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May, 2009

Employers Holdings, Inc.

Investor 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 2008, our Form 10-Q for the first quarter of 2009 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 2008, our Form 10-Q for the first quarter of 2009 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 may contain 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". 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.

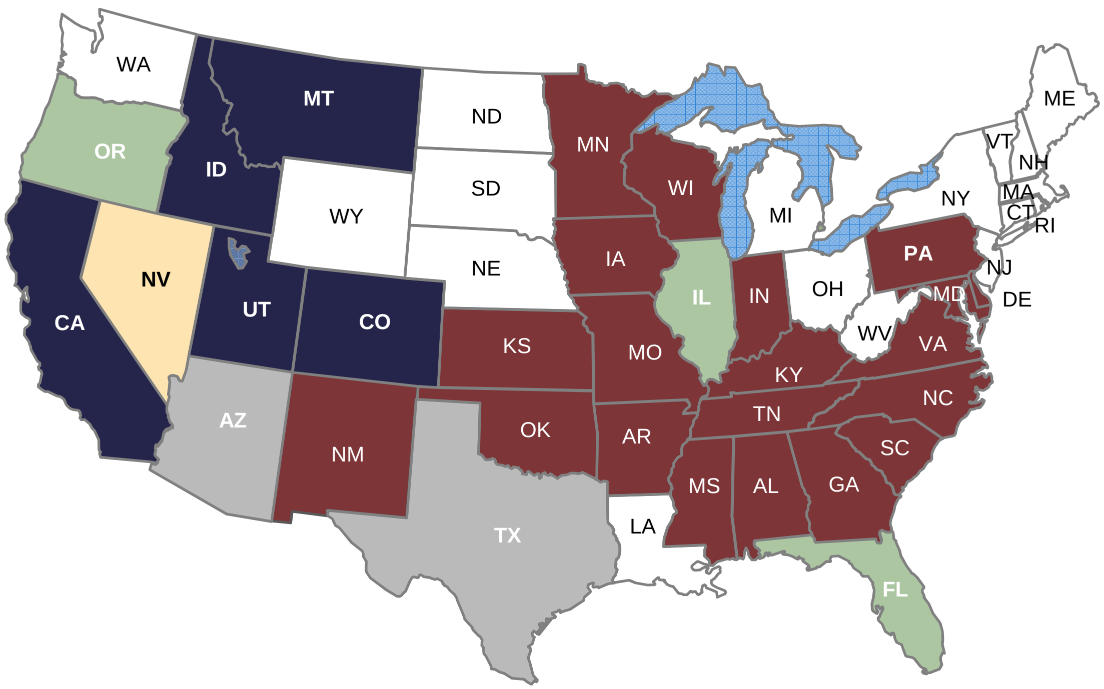
Any forward-looking statements made in this presentation reflect EMPLOYERS current views with respect to future events, business transactions and business performance and are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Such statements involve risks and uncertainties, which may cause actual results to differ materially from those set forth in these statements.

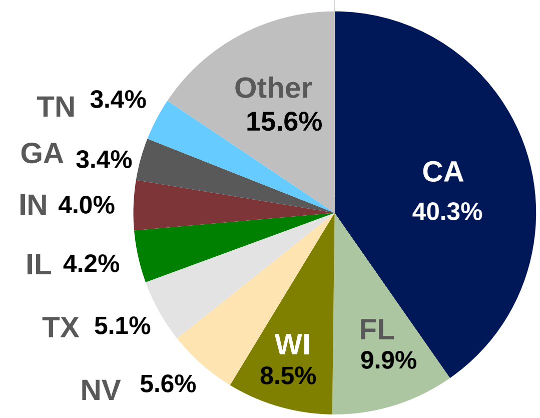
We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Overview

Business	• Specialty provider of workers' compensation insurance • Coverage required by statute ➢ Medical, temporary/permanent indemnity, death	***$50 billion per year industry*** *(2007, A.M. Best)*
Customers	• Small "main street" businesses ➢ Small business accounts for over 70% of net new jobs • Low-to-medium hazard exposure industries ➢ Top classes include restaurants, physicians, dentists, clerical, retail stores • Distribution through agents and strategic partners	***Highly focused business model***
Geographic	• 30 states with concentrations in CA, FL, WI and NV ➢ Unique markets by state and area	***Operate in 74% of total market*** *(2008, A.M. Best)*

Selectively Expanding Footprint





2000	2002	2006	2007	2008
1913 – 1999 State WC fund in NV 2000 Privatization	2002 Acquisition, book of business in CA, UT, ID, MT, CO	2005 Formation of mutual hold co 2006 Entry into TX, AZ	2007 Demutualization and IPO – entry into FL, IL and OR	2008 Acquisition of AmCOMP Incorporated, entry into IA

Direct Premiums Written (%) at 3/31/09

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Key Strategies

FOCUS

- Target attractive, underserved small business market
- Maintain disciplined risk selection, underwriting, pricing and claims operations
- Focus on underwriting profitability

GROWTH

- Selectively expand into additional markets
- Increase penetration in current markets
- Leverage infrastructure, technology and systems
- Develop existing and new distribution partners

CAPITAL

- Manage capital prudently
- Invest in core operations
- Invest in strategic acquisitions
- Return capital to shareholders

Update

Q 1, 2009 Performance, Outlook

Economic contraction, competition

Regulatory, legislative, pricing

- CA
- FL

Acquisition: achieving strategic gains

Acquisition Outcomes

Excellent strategic fit – small business focus

Improved scale
- From 11 to 30 states
- More geographically diversified – at Q1 2009, CA is only 40% of direct written premium

Immediate growth in premium volume
- 58% increase in NPW (Q 1 2009 vs. Q 1 2008)
- Estimated annual premium growth largest in WI, ILL, GA (Q 1 2009)

Financial benefits
- Investment spend of $189 million for operations
- Deployed capital in core assets with history of profits

Financial benefits (cont.)
- $12 million pre-tax savings, 2009
- $20 to $22 million savings, 2010

Integration on Track
- People
- Branches
- Business

Integration on Track

PEOPLE

- Senior management staffing changes implemented
- 14% staff reduction underway

BRANCHES

- Consolidating corporate functions into corporate headquarters
  - Centralizing support functions of 18 branch offices
- Field organization in place
  - 5 business units
- Complete rebranding of 9 acquired branch offices
- Opened Charlotte Customer Service Support Center, centralizing call/imaging/mail center on the East Coast for improved customer service and operational efficiencies

BUSINESS

- Underwriting quality
  - Reviewed 20 to 30 largest accounts in each branch
  - Established quality assurance function with common underwriting requirements and processes
- Claims
  - Conversion of claims system partially implemented and to be completed in early 2010
  - Consolidated Florida claims handling in Maitland
- Loss Control
  - Loss control technical manual revised consistent with strategy in coordination with Underwriting and Claims

Disciplined Underwriting

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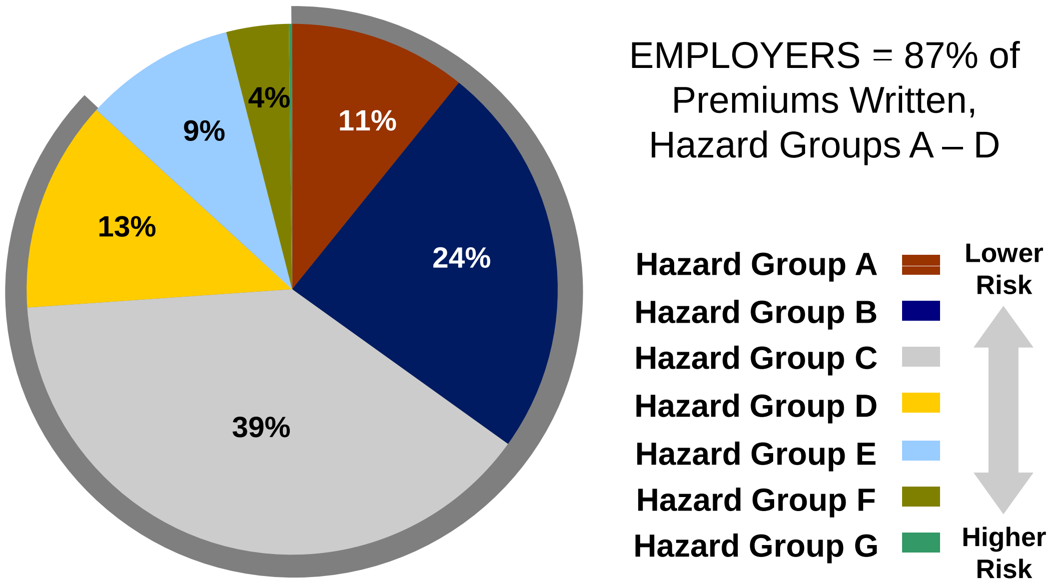
Disciplined Risk Selection

Further Differentiate Risks within Industry-defined Customer Classes



EMPLOYERS = 87% of Premiums Written, Hazard Groups A – D

% of Premiums Written, 12/31/08

NCCI Hazard Group	Top 10 Classes in 2008	% Direct Written Premium
C	Physicians and Clerical	6.8
A	Restaurants	6.5
B	Wholesale Stores	5.1
B	Retail Stores	2.9
B	College Employees	2.7
C	Clothing Manufacturers	2.6
D	Automobile Services	2.3
C	Clerical	2.2
D	Machine Shops	2.0
C	Retail Grocery/Provisions Stores	1.8
	Total Top 10	**34.9**

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Superior Claims Management

In-house medical management staff

- Coordinate care and manage medical costs
- URAC accreditation in case management and utilization review

Comprehensive fraud program

- $4.2 million savings in 2008

Rigorous quality assurance processes

- Ensure compliance with best practices and regulatory requirements

Dedicated subrogation unit

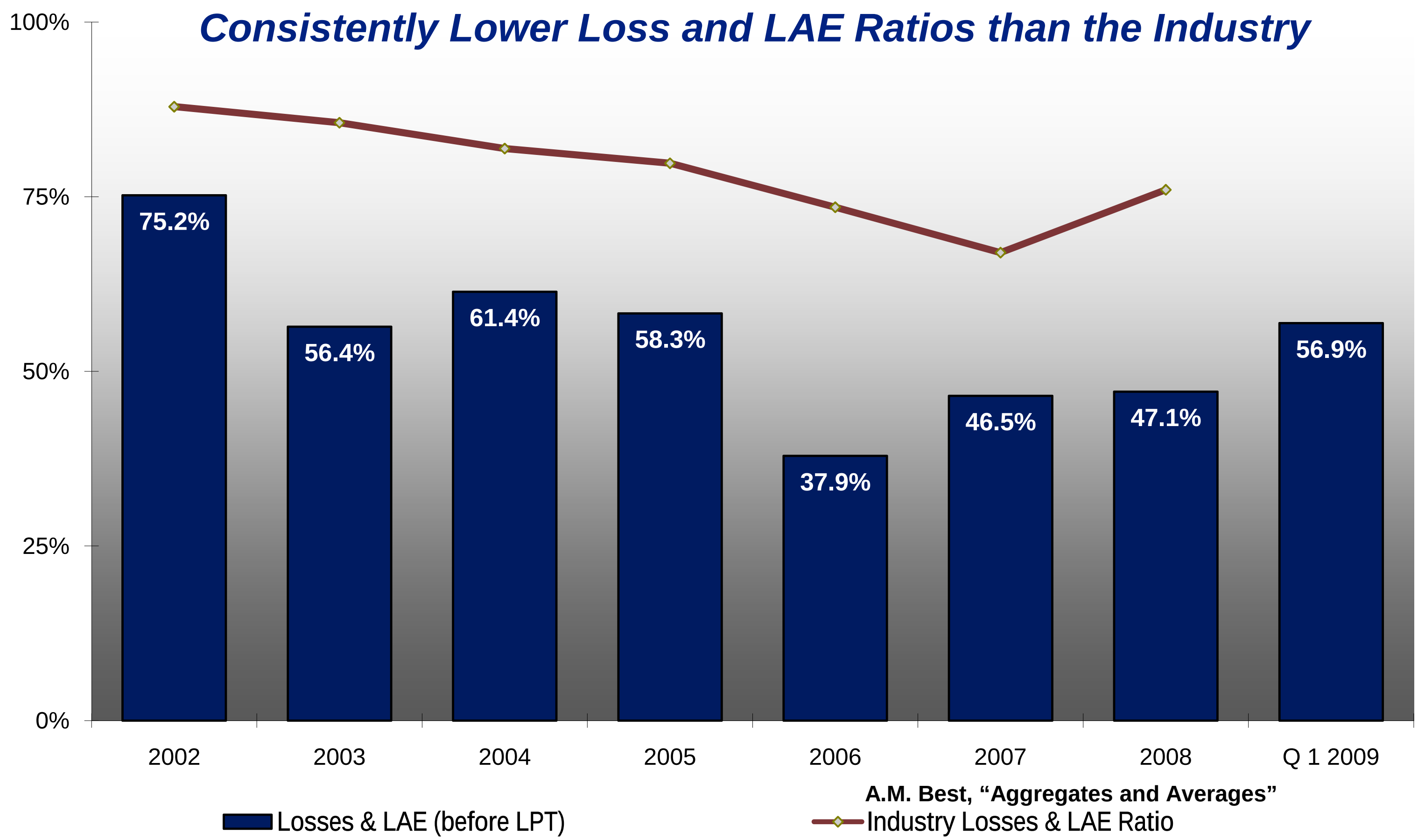
- Recoveries over $3.9 million in 2008

Pharmacy benefit management program

- Savings over $2.9 million in 2008

Claims professionals average over a decade of experience

Delivering Superior Loss Ratios



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Unique Distribution Network

Independent Agents and Brokers

- Over 1,900 in place
- Strong relationships with agents

Strategic Partnerships

- ADP
- Wellpoint
- E-chx / Granite
- Intego Services
- Wells Fargo
- Telepayroll

Physicians and restaurants are our top two classes of customers

Industry Focused

- California Restaurant Association provider of choice
- California Medical Association sponsorship

Increasing Points of Access

Strategic Partnerships

Provide — *•a distribution advantage by expanding market reach and providing local knowledge*

Result — *• in high persistency*

Contribute — *• about 15% of direct premiums written*

ADP (Automatic Data Processing, Inc.)
- Largest payroll services company in the US with over 45,000 clients
- Program since 2002 – business originates with ADP's field sales staff and insurance agency with "Pay-by-Pay®" premium collection

Anthem
- Largest group health carrier in CA – exclusive relationship – use medical provider network
- Partner since 2002 – business originated by health agents with a single bill to customers

Granite Insurance Brokers / E-chx, Inc. Payroll Solutions
- Specialty provider of payroll services / insurance broker
- Partner since Q 4 2006, expanded alliance in 2008

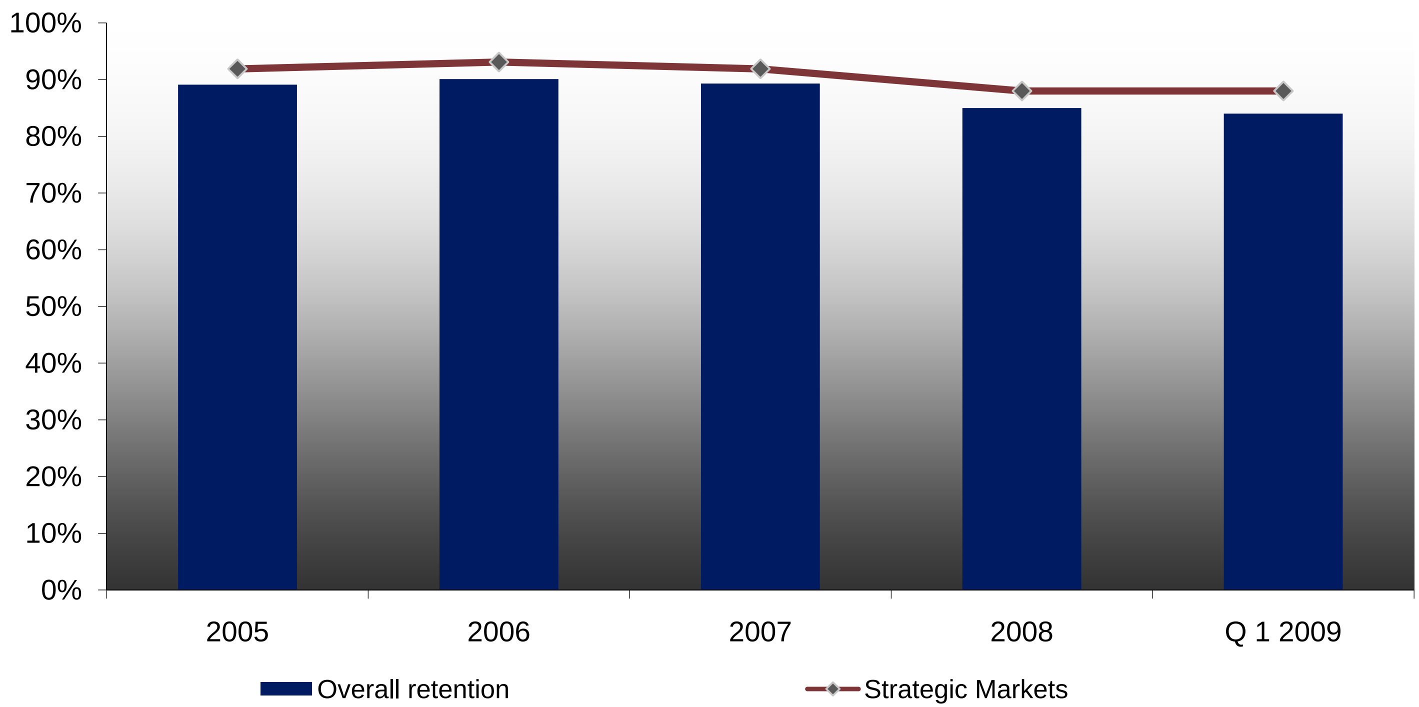
INTEGO Insurance Services, LLC
- Provider of insurance software services
- Partner since Q 4 2007

Wells Fargo
- Small business payroll services
- Partner since Q 2 2008

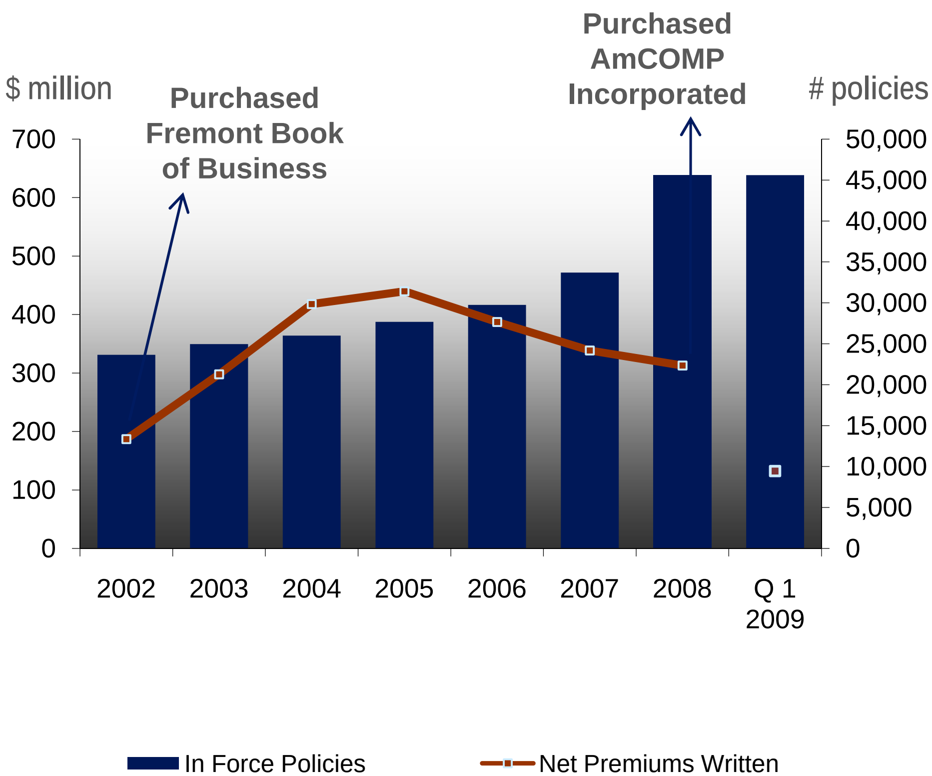
Telepayroll.com, Inc.
- Online payroll services and payment processing
- One of the largest independent payroll processors in Southern CA
- Partner since Q 1 2009

Strong Retention Rates

Strategic Partnerships Result in Consistently Higher Retention Rates



Increasing Market Penetration



NPW 2002 – 2008 CAGR, 9%

Policy Count 2002 – 2008 CAGR,12%

- Substantive M & A growth
- Responsible, strong in force policy growth
  - 33.2% increase (3/31/08 to 3/31/09)
- Maintaining underwriting discipline

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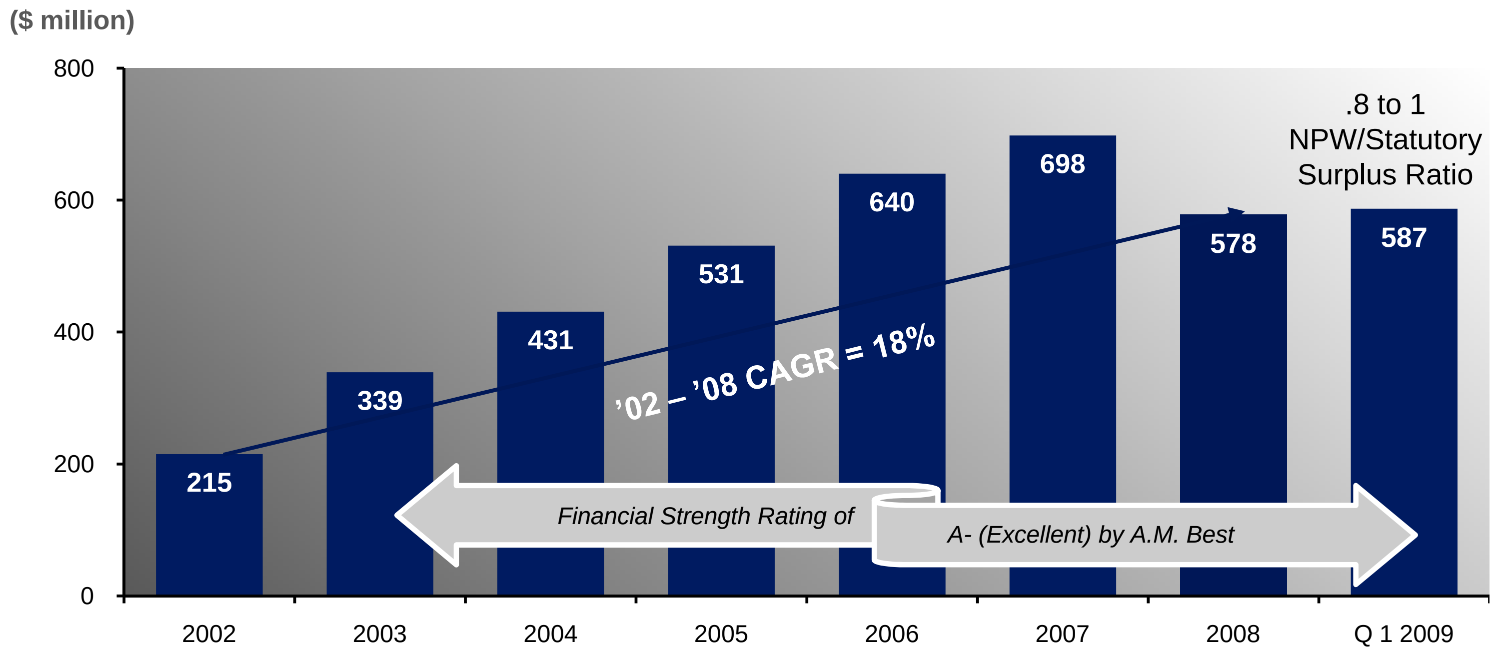
Strong Capital Position

Strong Growth in Statutory Surplus Provides a Solid Basis for Underwriting



$355 million extraordinary dividends to parent in 2008

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Loss Portfolio Transfer (LPT)

Retroactive 100% quota share reinsurance coverage for all losses prior to 7/1/95

Gain on transaction booked as statutory surplus; deferred and amortized under GAAP

Non-recurring transaction with no ongoing cash benefits or charges to current operations

3 Reinsurers: ACE, Berkshire (NICO), XL
Fully collateralized under agreement: largely cash/short-term, U. S. treasuries; and Wells Fargo stock

Contract	
	($ million)
Total Coverage	$2,000
Original Reserves (Liabilities) Transferred	$1,525
Consideration	$ 775
Gain at 1/1/2000	750
Subsequent Reserve Adjustments	(147.5)
Gain at 3/31/09	$602.5

Accounting at 3/31/09	
	($ million)
Statutory Surplus Created	$602.5
Cumulative Amortization To Date	(200.3)
GAAP: Deferred Reinsurance Gain – LPT Agreement	**$402.2**

Youngest claim is 14 years old – 3,656 claims open as of 3/31/09 with 5% closing each year

Remaining liabilities at 3/31/09: $920 million

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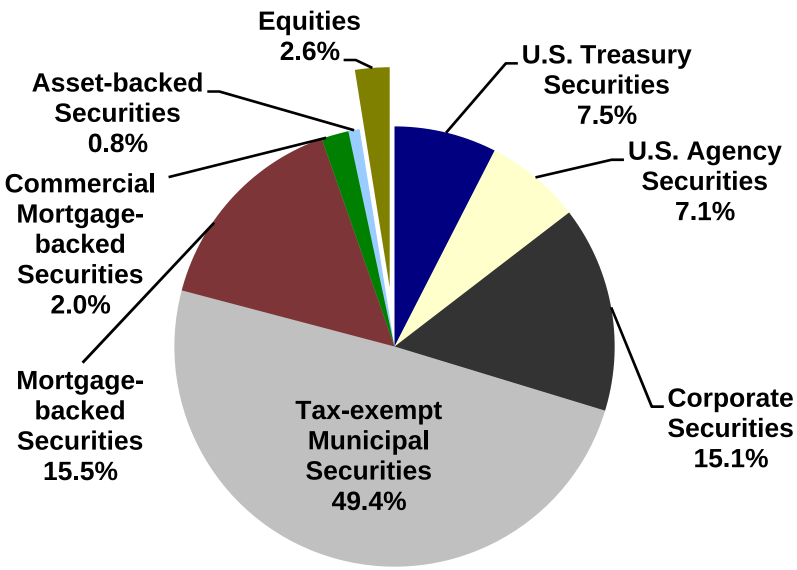
High Quality Investment Portfolio



Portfolio at 3/31/09

$2.08 billion fair market value

- Approximately 80% AA rated
- Book yield of 4.7%
- Tax equivalent book yield of 5.6%
- Effective duration of 4.97
- 2008: added $418 million acquired assets
- Managed by Conning Asset Management
- Minimal impacts during challenging markets
  - Q 1 2009 OTTI of $1.8 million
  - 2008 OTTI of $12.7 million

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History of Reserve Strength

Net reserves for workers' comp industry estimated to be deficient by $6 Billion at 12/31/08 (1)

Reserve Review

Quarterly evaluation of prior year reserves and current year loss picks

Consider point estimate of independent consulting actuary

- Twice annually

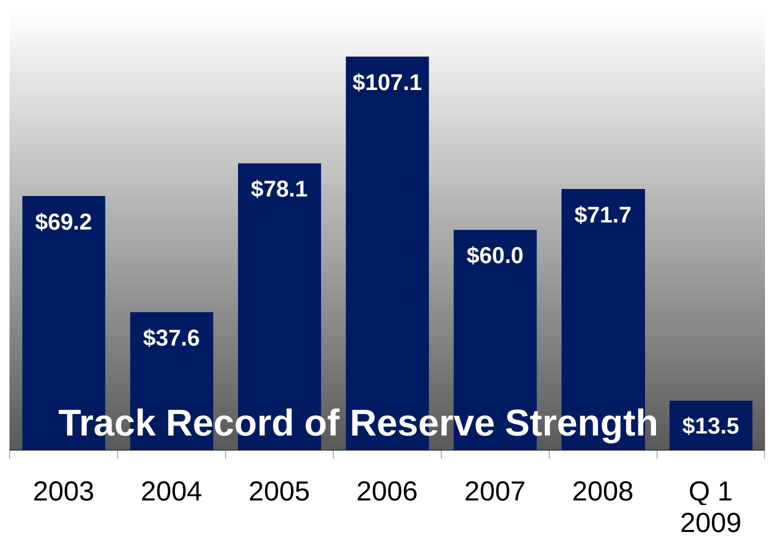
Results from senior management to Board Audit Committee

OUTLOOK:

- Going forward, we expect current AY loss provision rates to be closer to consulting actuary estimates

Reserve Development

Net Calendar Year Reserve Releases for Prior Accident Years **($ million)**



(1) NCCI, "2009 State of the Line"

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High Quality Reinsurance

Reinsurance Management	Program Structure

Maintain a high quality reinsurance program

Focus on select small business provides a natural dispersion of exposure across markets

Long-term relationships with lead reinsurers

100% rated A or better

- Priced annually, effective 7/1/2008
- Limits of $200M
- Retention of $5M
- Catastrophe excess of loss includes maximum any one life of $10M
- Includes terrorism, excludes nuclear, biological, chemical, and radiological

Prudent Capital Management

Holding Company Flexibility

$80 million in cash

$18 million in additional upstream dividends in 2009

Over $200 million in fixed maturities

(Over $100 million in maturing securities over the next year at operating subsidiaries)

Investing in the Future

Generating capital

Investing in operations

Investing in securities

Redeploying capital in profitable operations

Acquisition equity value of $189 million

$150 million Wells Fargo secured line of credit

Cost containment

2008 operating expenses flat (vs. 2007); Q1 2009 expenses down, excluding acquired operations and restructuring/integration costs

14% staff reduction, consolidation of functions

Extensive budget review

Returning Capital to Shareholders

Dividends

$0.24 per share or approximately $12 million per year – future dividends subject to Board approval

Share Repurchases

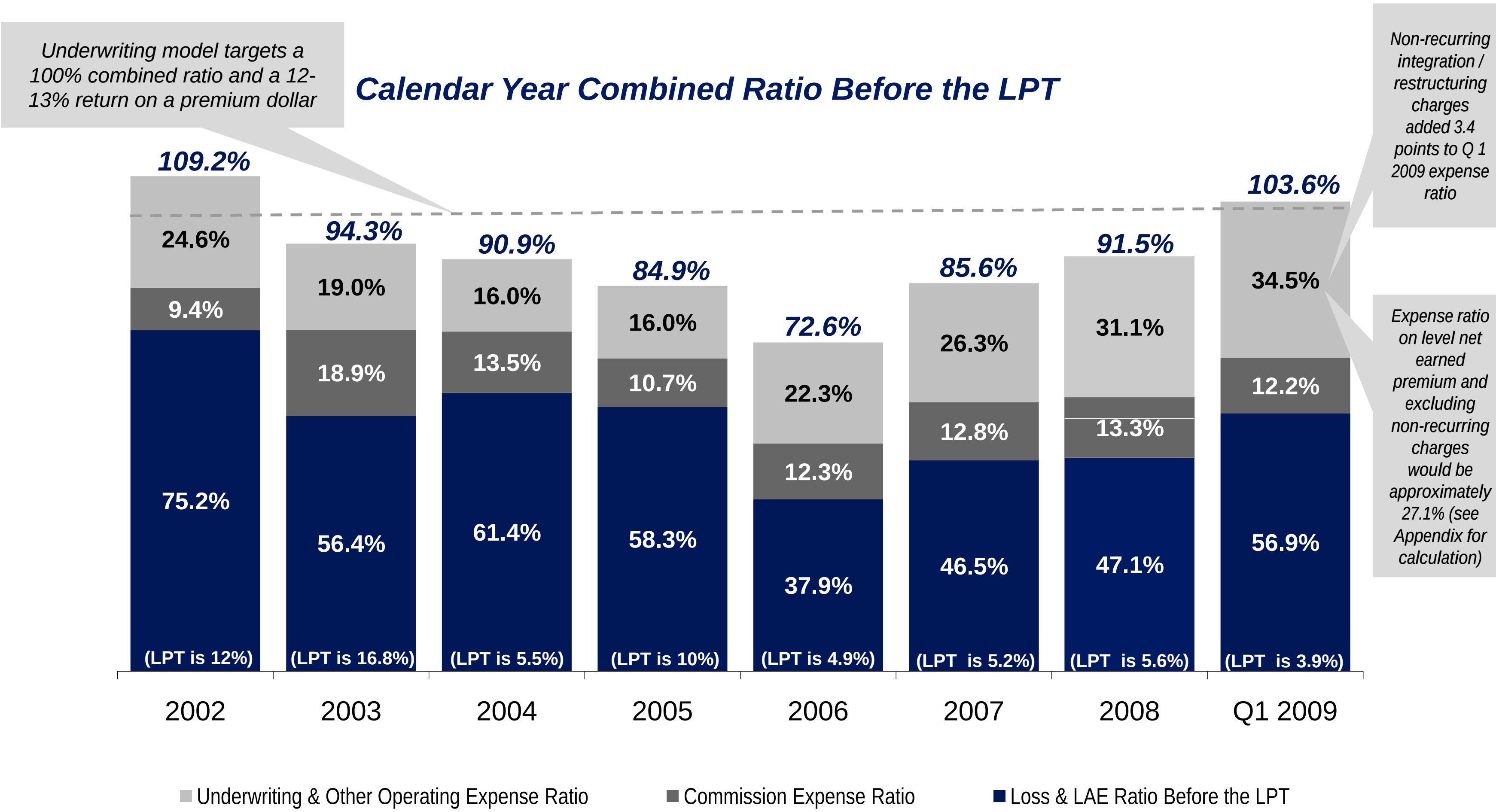
2008 Stock Repurchase Program: 2.4 million shares repurchased at 3/31/09, average price = $12.31 per share

Since the IPO (02/05/07), repurchased 6.3 million shares, average price = $16.56 per share

Selected Operating Results

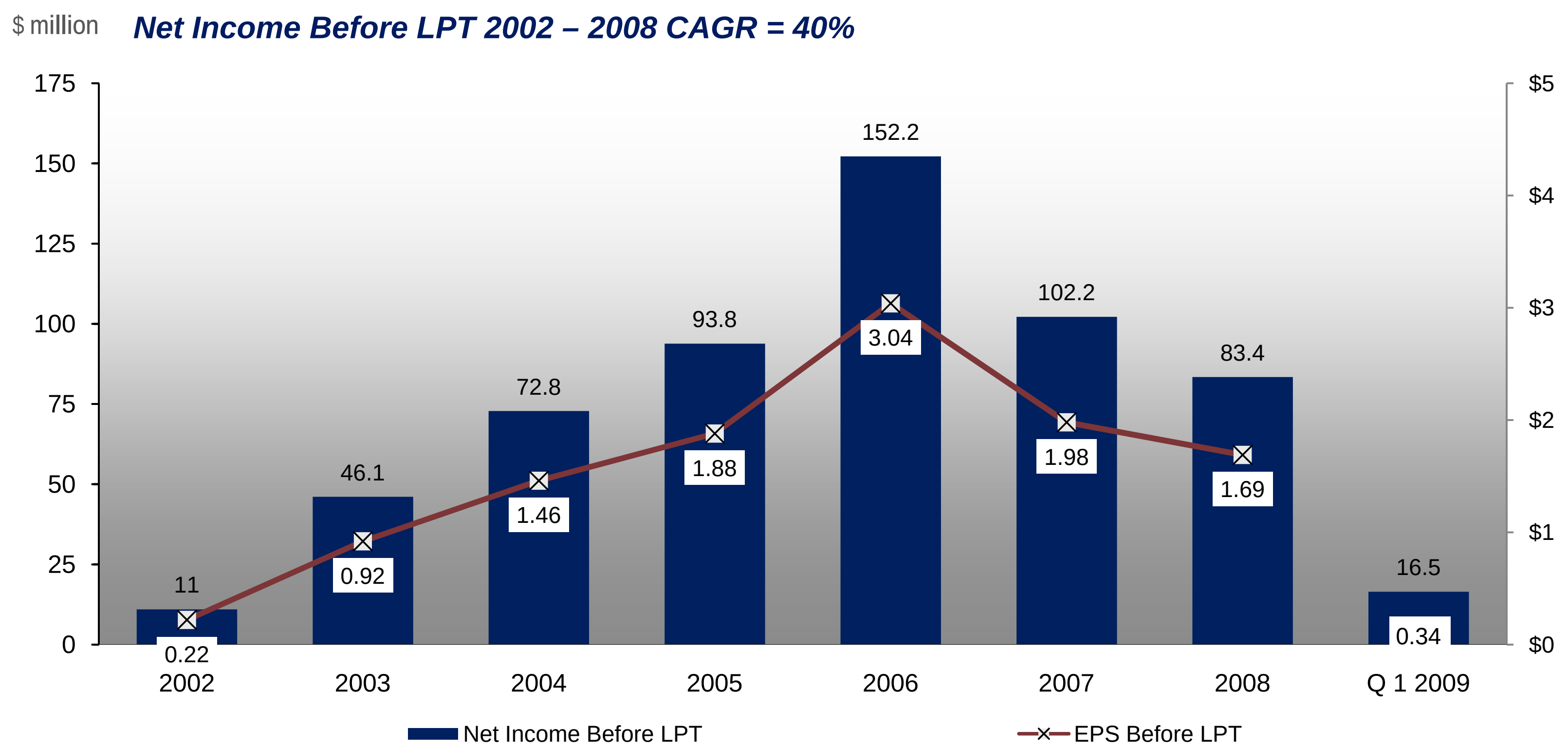
Income Statement ($ million)	2005	2006	2007	2008	Q1 2009
Gross Written Premium	$ 458.7	$ 401.8	$ 350.7	$ 322.9	$ 128.1
Net Written Premium	439.7	387.2	338.6	312.8	124.7
Net Earned Premium	438.3	393.0	346.9	328.9	111.6
Net Investment Income	54.4	68.2	78.6	78.1	23.3
Net Income	137.6	171.6	120.3	101.8	20.9
Net Income Before LPT	93.8	152.2	102.2	83.4	16.5
Balance Sheet ($ million)	**2005**	**2006**	**2007**	**2008**	**Q1 2009**
Total Investments	$ 1,595.8	$ 1,715.7	$ 1,726.3	$ 2,042.9	$ 2,083.2
Cash and Cash Equivalents	61.1	80.0	149.7	202.9	190.4
Total Assets	3,094.2	3,195.7	3,191.2	3,756.7	3,764.8
Reserves for Loss and LAE	2,350.0	2,307.8	2,269.7	2,506.5	2,494.6
Shareholders' Equity	144.6	303.8	379.5	444.7	459.9
Equity Including LPT Deferred Gain	607.0	746.8	804.5	851.3	862.2

Consistently Profitable Underwriting



NOTE: LPT percentages include reserve adjustments

Continuing Profits



NOTE: 50,000,002 pro forma shares prior to February 5, 2007 (IPO date)

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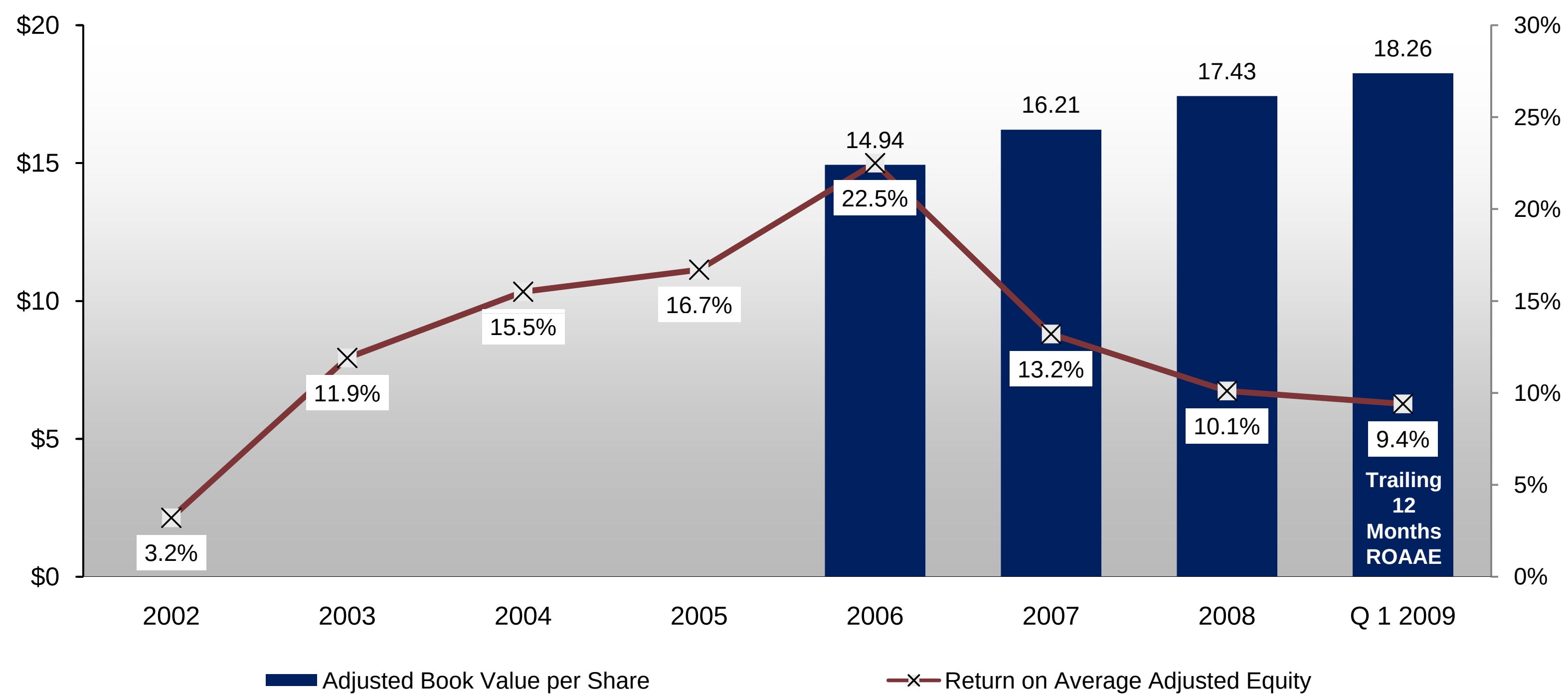
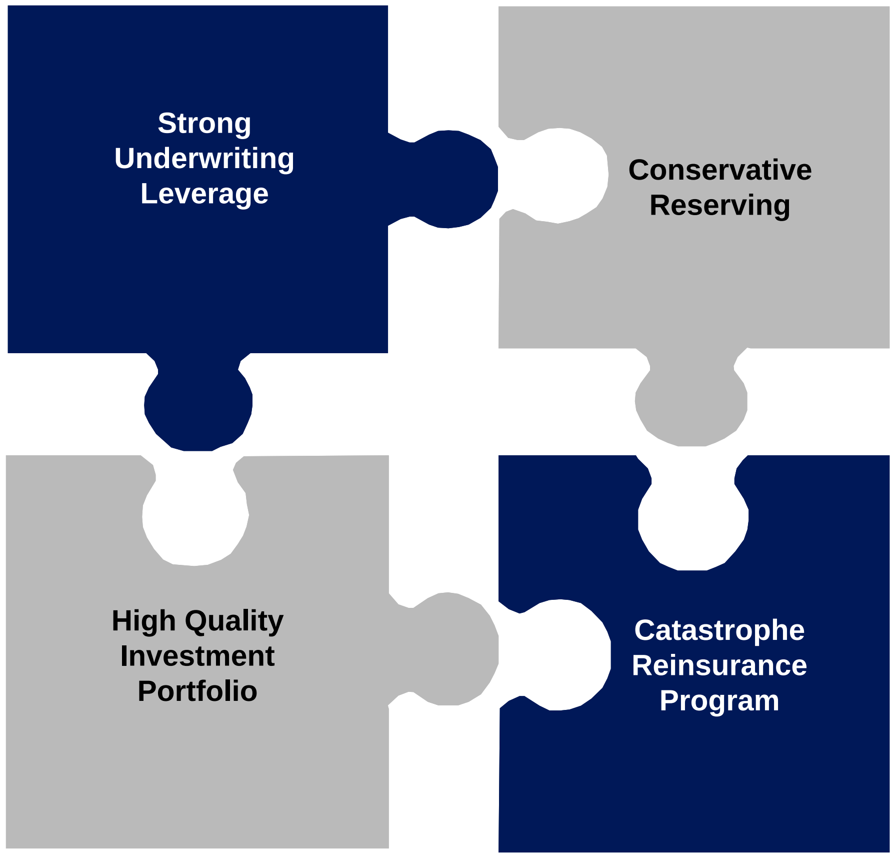
Return on Average Adjusted Equity, Increasing Book Value per Share



NOTE: 50,000,002 pro forma shares prior to February 5, 2007 (IPO date)
Return on Average Equity includes deferred gain related to the LPT – equity in the ROE calculation is averaged for the period

Summary of Financial Strength



.8 to 1 Surplus to NPW at 3/31/09

Track record of reserve strength: since IPO, $145 million favorable prior AY reserve development as of 3/3109

$2 billion – over 97% fixed maturity with average rating AA

Coverage up to $200 M loss

Key Strengths

- ***Established enterprise with consistently strong performance*** **–** 95 year operating history
- ***Focused operations and disciplined underwriting*** – attractive, underserved target market segment with growth opportunities
- ***Unique and long-standing strategic distribution relationships*** – resulting in higher retention
- ***Financial strength and flexibility*** **–** strong balance sheet, conservative reserving, negligible asset exposure to recent sub-prime market dislocations
- ***Experienced management team with deep knowledge of workers' compensation*** **–** average 25 years experience with the ability to manage through challenging operating conditions

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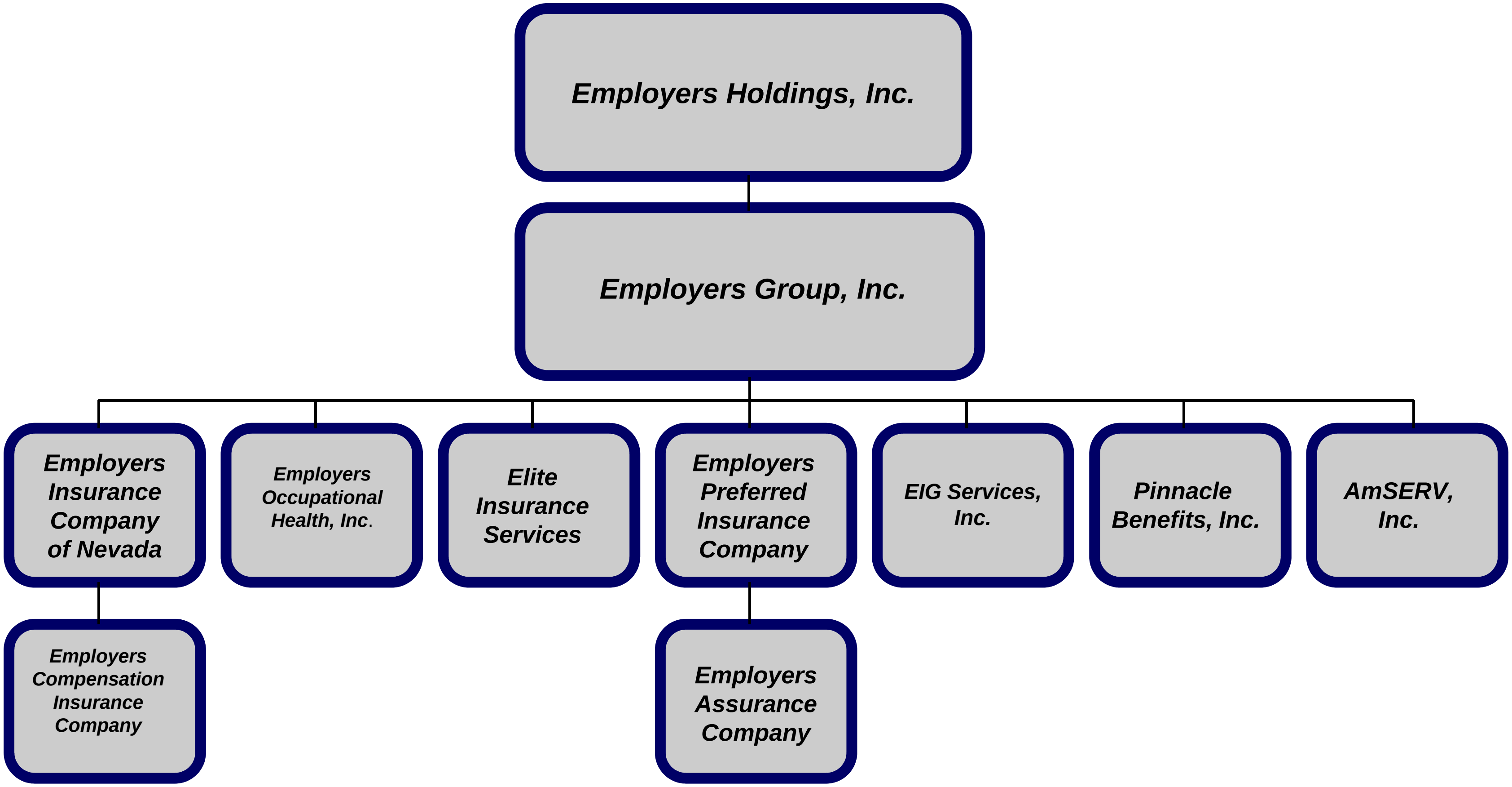
Appendix

Organization



COMPUTATION OF ADJUSTED EXPENSE RATIO ON LEVEL PREMIUMS

	Three Months Ending 3/31/2008		Three Months Ending 3/31/2009	
	(millions)			
Earned Premium				
Employers	$ 75.8		$ 111.6	
Acquired operations	52.2		-	
	128.0	D	111.6	A
Underwriting & Other Operating Expenses			36.5	
Policyholder Dividends			2.0	
Total Expenses			38.5	B
Less: One-time restructuring charge			3.8	
Net Underwriting & Other Operating Expenses			$ 34.7	C
Expense ratio			**34.5%**	**B/A**
Adjusted Expense ratio (net)			**31.1%**	**C/A**
Adjusted Expense ratio (net) on Level Premiums (1stQ-'08)			**27.1%**	**C/D**

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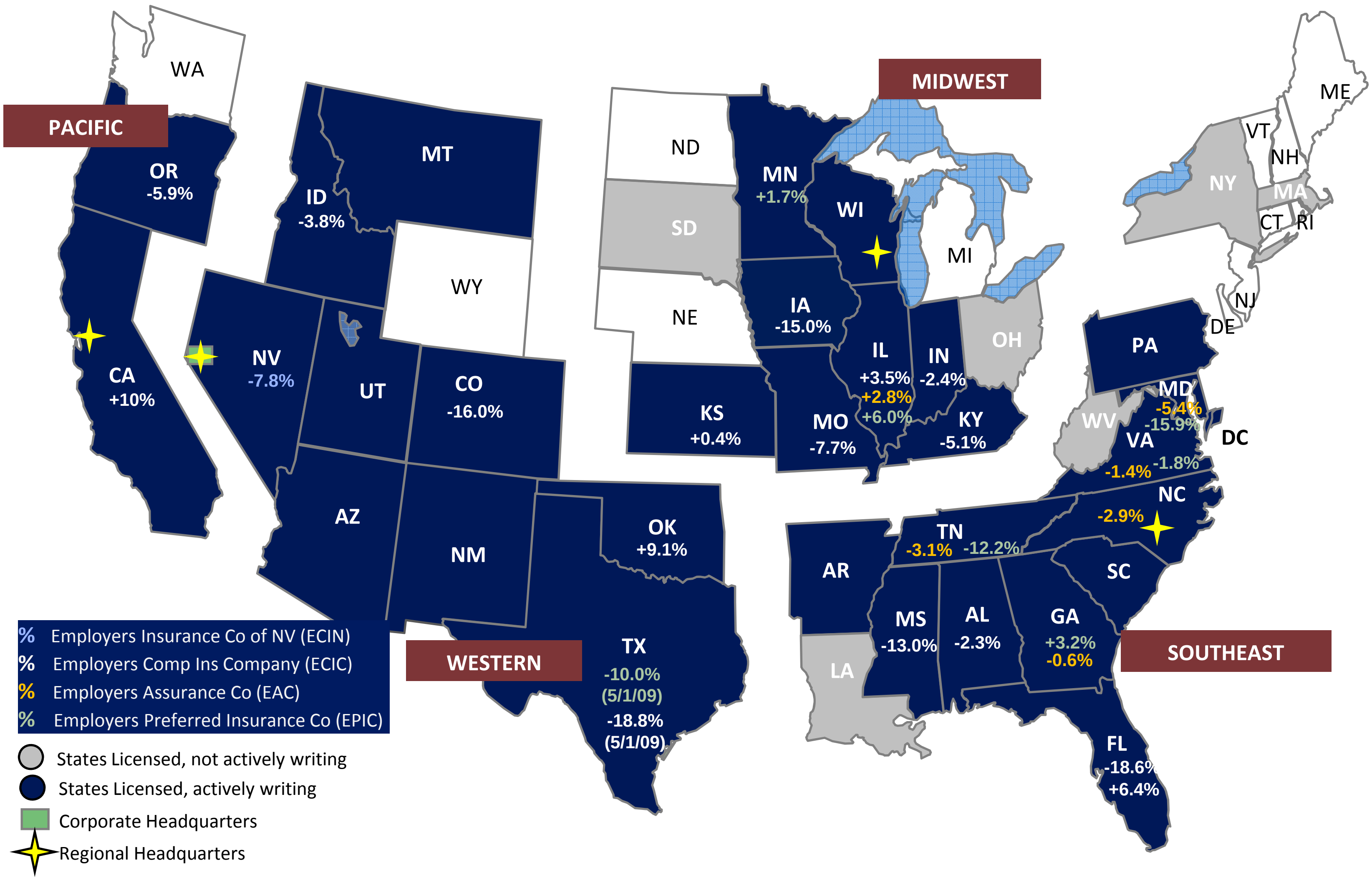
Regional Organization, Pricing Trends in 2009 at 4/1/09



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