds from sale of fixed maturity securities 21,288 18,357 Proceeds from sale of fixed assets — 139 Capital expenditures (2,448) (3,206) </td <td>Net realized gains on investments</td> <td></td> <td>(12,426)</td> <td>(4,660)</td>	Net realized gains on investments		(12,426)	(4,660)
Change in operating assets and liabilities: Premiums receivable (43,041) (63,091) Reinsurance recoverable for paid and unpaid losses 43,204 4,246 Federal income taxes 3,327 2,848 Unpaid losses and loss adjustment expenses 24,268 59,721 Unearned premiums 35,732 52,586 Accounts payable, accrued expenses and other liabilities 8,964 15,389 Deferred reinsurance gain—LPT Agreement (25,992) (6,860) Contingent commission receivable—LPT Agreement (9,311) (1,807) Other (14,304) (4,179) Net cash provided by operating activities 78,111 85,192 Investing activities 78,111 85,192 Investing activities (215,885) (211,889) Purchase of fixed maturity securities (215,885) (211,889) Purchase of fixed maturity securities (21,288 18,357 Proceeds from sale of fixed maturity securities (21,288 18,357 Proceeds from sale of equity securities (21,288 18,357 Proceeds from sale of equity securities	Excess tax benefits from stock-based compensation		(1,152)	(349)
Premiums receivable (43,041) (63,091) Reinsurance recoverable for paid and unpaid losses 43,204 4,246 Federal income taxes 3,327 2,848 Unpaid losses and loss adjustment expenses 24,268 59,721 Unearned premiums 35,732 52,586 Accounts payable, accrued expenses and other liabilities 8,964 15,389 Deferred reinsurance gain—LPT Agreement (25,992) (6,860) Contingent commission receivable—LPT Agreement (9,311) (1,807) Other (14,304) (4,179) Net cash provided by operating activities 78,111 85,192 Investing activities (215,885) (211,889) Purchase of fixed maturity securities (14,212) (18,190) Proceeds from sale of fixed maturity securities (14,212) (18,190) Proceeds from sale of equity securities 38,028 706 Proceeds from sale of equity securities (1,238) 13,357 Proceeds from sale of fixed maturity securities (2,484) (3,206) Proceeds from sale of fixed prixed assets — <td< td=""><td>Other</td><td></td><td>(1)</td><td>549</td></td<>	Other		(1)	549
Reinsurance recoverable for paid and unpaid losses 43,204 4,246 Federal income taxes 3,327 2,848 Unpaid losses and loss adjustment expenses 24,268 59,721 Unearned premiums 35,732 52,586 Accounts payable, accrued expenses and other liabilities 8,964 15,389 Deferred reinsurance gain—LPT Agreement (25,992) (6,860) Contingent commission receivable—LPT Agreement (9,311) (1,807) Other (14,304) (4,179) Net eash provided by operating activities 78,111 85,192 Investing activities 78,111 85,192 Investing activities (14,214) (18,190) Proceads from sale of fixed maturity securities (215,885) (211,889) Proceeds from sale of fixed maturity securities 38,028 706 Proceeds from sale of equity securities 21,288 18,357 Proceeds from maturities and redemptions of investments 100,700 86,326 Proceeds from maturities and redemptions of investments (2,448) (3,206) Restricted cash and cash equivalents (used in) pro	Change in operating assets and liabilities:			
Federal income taxes 3,327 2,848 Unpaid losses and loss adjustment expenses 24,268 59,721 Unearned premiums 35,732 52,586 Accounts payable, accrued expenses and other liabilities 8,964 15,389 Deferred reinsurance gain—LPT Agreement (25,992) (6,860) Contingent commission receivable—LPT Agreement (9,311) (1,807) Other (14,304) (4,179) Net cash provided by operating activities 78,111 85,192 Investing activities (215,885) (211,889) Purchase of fixed maturity securities (14,212) (18,190) Proceeds from sale of fixed maturity securities 38,028 706 Proceeds from sale of equity securities 38,028 706 Proceeds from sale of equity securities 21,288 18,357 Proceeds from maturities and redemptions of investments 100,700 86,326 Proceeds from sale of fixed assets — 139 Capital expenditures (2,448) (3,206) Restricted cash and cash equivalents (used in) provided by investing activities (1,89	Premiums receivable		(43,041)	(63,091)
Unpaid losses and loss adjustment expenses 24,268 59,721 Unearned premiums 35,732 52,586 Accounts payable, accrued expenses and other liabilities 8,964 15,389 Deferred reinsurance gain—LPT Agreement (25,992) (6,860) Contingent commission receivable—LPT Agreement (9,311) (1,807) Other (14,304) (4,179) Net cash provided by operating activities 78,111 85,192 Investing activities 8,964 13,362 Purchase of fixed maturity securities 78,111 85,192 Investing activities (215,885) (211,889) Purchase of fixed maturity securities (14,212) (18,190) Proceeds from sale of fixed maturity securities 38,028 706 Proceeds from sale of equity securities 38,028 706 Proceeds from sale of equity securities 21,288 18,357 Proceeds from sale of fixed assets — 139 Capital expenditures (2,448) (3,206) Restricted cash and cash equivalents (used in) provided by investing activities (1,891) <t< td=""><td>Reinsurance recoverable for paid and unpaid losses</td><td></td><td>43,204</td><td>4,246</td></t<>	Reinsurance recoverable for paid and unpaid losses		43,204	4,246
Unearned premiums 35,732 52,586 Accounts payable, accrued expenses and other liabilities 8,964 15,389 Deferred reinsurance gain—LPT Agreement (25,992) (6,860) Contingent commission receivable—LPT Agreement (9,311) (1,807) Other (14,304) (4,179) Net cash provided by operating activities 78,111 85,192 Investing activities 78,111 85,192 Purchase of fixed maturity securities (215,885) (211,889) Purchase of equity securities (14,212) (18,190) Proceeds from sale of fixed maturity securities 38,028 706 Proceeds from sale of equity securities 21,288 18,357 Proceeds from sale of fixed assets — 139 Proceeds from sale of fixed assets — 139 Capital expenditures (2,448) (3,206) Restricted cash and cash equivalents (used in) provided by investing activities (1,891) 751 Net cash used in investing activities (3,762) (127,006) Financing activities (3,762) (3,708) <	Federal income taxes		3,327	2,848
Accounts payable, accrued expenses and other liabilities 8,964 15,389 Deferred reinsurance gain—LPT Agreement (25,992) (6,860) Contingent commission receivable—LPT Agreement (9,311) (1,807) Other (14,304) (4,179) Net cash provided by operating activities 78,111 85,192 Investing activities 78,111 85,192 Purchase of fixed maturity securities (215,885) (211,889) Purchase of equity securities (14,212) (18,190) Proceeds from sale of fixed maturity securities 38,028 706 Proceeds from sale of equity securities 21,288 18,357 Proceeds from maturities and redemptions of investments 100,700 86,326 Proceeds from sale of fixed assets — 139 Capital expenditures (2,448) (3,206) Restricted cash and cash equivalents (used in) provided by investing activities (1,891) 751 Net cash used in investing activities (1,370) (127,006) Financing activities (3,762) (3,708) Excess tax benefits from stock-based compensat	Unpaid losses and loss adjustment expenses		24,268	59,721
Accounts payable, accrued expenses and other liabilities 8,964 15,389 Deferred reinsurance gain—LPT Agreement (25,992) (6,860) Contingent commission receivable—LPT Agreement (9,311) (1,807) Other (14,304) (4,179) Net cash provided by operating activities 78,111 85,192 Investing activities 78,111 85,192 Purchase of fixed maturity securities (215,885) (211,889) Purchase of equity securities (14,212) (18,190) Proceeds from sale of fixed maturity securities 38,028 706 Proceeds from sale of equity securities 21,288 18,357 Proceeds from sale of equity securities 100,700 86,326 Proceeds from sale of fixed assets — 139 Capital expenditures (2,448) (3,206) Restricted cash and cash equivalents (used in) provided by investing activities (1,891) 751 Net cash used in investing activities (1,370) (127,006) Financing activities (3,762) (3,708) Excess tax benefits from stock-based compensation	Unearned premiums		35,732	52,586
Deferred reinsurance gain—LPT Agreement (25,992) (6,860) Contingent commission receivable—LPT Agreement (9,311) (1,807) Other (14,304) (4,179) Net cash provided by operating activities 78,111 85,192 Investing activities 215,885) (211,889) Purchase of fixed maturity securities (14,212) (18,190) Proceeds from sale of fixed maturity securities 38,028 706 Proceeds from sale of equity securities 21,288 18,357 Proceeds from sale of fixed assets — 139 Capital expenditures (2,448) (3,206) Restricted cash and cash equivalents (used in) provided by investing activities (1,891) 751 Net cash used in investing activities (74,420) (127,006) Financing activities (3,762) (3,708) Excess tax benefits from stock-based compensation 1,372 1,572 Dividends paid to stockholders (3,762) (3,708) Excess tax benefits from stock-based compensation 1,152 349 Net cash used in financing activities (1,238)	Accounts payable, accrued expenses and other liabilities		8,964	15,389
Contingent commission receivable—LPT Agreement Other (9,311) (1,807) Other (14,304) (4,179) Net cash provided by operating activities 78,111 85,192 Investing activities 215,885) (211,889) Purchase of fixed maturity securities (14,212) (18,190) Proceeds from sale of fixed maturity securities 38,028 706 Proceeds from sale of equity securities 21,288 18,357 Proceeds from sale of fixed assets - 139 Proceeds from sale of fixed assets - 139 Capital expenditures (2,448) (3,206) Restricted cash and cash equivalents (used in) provided by investing activities (1,891) 751 Net cash used in investing activities (74,420) (127,006) Financing activities (3,762) (3,708) Excess tax benefits from stock-based compensation 1,372 1,572 Dividends paid to stockholders (3,762) (3,708) Excess tax benefits from stock-based compensation 1,152 349 Net cash used in financing activities (1,238)			(25,992)	
Other (14,304) (4,179) Net cash provided by operating activities 78,111 85,192 Investing activities 215,885 (211,889) Purchase of fixed maturity securities (14,212) (18,190) Purchase of equity securities 38,028 706 Proceeds from sale of fixed maturity securities 38,028 706 Proceeds from sale of equity securities 100,700 86,326 Proceeds from sale of fixed assets — 139 Capital expenditures (2,448) (3,206) Restricted cash and cash equivalents (used in) provided by investing activities (1,891) 751 Net cash used in investing activities (74,420) (127,006) Financing activities (3,762) (3,708) Excess tax benefits from stock-based compensation 1,372 1,572 Dividends paid to stockholders (3,762) (3,708) Excess tax benefits from stock-based compensation 1,152 349 Net cash used in financing activities (1,238) (1,787) Net increase (decrease) in cash and cash equivalents (43,601)			* * *	
Net cash provided by operating activities 78,111 85,192 Investing activities 2 11,889 12,889 12,1889 13,802 13,900				
Investing activities Purchase of fixed maturity securities (215,885) (211,889) Purchase of equity securities (14,212) (18,190) Proceeds from sale of fixed maturity securities 38,028 706 Proceeds from sale of equity securities 21,288 18,357 Proceeds from maturities and redemptions of investments 100,700 86,326 Proceeds from sale of fixed assets — 139 Capital expenditures (2,448) (3,206) Restricted cash and cash equivalents (used in) provided by investing activities (1,891) 751 Net cash used in investing activities (74,420) (127,006) Financing activities (3,762) (3,708) Cash transactions related to stock-based compensation 1,372 1,572 Dividends paid to stockholders (3,762) (3,708) Excess tax benefits from stock-based compensation 1,152 349 Net cash used in financing activities (1,238) (1,787) Net increase (decrease) in cash and cash equivalents 2,453 (43,601)	Net cash provided by operating activities			
Purchase of fixed maturity securities (215,885) (211,889) Purchase of equity securities (14,212) (18,190) Proceeds from sale of fixed maturity securities 38,028 706 Proceeds from sale of equity securities 21,288 18,357 Proceeds from maturities and redemptions of investments 100,700 86,326 Proceeds from sale of fixed assets — 139 Capital expenditures (2,448) (3,206) Restricted cash and cash equivalents (used in) provided by investing activities (1,891) 751 Net cash used in investing activities (74,420) (127,006) Financing activities (3,762) (3,708) Excess tax benefits from stock-based compensation 1,372 1,572 Dividends paid to stockholders (3,762) (3,708) Excess tax benefits from stock-based compensation 1,152 349 Net cash used in financing activities (1,238) (1,787) Net increase (decrease) in cash and cash equivalents 2,453 (43,601)			,	,
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Proceeds from sale of fixed maturity securities38,028706Proceeds from sale of equity securities21,28818,357Proceeds from maturities and redemptions of investments100,70086,326Proceeds from sale of fixed assets—139Capital expenditures(2,448)(3,206)Restricted cash and cash equivalents (used in) provided by investing activities(1,891)751Net cash used in investing activities(74,420)(127,006)Financing activities(3,762)(3,708)Cash transactions related to stock-based compensation1,3721,572Dividends paid to stockholders(3,762)(3,708)Excess tax benefits from stock-based compensation1,152349Net cash used in financing activities(1,238)(1,787)Net increase (decrease) in cash and cash equivalents2,453(43,601)	·			
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Proceeds from maturities and redemptions of investments Proceeds from sale of fixed assets Capital expenditures (2,448) Restricted cash and cash equivalents (used in) provided by investing activities (1,891) Net cash used in investing activities (3,706) Financing activities Cash transactions related to stock-based compensation 1,372 Dividends paid to stockholders Excess tax benefits from stock-based compensation Net cash used in financing activities (1,238) Net cash used in financing activities (1,238) (1,787) Net increase (decrease) in cash and cash equivalents	•			
Proceeds from sale of fixed assets Capital expenditures (2,448) (3,206) Restricted cash and cash equivalents (used in) provided by investing activities (1,891) Net cash used in investing activities (74,420) Financing activities Cash transactions related to stock-based compensation Dividends paid to stockholders Excess tax benefits from stock-based compensation Net cash used in financing activities Net cash used in financing activities (1,238) (1,787) Net increase (decrease) in cash and cash equivalents 2,453 (43,601)				
Capital expenditures (2,448) (3,206) Restricted cash and cash equivalents (used in) provided by investing activities (1,891) 751 Net cash used in investing activities (74,420) (127,006) Financing activities Cash transactions related to stock-based compensation 1,372 1,572 Dividends paid to stockholders (3,762) (3,708) Excess tax benefits from stock-based compensation 1,152 349 Net cash used in financing activities (1,238) (1,787) Net increase (decrease) in cash and cash equivalents 2,453 (43,601)	•			
Restricted cash and cash equivalents (used in) provided by investing activities (1,891) 751 Net cash used in investing activities (74,420) (127,006) Financing activities Cash transactions related to stock-based compensation 1,372 1,572 Dividends paid to stockholders (3,762) (3,708) Excess tax benefits from stock-based compensation 1,152 349 Net cash used in financing activities (1,238) (1,787) Net increase (decrease) in cash and cash equivalents 2,453 (43,601)			(2.448)	
Net cash used in investing activities (74,420) (127,006) Financing activities Cash transactions related to stock-based compensation 1,372 1,572 Dividends paid to stockholders (3,762) (3,708) Excess tax benefits from stock-based compensation 1,152 349 Net cash used in financing activities (1,238) (1,787) Net increase (decrease) in cash and cash equivalents 2,453 (43,601)			` ' '	
Financing activitiesCash transactions related to stock-based compensation1,3721,572Dividends paid to stockholders(3,762)(3,708)Excess tax benefits from stock-based compensation1,152349Net cash used in financing activities(1,238)(1,787)Net increase (decrease) in cash and cash equivalents2,453(43,601)				
Cash transactions related to stock-based compensation1,3721,572Dividends paid to stockholders(3,762)(3,708)Excess tax benefits from stock-based compensation1,152349Net cash used in financing activities(1,238)(1,787)Net increase (decrease) in cash and cash equivalents2,453(43,601)	<u> </u>		(71,120)	(127,000)
Dividends paid to stockholders(3,762)(3,708)Excess tax benefits from stock-based compensation1,152349Net cash used in financing activities(1,238)(1,787)Net increase (decrease) in cash and cash equivalents2,453(43,601)	_		1 372	1 572
Excess tax benefits from stock-based compensation Net cash used in financing activities Net increase (decrease) in cash and cash equivalents 1,152 349 (1,238) (1,787) 2,453 (43,601)				
Net cash used in financing activities(1,238)(1,787)Net increase (decrease) in cash and cash equivalents2,453(43,601)	•		* * *	
Net increase (decrease) in cash and cash equivalents 2,453 (43,601)				
Cash and Cash equivalents at the deginning of the period 34,303 140,001				
Cash and cash equivalents at the end of the period $\boxed{\$}$ 36,956 $\boxed{\$}$ 97,060	Cash and cash equivalents at the beginning of the period Cash and cash equivalents at the end of the period	•		
Cash and eash equivalents at the end of the period \$ 50,730 \$ 97,000	Cash and Cash equivalents at the end of the period	D	JU,93U \$	91,000

Employers Holdings, Inc. Calculation of Combined Ratio before the Impact of the LPT Agreement

Mathonisands, except for percentages 1918 19			nths Ended	Six Months Ended		
Net premiums earned Image: Company of the premium earne	(in thousands except for percentages)					
Net premiums earned \$172,659 \$159,953 \$39,813 \$307,928 Losses and loss adjustment expenses 98,524 \$112,638 \$20,780 \$20,910 Amortization of Deferred Gain related to losses \$3,024 \$3,275 \$5,500 \$6,500 Amortization of Deferred Gain related to contingent commission \$322 406 932 788 LPT Reserve Adjustment \$20,142 \$1,024 \$763 \$1,299 LPT Contingent Commission Adjustment \$7,305 \$10,24 \$76,39 \$20,927 LPT Contingent Commission Adjustment \$129,272 \$173,33 \$20,020 \$20,927 LPT Contingent Commission Adjustment \$129,297 \$13,43 \$20,020 \$20,927 LPT Contingent Commission Adjustment \$129,297 \$13,43 \$20,020 \$20,927 LPT Contingent Commission Adjustment \$129,207 \$13,43 \$20,020 \$20,957 Loss & LAE Enferore impact of LPT \$17,90 \$20,20 \$12,02 \$12,02 \$12,02 \$12,02 \$12,02 \$12,02 \$12,02 \$12,02 \$12,02	(in inousunus, except for percentages)	2014			2013	
Loss & LAE ratio 57.1 % 70.4 % 65.0 % 71.7 % Amortization of Deferred Gain related to losses \$3,024 \$3,275 \$5,910 \$6,580 Amortization of Deferred Gain related to contingent commission 532 406 932 788 LPT Reserve Adjustment 20,142 — 20,821 — LPT Contingent Commission Adjustment 7,305 1,17,343 \$256,082 \$225,777 Loss & LAE before impact of LPT 17,99% 3,00% 10,04% 2.29 % Loss & LAE ratio before impact of LPT 75.0% 73.4% 75.4% 74.6% Commission expense \$20,301 \$2,012 \$40,376 \$38,50 Commission expense \$23,156 \$32,249 \$66,457 \$125,5% Underwriting & other operating expenses \$111,8% \$165,014 \$30,761 \$33,850 Underwriting & other operating expenses ratio \$19,1% \$103,2% \$26,457 \$33,850 Total expenses \$151,981 \$165,014 \$30,2915 \$31,886 Combined ratio before impact of the LPT <td>Net premiums earned</td> <td>\$ 172,659</td> <td>`</td> <td>· · · · · · · · · · · · · · · · · · ·</td> <td>\$ 307,928</td>	Net premiums earned	\$ 172,659	`	· · · · · · · · · · · · · · · · · · ·	\$ 307,928	
Amortization of Deferred Gain related to losess 3,024 3,275 5,910 6,580 Amortization of Deferred Gain related to contingent commission 532 406 932 788 LPT Reserve Adjustment 20,142 — 0,821 — LPT Contingent Commission Adjustment 7,305 1,024 7,639 1,299 Loss & LAE before impact of LPT 17,95 310,343 256,082 229,577 Impact of LPT 75,00 73,405 10,44 2.9 w Loss & LAE ratio before impact of LPT 17,90 30,00 10,40 2.9 w Commission expense 20,301 20,127 \$40,376 38,520 Underwriting & other operating expenses 33,156 32,249 66,457 50,789 Underwriting & other operating expenses ratio 11,80 165,014 327,613 \$323,199 Total expenses 151,981 165,014 327,613 \$31,866 Combined ratio before impact of the LPT 182,984 169,719 362,915 313,886 Combined ratio before impact of LPT	Losses and loss adjustment expenses	98,524	112,638	220,780	220,910	
Amortization of Deferred Gain related to contingent commission 532 406 932 788 LPT Reserve Adjustment 20,142 — 20,821 — LPT Contingent Commission Adjustment 7,305 1,024 7,639 1,299 Loss & LAE before impact of LPT 17.9% 3.0% \$256,082 \$29,597 Loss & LAE ratio before impact of LPT 75.0% 73.4% 10.4% 2.9% Loss & LAE ratio before impact of LPT 75.0% 73.4% 10.4% 2.9% Commission expense \$20,301 \$20,127 \$40,376 \$38,520 Commission expense ratio 11.8% 12.6% 11.9 12.5% Underwriting & other operating expenses \$33,156 \$23,249 \$66,457 \$36,789 Underwriting & other operating expenses ratio \$151,981 \$165,014 \$327,613 \$323,219 Total expenses \$151,981 \$169,719 \$32,015 \$31,886 Combined ratio before impact of the LPT \$106.0% \$106.1% \$06.457 \$105.0% Combined ratio before impact of LPT <td>Loss & LAE ratio</td> <td>57.1 %</td> <td>70.4 %</td> <td>65.0 %</td> <td>71.7 %</td>	Loss & LAE ratio	57.1 %	70.4 %	65.0 %	71.7 %	
PT Reserve Adjustment	Amortization of Deferred Gain related to losses	\$ 3,024	\$ 3,275	\$ 5,910	\$ 6,580	
PT Contingent Commission Adjustment 7,305 1,024 7,639 1,299 7,200 1,200 1,000	Amortization of Deferred Gain related to contingent commission	532	406	932	788	
Size	LPT Reserve Adjustment	20,142		20,821		
Total expenses before impact of the LPT Stage o	LPT Contingent Commission Adjustment	7,305	1,024	7,639	1,299	
Loss & LAE ratio before impact of LPT 75.0 % 73.4 % 75.4 % 74.6 % Commission expense \$ 20,301 \$ 20,127 \$ 40,376 \$ 38,520 Commission expense ratio \$ 11.8 % \$ 12.6 % \$ 11.9 % \$ 12.5 % Underwriting & other operating expenses \$ 33,156 \$ 32,249 \$ 66,457 \$ 63,789 Underwriting & other operating expenses ratio \$ 19.1 % \$ 20.2 % \$ 19.5 % \$ 20.8 % Total expenses \$ 151,981 \$ 165,014 \$ 327,613 \$ 323,219 Combined ratio \$ 88.0 % \$ 103.2 % \$ 96.4 % \$ 105.0 % Total expense before impact of the LPT \$ 182,984 \$ 169,719 \$ 321,886 Combined ratio before the impact of LPT \$ 129,527 \$ 117,343 \$ 256,082 \$ 229,577 Plus: Favorable (unfavorable) prior period reserve development ratio \$ 1,500 \$ 11,822 \$ 256,082 \$ 229,577 Losses & LAE ratio before impact of LPT \$ 75.0 % \$ 73.4 % \$ 75.4 % \$ 74.6 % Plus: Favorable (unfavorable) prior period reserve development ratio \$ 73.0 % 74.4	Loss & LAE before impact of LPT	\$ 129,527	\$ 117,343	\$ 256,082	\$ 229,577	
Commission expense \$ 20,301 \$ 20,127 \$ 40,376 \$ 38,520 Underwriting & other operating expenses \$ 33,156 \$ 32,249 \$ 66,457 \$ 20,886 Underwriting & other operating expenses \$ 33,156 \$ 20,22 % \$ 19,5 % \$ 20,886 Total expenses \$ 151,981 \$ 165,014 \$ 327,613 \$ 323,219 Combined ratio \$ 88.0 % \$ 103.2 % \$ 96.4 % \$ 105.0 % Total expense before impact of the LPT \$ 182,984 \$ 169,719 \$ 322,613 \$ 31,886 Combined ratio before the impact of LPT \$ 129,527 \$ 117,343 \$ 256,082 \$ 229,577 Plus: Favorable (unfavorable) prior period reserve development ratio \$ 1,500 \$ 117,343 \$ 256,082 \$ 229,577 Losses & LAE before impact of LPT \$ 127,957 \$ 116,822 \$ 227,926 \$ 227,926 Losses & LAE ratio before impact of LPT 75.0 % 73.4 % 75.4 % 74.6 % Plus: Favorable (unfavorable) prior period reserve development ratio \$ 10.0 % 10.1 % 10.6 % 10.6 % Accident period losses & LAE ratio before impact of LPT </td <td>Impact of LPT</td> <td></td> <td></td> <td></td> <td></td>	Impact of LPT					
Commission expense ratio 11.8 % 12.6 % 11.9 % 12.5 % Underwriting & other operating expenses \$ 33,156 \$ 32,249 \$ 66,457 \$ 63,789 Total expenses \$ 19.1 % \$ 20.2 % 19.5 % 20.8 % Total expenses \$ 151,981 \$ 165,014 \$ 327,613 \$ 323,219 Combined ratio \$ 88.0 % 103.2 % 96.4 % 105.0 % Total expense before impact of the LPT \$ 182,984 \$ 169,719 \$ 362,915 \$ 318,886 Combined ratio before the impact of the LPT \$ 106.0 % 106.1 % 106.8 % 107.8 % Reconciliations to Current Accident Period Combined Ratio: \$ 129,527 \$ 117,343 \$ 256,082 \$ 229,577 Plus: Favorable (unfavorable) prior period reserve development ratio \$ 1,570 \$ 116,822 \$ 252,761 \$ 227,926 Losses & LAE ratio before impact of LPT \$ 75.0 % \$ 73.4 % \$ 75.4 % \$ 74.6 % Plus: Favorable (unfavorable) prior period reserve development ratio \$ 73.0 % \$ 74.4 % \$ 74.0 % Combined ratio before impact of the LPT \$ 106.0 % <td< td=""><td>Loss & LAE ratio before impact of LPT</td><td>75.0 %</td><td>73.4 %</td><td>75.4 %</td><td>74.6 %</td></td<>	Loss & LAE ratio before impact of LPT	75.0 %	73.4 %	75.4 %	74.6 %	
Underwriting & other operating expenses \$ 33,156 \$ 32,249 \$ 66,457 \$ 63,789 Total expenses \$ 19.1 % \$ 20.2 % 19.5 % \$ 20.8 % Total expenses \$ 151,981 \$ 165,014 \$ 327,613 \$ 323,219 Combined ratio \$ 88.0 % 103.2 % 96.4 % 105.0 % Total expense before impact of the LPT \$ 182,984 \$ 169,719 \$ 362,915 \$ 331,886 Combined ratio before the impact of the LPT \$ 129,527 \$ 117,343 \$ 256,082 \$ 229,577 Plus: Favorable (unfavorable) prior period reserve development ratio \$ 127,957 \$ 116,822 \$ 252,761 \$ 227,926 Losses & LAE ratio before impact of LPT 75.0 % 73.4 % 75.4 % 74.6 % Plus: Favorable (unfavorable) prior period reserve development ratio \$ (0.9) \$ (0.4) \$ (1.0) \$ (0.6) Accident period losses & LAE ratio before impact of LPT 74.1 % 73.0 % 74.4 % 74.0 % Combined ratio before impact of the LPT 74.1 % 73.0 % 74.4 % 74.0 % Combined ratio before impact of the LPT 10	Commission expense	\$ 20,301	\$ 20,127	\$ 40,376	\$ 38,520	
Total expenses 19.1 % 20.2 % 19.5 % 20.8 %	Commission expense ratio	11.8 %	12.6 %	11.9 %	12.5 %	
Total expenses \$ 151,981 \$ 165,014 \$ 327,613 \$ 323,219 Combined ratio 88.0 % 103.2 % 96.4 % 105.0 % Total expense before impact of the LPT \$ 182,984 \$ 169,719 \$ 362,915 \$ 331,886 Combined ratio before the impact of the LPT 106.0 % 106.1 % 106.8 % 107.8 % Reconciliations to Current Accident Period Combined Ratio: Losses & LAE before impact of LPT \$ 129,527 \$ 117,343 \$ 256,082 \$ 229,577 Plus: Favorable (unfavorable) prior period reserve development ratio (1,570) (521) (3,321) (1,651) Losses & LAE ratio before impact of LPT 75.0 % 73.4 % 75.4 % 74.6 % Plus: Favorable (unfavorable) prior period reserve development ratio (0.9) (0.4) (1.0) (0.6) Accident period losses & LAE ratio before impact of LPT 74.1 % 73.0 % 74.4 % 74.0 % Combined ratio before impact of the LPT 106.0 % 106.1 % 106.8 % 107.8 % Plus: Favorable (unfavorable) prior period reserve development ratio (0.9) (0.4) (1.0) (0.6) </td <td>Underwriting & other operating expenses</td> <td>\$ 33,156</td> <td>\$ 32,249</td> <td>\$ 66,457</td> <td>\$ 63,789</td>	Underwriting & other operating expenses	\$ 33,156	\$ 32,249	\$ 66,457	\$ 63,789	
Combined ratio 88.0 % 103.2 % 96.4 % 105.0 % Total expense before impact of the LPT \$ 182,984 \$ 169,719 \$ 362,915 \$ 331,886 Combined ratio before the impact of the LPT 106.0 % 106.1 % 106.8 % 107.8 % Reconciliations to Current Accident Period Combined Ratio: Losses & LAE before impact of LPT \$ 129,527 \$ 117,343 \$ 256,082 \$ 229,577 Plus: Favorable (unfavorable) prior period reserve development ratio (1,570) (521) (3,321) (1,651) Losses & LAE ratio before impact of LPT 75.0 % 73.4 % 75.4 % 74.6 % Plus: Favorable (unfavorable) prior period reserve development ratio (0.9) (0.4) (1.0) (0.6) Accident period losses & LAE ratio before impact of LPT 74.1 % 73.0 % 74.4 % 74.0 % Combined ratio before impact of the LPT 106.0 % 106.1 % 106.8 % 107.8 % Plus: Favorable (unfavorable) prior period reserve development ratio (0.9) (0.4) (1.0) (0.6)	Underwriting & other operating expenses ratio	19.1 %	20.2 %	19.5 %	20.8 %	
Total expense before impact of the LPT \$ 182,984 \$ 169,719 \$ 362,915 \$ 331,886 Reconciliations to Current Accident Period Combined Ratio: Losses & LAE before impact of LPT \$ 129,527 \$ 117,343 \$ 256,082 \$ 229,577 Plus: Favorable (unfavorable) prior period reserve development ratio (1,570) (521) (3,321) (1,651) Accident period losses & LAE before impact of LPT 75.0 % 73.4 % 75.4 % 74.6 % Plus: Favorable (unfavorable) prior period reserve development ratio (0.9) (0.4) (1.0) (0.6) Accident period losses & LAE ratio before impact of LPT 74.1 % 73.0 % 74.4 % 74.0 % Plus: Favorable (unfavorable) prior period reserve development ratio 106.0 % 106.1 % 106.8 % 107.8 % Plus: Favorable (unfavorable) prior period reserve development ratio (0.9) (0.4) (1.0) (0.6)	Total expenses	\$ 151,981	\$ 165,014	\$ 327,613	\$ 323,219	
Combined ratio before the impact of the LPT106.0 %106.1 %106.8 %107.8 %Reconciliations to Current Accident Period Combined Ratio: Losses & LAE before impact of LPT\$ 129,527\$ 117,343\$ 256,082\$ 229,577Plus: Favorable (unfavorable) prior period reserve development Accident period losses & LAE before impact of LPT\$ 127,957\$ 116,822\$ 252,761\$ 227,926Losses & LAE ratio before impact of LPT75.0 %73.4 %75.4 %74.6 %Plus: Favorable (unfavorable) prior period reserve development ratio(0.9)(0.4)(1.0)(0.6)Accident period losses & LAE ratio before impact of LPT74.1 %73.0 %74.4 %74.0 %Combined ratio before impact of the LPT106.0 %106.1 %106.8 %107.8 %Plus: Favorable (unfavorable) prior period reserve development ratio(0.9)(0.4)(1.0)(0.6)	Combined ratio	88.0 %	103.2 %	96.4 %	105.0 %	
Reconciliations to Current Accident Period Combined Ratio: Losses & LAE before impact of LPT Plus: Favorable (unfavorable) prior period reserve development Accident period losses & LAE before impact of LPT Losses & LAE ratio before impact of LPT Plus: Favorable (unfavorable) prior period reserve development ratio Accident period losses & LAE ratio before impact of LPT Accident period lo	Total expense before impact of the LPT	\$ 182,984	\$ 169,719	\$ 362,915	\$ 331,886	
Losses & LAE before impact of LPT Plus: Favorable (unfavorable) prior period reserve development Accident period losses & LAE before impact of LPT Losses & LAE ratio before impact of LPT Plus: Favorable (unfavorable) prior period reserve development ratio Accident period losses & LAE ratio before impact of LPT Plus: Favorable (unfavorable) prior period reserve development ratio Accident period losses & LAE ratio before impact of LPT Accident period losses & LAE ratio before impact of LPT Total (3,321) (1,651) 106.8 % Total (3,321) (1,651) 106.9 % Total (3,321) (1,651) 106.9 % Total (3,321) (1,651) 106.9 % Total (1.9) (0.4) (1.0) (0.6) 106.9 % Total (1.9) (0.6) 106.8 % 107.8 % Plus: Favorable (unfavorable) prior period reserve development ratio (0.9) (0.4) (1.0) (0.6)	Combined ratio before the impact of the LPT	106.0 %	106.1 %	106.8 %	107.8 %	
Plus: Favorable (unfavorable) prior period reserve development Accident period losses & LAE before impact of LPT Losses & LAE ratio before impact of LPT Plus: Favorable (unfavorable) prior period reserve development ratio Accident period losses & LAE ratio before impact of LPT Accident period losses & LAE ratio before impact of LPT Combined ratio before impact of the LPT Plus: Favorable (unfavorable) prior period reserve development ratio Combined ratio before impact of the LPT Plus: Favorable (unfavorable) prior period reserve development ratio (0.9) (0.4) (1.0) (0.6) Accident period losses & LAE ratio before impact of LPT 106.0 % 106.1 % 106.8 % 107.8 % Plus: Favorable (unfavorable) prior period reserve development ratio (0.9) (0.4) (1.0) (0.6)	Reconciliations to Current Accident Period Combined Ratio:					
Accident period losses & LAE before impact of LPT\$ 127,957\$ 116,822\$ 252,761\$ 227,926Losses & LAE ratio before impact of LPT75.0 %73.4 %75.4 %74.6 %Plus: Favorable (unfavorable) prior period reserve development ratio(0.9)(0.4)(1.0)(0.6)Accident period losses & LAE ratio before impact of LPT74.1 %73.0 %74.4 %74.0 %Combined ratio before impact of the LPT106.0 %106.1 %106.8 %107.8 %Plus: Favorable (unfavorable) prior period reserve development ratio(0.9)(0.4)(1.0)(0.6)	Losses & LAE before impact of LPT	\$ 129,527	\$ 117,343	\$ 256,082	\$ 229,577	
Losses & LAE ratio before impact of LPT Plus: Favorable (unfavorable) prior period reserve development ratio Accident period losses & LAE ratio before impact of LPT Combined ratio before impact of the LPT Plus: Favorable (unfavorable) prior period reserve development ratio (0.9) (0.4) (1.0) (0.6) 74.0 % Plus: Favorable (unfavorable) prior period reserve development ratio (0.9) (0.4) (1.0) (0.6)	Plus: Favorable (unfavorable) prior period reserve development	(1,570)	(521)	(3,321)	(1,651)	
Plus: Favorable (unfavorable) prior period reserve development ratio **Accident period losses & LAE ratio before impact of LPT** Combined ratio before impact of the LPT** Plus: Favorable (unfavorable) prior period reserve development ratio **O.9** (0.9)** (0.4)** (1.0)** (0.6)* 74.0 % 106.0 % 106.1 % 106.8 % 107.8 % (0.9)** (0.9)** (0.4)** (1.0)** (0.6)**	Accident period losses & LAE before impact of LPT	\$ 127,957	\$ 116,822	\$ 252,761	\$ 227,926	
ratio Accident period losses & LAE ratio before impact of LPT Combined ratio before impact of the LPT Plus: Favorable (unfavorable) prior period reserve development ratio (0.9) (0.4) (1.0) (0.6) 74.1 % 73.0 % 74.4 % 74.0 % 106.8 % 107.8 % (0.9) (0.4) (1.0) (0.6)	Losses & LAE ratio before impact of LPT	75.0 %	73.4 %	75.4 %	74.6 %	
Accident period losses & LAE ratio before impact of LPT 74.1 % 73.0 % 74.4 % 74.0 % Combined ratio before impact of the LPT Plus: Favorable (unfavorable) prior period reserve development ratio (0.9) (0.4) (1.0) (0.6)		(0.9)	(0.4)	(1.0)	(0.6)	
Combined ratio before impact of the LPT Plus: Favorable (unfavorable) prior period reserve development ratio 106.0 % 106.1 % 106.8 % 107.8 % (0.9) (0.4) (1.0) (0.6)						
Plus: Favorable (unfavorable) prior period reserve development ratio (0.9) (0.4) (1.0) (0.6)	person respect to Ent. I made before impact of En I	, 1.1 /0	, 5.0 70		, , 0	
ratio (0.9) (0.4) (1.0) (0.6)	1	106.0 %	106.1 %	106.8 %	107.8 %	
Accident period combined ratio before impact of LPT 105.1 % 105.7 % 105.8 % 107.2 %		(0.9)	(0.4)	(1.0)	(0.6)	
	Accident period combined ratio before impact of LPT	105.1 %	105.7 %	105.8 %	107.2 %	