



**EMPLOYERS**<sup>®</sup>

# INVESTOR PRESENTATION

Third Quarter 2024

## **Forward-Looking Statements**

In this presentation, the Company and its management discuss and make statements based on currently available information regarding their intentions, beliefs, current expectations, and projections of, among other things, the Company's future performance, economic or market conditions, including current or future levels of inflation, changes in interest rates, labor market expectations, catastrophic events or geo-political conditions, legislative or regulatory actions or court decisions, business growth, retention rates, loss costs, claim trends and the impact of key business initiatives, future technologies and planned investments. 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," "pro forma," "seek," "likely," or "continue," or other comparable terminology and their negatives. The Company and its management caution investors that such forward-looking statements are not guarantees of future performance. Risks and uncertainties are inherent in the Company'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 the Company's public filings with the Securities and Exchange Commission (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.

## **Filings with the SEC**

The Company's filings with the SEC and its quarterly investor presentations can be accessed through the "Investors" link on the Company's website, [www.employers.com](http://www.employers.com). The Company's filings with the SEC can also be accessed through the SEC's EDGAR Database at [www.sec.gov](http://www.sec.gov) (EDGAR CIK No. 0001379041).

## **About Employers Holdings, Inc.**

Employers Holdings, Inc. (NYSE:EIG), is a holding company with subsidiaries that are specialty providers of workers' compensation insurance and services (collectively "EMPLOYERS®") focused on small and mid-sized businesses engaged in low-to-medium hazard industries. EMPLOYERS leverages over a century of experience to deliver comprehensive coverage solutions that meet the unique needs of its customers. Drawing from its long history and extensive knowledge, EMPLOYERS empowers businesses by protecting their most valuable asset – their employees – through exceptional claims management, loss control, and risk management services, creating safer work environments.

EMPLOYERS is also proud to offer Cerity®, which is focused on providing digital-first, direct-to-consumer workers' compensation insurance solutions with fast, and affordable coverage options through a user-friendly online platform.

EMPLOYERS operates throughout the United States, apart from four states that are served exclusively by their state funds. Insurance is offered through Employers Insurance Company of Nevada, Employers Compensation Insurance Company, Employers Preferred Insurance Company, Employers Assurance Company and Cerity Insurance Company, all rated A- (Excellent) by A.M. Best. Not all companies do business in all jurisdictions. EIG Services, Inc., and Cerity Services, Inc., are subsidiaries of Employers Holdings, Inc. EMPLOYERS® is a registered trademark of EIG Services, Inc., and Cerity® is a registered trademark of Cerity Services, Inc. For more information, please visit [www.employers.com](http://www.employers.com) and [www.cerity.com](http://www.cerity.com).

# Highlights

## ▼ 2023 Year and 2024 Year-to-Date

- + Strong operating results and growth in book value
- + Excellent combined ratios and investment results
- + Prior year loss estimates have continued to develop favorably
- + Successful integration of Cerity® into Employers
- + Significant expense ratio improvements

## ▼ Excellent Capital Adequacy and Financial Flexibility

- + Strong STAT and GAAP capitalization
- + Premium to Surplus Ratio of ~80%, up from 54% in 2021
- + Extremely low reinsurance dependence (we retain 99% of our writings)
- + Strong levels of risk-adjusted capital

## ▼ Strong Enterprise Risk Management

- + Experienced management team with strong risk management backgrounds
- + Dynamic risk appetite monitoring
- + Strong and stable reinsurance program designed to protect against severity events

## ▼ Solid Competitive Position in 2024 and Beyond

- + Currently the 19th largest Workers' Compensation writer
- + Solid premium growth through thoughtful appetite expansion
- + Low financial leverage
- + Multiple distribution channels provide competitive advantages
- + Significant innovation initiatives

# Business Overview

# Who We Are

EMPLOYERS® is a mono-line writer of workers' compensation insurance focused on **low-to-medium hazard risk** small businesses

Over 100-year operating history, unique specialist in Workers' Compensation

Unique, long-standing strategic distribution relationships

Strong underwriting focus with established presence in attractive markets

Conservative risk profile and prudent capital management

Record number of policies In-force, excellent operating ratios

Solid financial position and strong balance sheet

## Unique Growth Drivers Specific to EMPLOYERS

Transforming how small businesses and insurance agents utilize digital capabilities to improve their customer experience

- + enhancing the agent experience and agent efficiency
- + providing direct-to-customer workers' compensation insurance policies through our Certy brand, which was developed to meet the needs of small businesses seeking an online experience



# What We Write

## Top Ten Employer Classifications



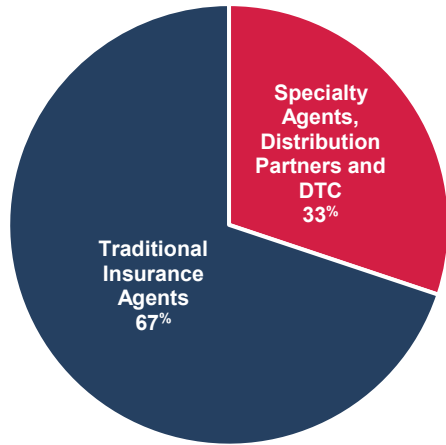
% of In-Force Premium as of December 31, 2023

EMPLOYERS® plans to further expand into other low-to-medium hazard group classes of business in the future

<b>Restaurants &amp; Other Eating Places</b>	17%
<b>Traveler Accommodation</b>	6%
<b>Automobile Dealers</b>	4%
<b>Services to Buildings and Dwellings</b>	4%
<b>Automobile Repair and Maintenance</b>	3%
<b>Real Estate Management</b>	3%
<b>Schools</b>	3%
<b>Offices of Physicians</b>	3%
<b>Other Store Retailers</b>	3%
<b>Wholesale Stores</b>	3%

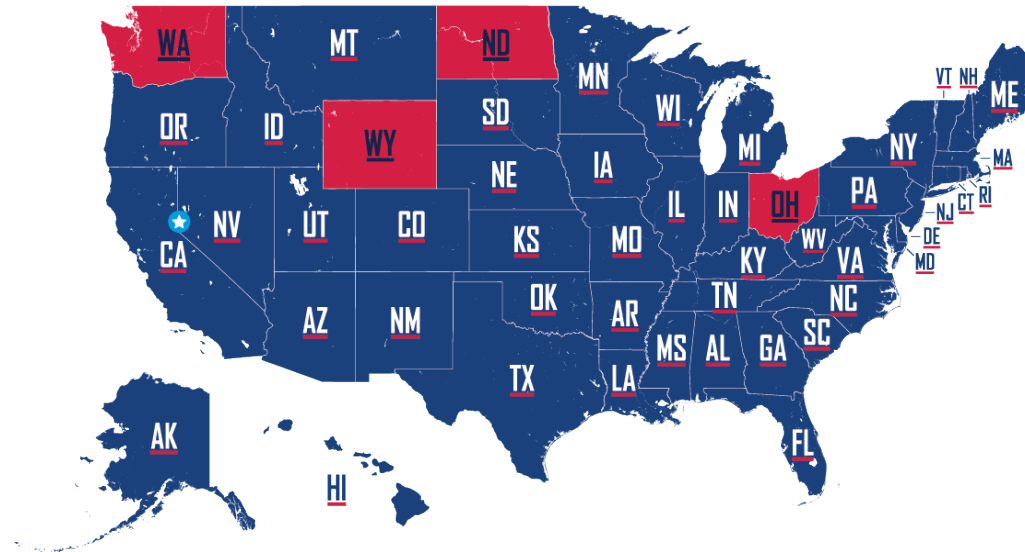
# Markets and Distribution

EMPLOYERS® is a mono-line writer of workers' compensation insurance focused on **low-to-medium hazard risk** small businesses



## Current Premium Contribution

as of 12/31/2023



## Nationwide Platform

(excluding the 4 remaining monopolistic states)

**\$600 Million**

3Q24 YTD Gross Written Premiums

## Low-to-Medium Hazard Focus

Shown as a percentage of 9/30/24 in-force premium

**92%**

Hazard Groups A-E (lower risk)

**8%**

Hazard Groups F-G (higher risk)

**\$767 Million**

In-force Premium

at September 30, 2024  
(incl. est. audit premium)

**129,879**

In-force policies

**\$5,907**

Average policy size  
(incl. est. audit premium)

# Markets and Distribution

Continued

We market and sell our workers' compensation insurance products through:

Local, regional, specialty and national insurance agents and brokers;

National, regional, and local trade groups and associations; and

Direct-to-customer interactions.

## Traditional Insurance Agents and Brokers

**~67%** *of in-force premium at 12/31/23*

We establish and maintain strong, long-term relationships with our appointed traditional insurance agencies. We offer ease of doing business, provide responsive service, and pay competitive commissions. Our sales representatives and underwriters work closely with these agencies to market and underwrite our business. This results in enhanced understanding of the risks we underwrite and the needs of prospective customers. We do not delegate underwriting authority to agents or brokers.

We had approximately 2,500 traditional insurance agencies that marketed and sold our insurance products at December 31, 2023.

## Specialty Agents and Distribution Partners

**~32%** *of in-force premium at 12/31/23*

We have developed and continue to add other important and emerging distribution channels for our products and services including payroll companies, and health care and property and casualty insurers, as well as digital agents and marketplaces.

A significant concentration of our business is being generated by our specialty agent Automatic Data Processing, Inc. (ADP). As part of its services, ADP sells our product along with its payroll and accounting services through its insurance agency and field sales staff. ADP generated 16% of our ending 2023 in-force premiums.

Our digital distribution channel utilizes proprietary application programming interfaces (APIs) to submit, quote and bind applications. Digital agents generated 5% of our ending 2023 in-force premiums.

## DTC Direct-to-customer

**~1%** *of in-force premium at 12/31/23*

To address the changing buying behaviors of small and micro-businesses, we continue our commitment to our Certy brand, which offers digital insurance solutions, including direct-to-customer coverage.

Certy specializes in smaller risks and offers a digital and mobile-friendly experience that allows small businesses to easily acquire and maintain their policies.



# Market Share 2023

We are the 19th largest  
Workers' Compensation writer

## Property and Casualty Insurance Industry

RANK	GROUP/COMPANY NAME	DIRECT PREMIUMS WRITTEN	DIRECT PREMIUMS EARNED	MARKET SHARE %	
1	TRAVELERS GRP	3,866,767,331	3,849,946,580	6.6	
2	HARTFORD FIRE & CAS GRP	3,771,503,918	3,711,058,710	6.5	
3	AMTRUST FINANCIAL SERV GRP	3,425,169,973	3,344,212,861	5.9	
4	ZURICH INS GRP	2,932,999,433	2,906,799,813	5.0	
5	CHUBB LTD GRP	2,378,524,732	2,443,460,739	4.1	
6	BERKSHIRE HATHAWAY GRP	2,125,792,572	2,113,200,464	3.6	
7	LIBERTY MUT GRP	2,093,981,396	2,175,890,153	3.6	
8	STATE INS FUND	1,709,192,550	1,728,657,460	2.9	NY State Fund
9	BCBS OF MI GRP	1,670,453,988	1,699,989,988	2.9	
10	OLD REPUBLIC GRP	1,471,615,206	1,456,700,846	2.5	
11	AMERICAN FINANCIAL GRP	1,418,133,289	1,408,175,823	2.4	
12	AMERICAN INTL GRP	1,230,622,818	1,210,299,163	2.1	
13	WR BERKLEY CORP GRP	1,219,710,396	1,202,526,654	2.1	
14	STATE COMPENSATION INS	1,140,750,936	1,139,003,536	2.0	CA State Fund
15	ICW GRP ASSETS INC GRP	1,108,761,083	1,040,813,554	1.9	TX State Fund
16	TEXAS MUT INS CO	1,090,472,150	1,067,489,743	1.9	
17	CNA INS GRP	1,070,153,508	1,001,634,082	1.8	
18	ARCH INS GRP	860,901,296	822,773,731	1.5	
<b>19</b>	<b>EMPLOYERS HOLDINGS GRP</b>	<b>758,599,058</b>	<b>719,895,632</b>	<b>1.3</b>	
20	FAIRFAX FIN GRP	757,824,451	761,509,347	1.3	
21	STARR GRP	667,542,449	675,417,170	1.1	
22	SAIF CORP	582,017,765	564,114,897	1.0	
23	ENCOVA MUT INS GRP	572,309,690	561,526,772	1.0	
24	MARKEL CORP GRP	571,279,280	586,001,760	1.0	
25	COPPERPOINT GRP	536,254,436	526,059,952	0.9	

**NOTE:**

Based on annual filings received by 03/05/2024. Additional information can be found on the NAIC's Research and Actuarial Dept. Webpage at [naic.org/research\\_actuarial\\_dept.htm](http://naic.org/research_actuarial_dept.htm)

# Accolades

*We were recently applauded by two well-known publications, Newsweek and U.S. News & World Report*

*In September 2024, Employers received the #3 spot on Newsweek's 2024 list of Most Trustworthy Companies in America and the #7 spot in that publication's 2024 ranking of Most Trustworthy Companies in the World. Each of these rankings were within the lists' insurance categories.*

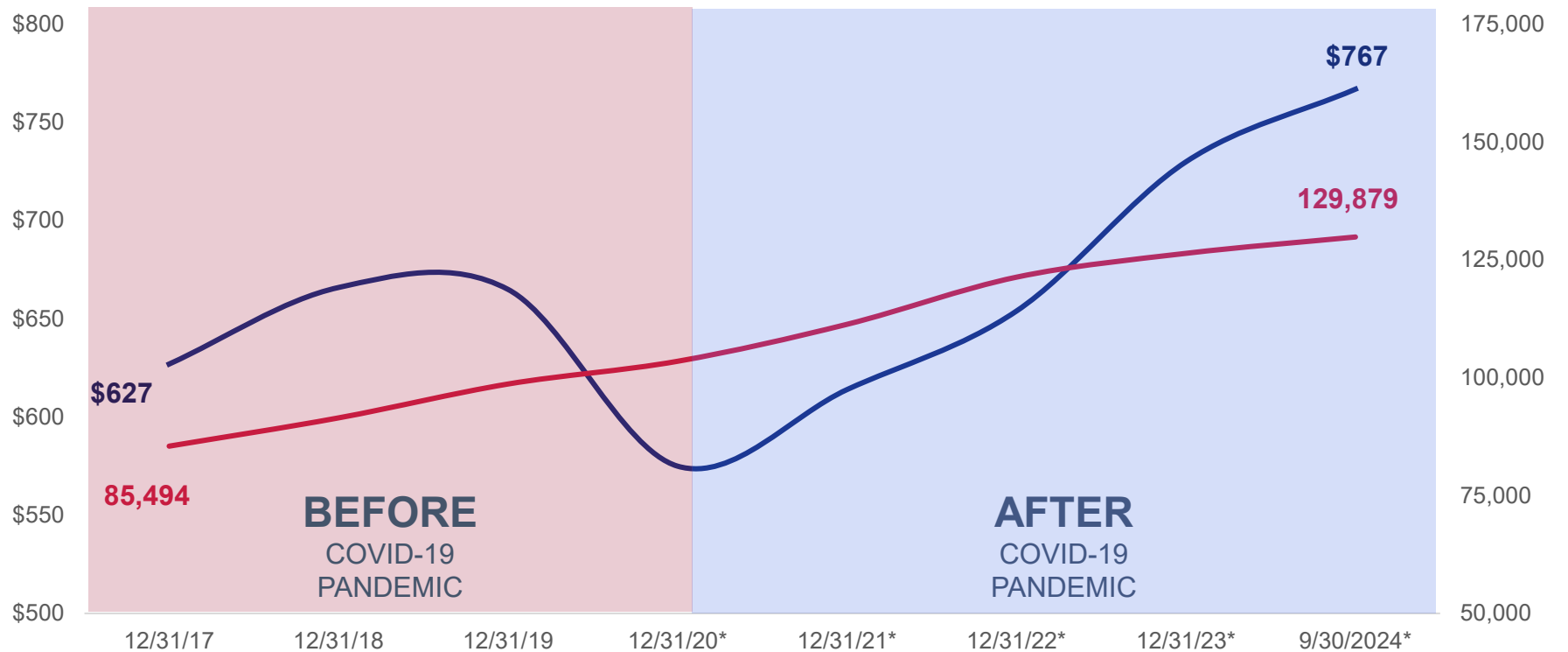
*In October 2024, U.S. News & World Report named Employers one of its 2024-2025 "Best Companies to Work For." In addition to making the overall list, Employers was named as one of its "Best Companies to Work For – Insurance", and "Best Companies – West region."*

# Market Conditions

Reached record-levels of in-force premium and policies in-force in 3Q24

## In-Force Policies and Premium

- In-Force Premium
- Policies In-Force



\* 2020 and onward in-force premiums include an estimate of audit premium

# Current Initiatives and Strategy

# Cerity® Integration

**During the fourth quarter of 2023, we fully integrated Cerity's operations into those of Employers. As a result, policies issued by Cerity and Employers are now administered and serviced consistently on a single platform, generating significant efficiencies and expense savings.**

- ▼ Cerity business is now focused primarily on partnership opportunities like Thimble and Simply Business, while preserving the Cerity brand (which was developed for, and continues to serve, direct customers)
- ▼ We have moved Cerity's policy and claims administration to existing Employers' systems, eliminating redundant processes, increasing efficiency and lowering expenses
- ▼ We have reduced Cerity's marketing spend on paid search
  - + We were previously focused on Search Engine Marketing (SEM), which is very expensive and does not endure
  - + We have moved to a Search Engine Optimization (SEO) strategy, which enhances visibility and increases traffic
- ▼ We have restructured Cerity's payment plans to those better suited to the buying and cancellation behavior of direct consumers

**These actions, which are the primary driver to our meaningfully lower expense ratio in 2024, were possible because we have not experienced any channel conflict among the Employers brand (including its independent agents) and the Cerity brand**



# North Star of Ease

In 2021, we announced our strategic North Star of Ease initiative to serve as a guide to making our internal operations more seamless and scalable and our external systems more customer friendly.

- 1** The development of a Transformation Management Office (TMO) to assist with quarterly project prioritization and improve how we measure and allocate resources to these projects.
- 2** The creation of new functional strategies focused on improving data and analytics (D&A), workforce experience (WX), and customer experience (CX).
- 3** The formation of a Test and Learn Center to understand the impacts of our projects prior to full-scale implementation.

## KEY INVESTMENT STREAMS

### Distribution

Our new agency partnership program better meets the needs of our highest-performing agency partners and further supports their growth.

### Claims

Our new online claims intake process supports injured workers and will reduce claim costs by encouraging digital claims submission and streamlining our internal processes.

### Premium Audit and Billing

Our modern payment programs offer greater ease and flexibility to our policyholders and increase retention, and an enhanced online premium audit program will make it easier for our customers to understand and comply with the audit process.

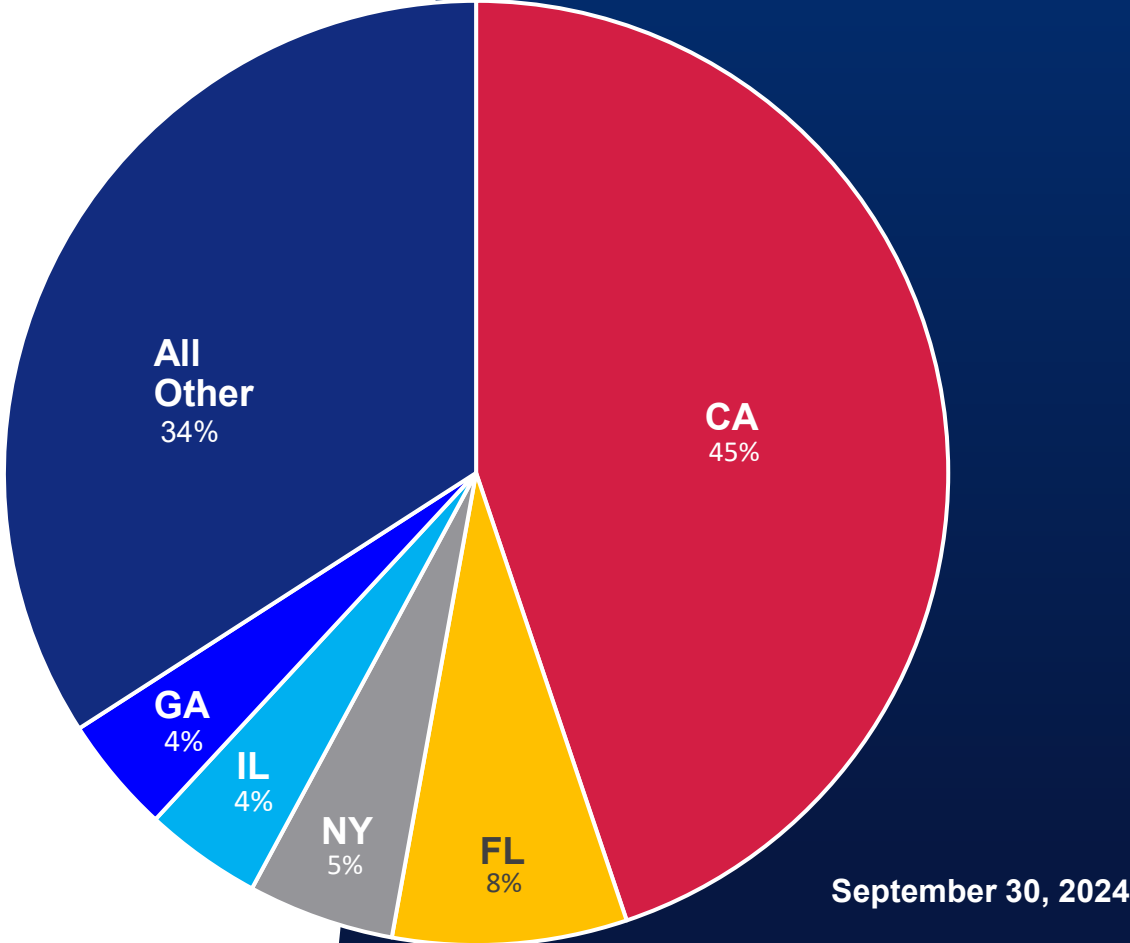
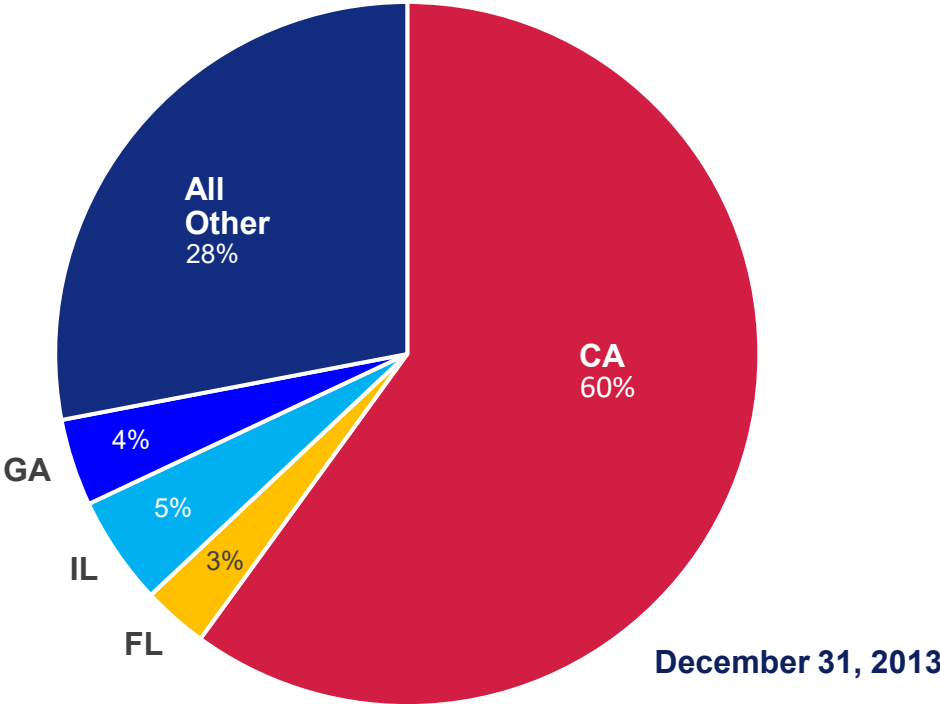
### Customer Support

Transitioning all customer support teams to one communication platform will enable a single view of a customer's interactions. In addition, developing an array of self-service features will empower our customers to meet their needs online.

# Strategic Diversification

By in-force premium

Growth outside of California is providing further diversification.



# Book Mix by Hazard Group

We employ a thoughtful and conservative underwriting approach designed to individually select specific types of businesses that we believe will have fewer and less costly claims relative to other businesses in the same hazard groups.

## Focus on Select Low-to-Medium Hazard Groups

Data shown as a % of in-force premium

As of September 30, 2024

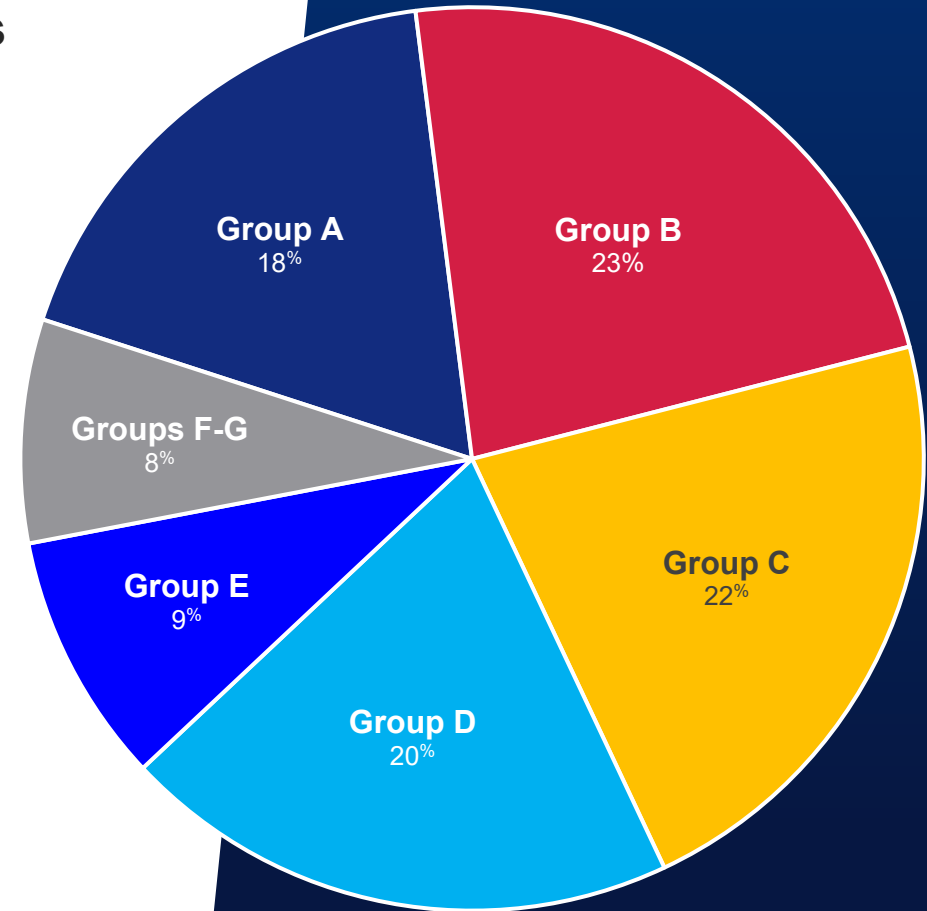


92% in lower risk hazard groups A-E



8% in higher risk hazard groups F-G

*Our appetite expansion effort continues to be a large contributor to our profitability and growth in premium. Our loss ratios in these new segments continue to be in-line or better than our traditional segments and we expect to further benefit from this strategy well into the future.*



# Financial Performance

# Third Quarter 2024 Highlights

## Strong Financial Results

Adjusted Net Income  
**\$20.2M**  
or \$0.81/share

Net Investment  
Income  
**\$26.6M**

Book Value incl.  
Deferred Gain  
**\$47.99**  
per share

## Insurance Operations

Gross Premiums Written  
**\$181.2M**  
-8% from 3Q23

Gross Premiums Earned  
**\$186.6M**  
+1% from 3Q23

Combined Ratio  
excluding LPT  
**101.2%**  
vs. 101.3% in 3Q23

Loss & LAE Ratio  
63.9% vs. 63.2% in 3Q23  
Commission Expense Ratio  
14.1% vs. 14.5% in 3Q23  
Underwriting Expense Ratio  
23.2% vs. 23.6% in 3Q23

## Extremely Strong Balance Sheet

Total Investments  
and Cash  
**\$2.6B**

3Q24 Share  
Repurchases  
**\$7.4M**  
163,221 shares at average  
price of \$45.27/share

3Q24 Dividend  
*Declared*  
**\$0.30**  
per share  
(up 7% from 3Q23)



# Third Quarter 2024 YTD Highlights

## Strong Financial Results

Adjusted Net Income  
**\$65.1M**  
or \$2.57/share

Net Investment  
Income  
**\$80.3M**

Adjusted  
Book Value  
**\$49.83**  
per share

## Insurance Operations

Gross Premiums Written  
**\$599.9M**  
+2% from 3Q23 YTD

Gross Premiums Earned  
**\$559.3M**  
+5% from 3Q23 YTD

Combined Ratio  
excluding LPT  
**99.7%**  
vs. 98.4% in 3Q23 YTD

Loss & LAE Ratio  
**62.3%** vs. 59.6% in 3Q23 YTD  
Commission Expense Ratio  
**14.1%** vs. 13.8% in 3Q23 YTD  
Underwriting Expense Ratio  
**23.3%** vs. 25.0% in 3Q23 YTD

## Extremely Strong Balance Sheet

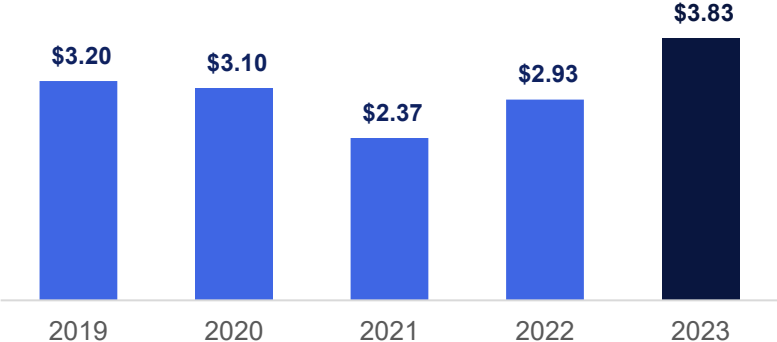
YTD Total Return on  
Investments  
**6.3%**

3Q24 YTD Share  
Repurchases  
**\$31.4M**  
748,083 shares at average  
price of \$42.01 share

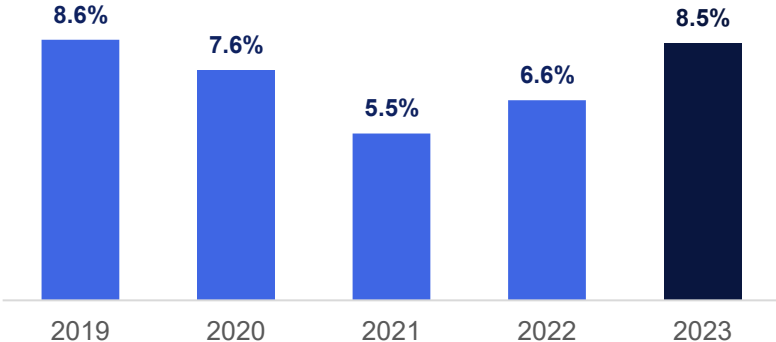
3Q24 YTD Dividends  
*Declared*  
**\$0.88**  
per share  
(up 7% from 3Q23 YTD)

# Five-Year Annual Financial Performance

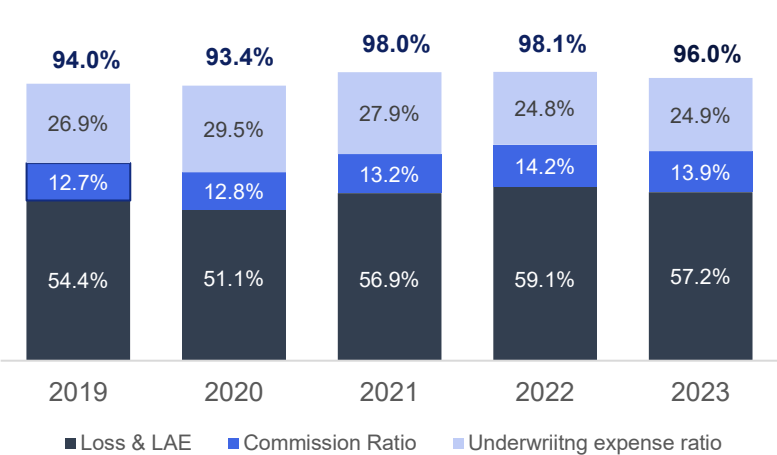
Adjusted EPS (Diluted)



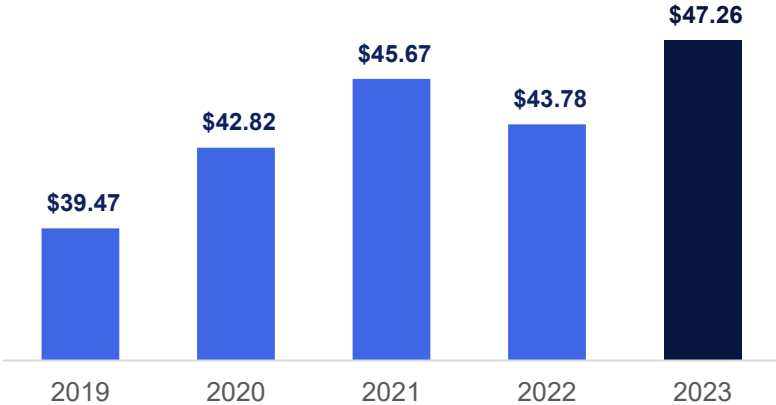
Adjusted ROE



Combined Ratio excluding LPT



Adjusted Book Value per Share



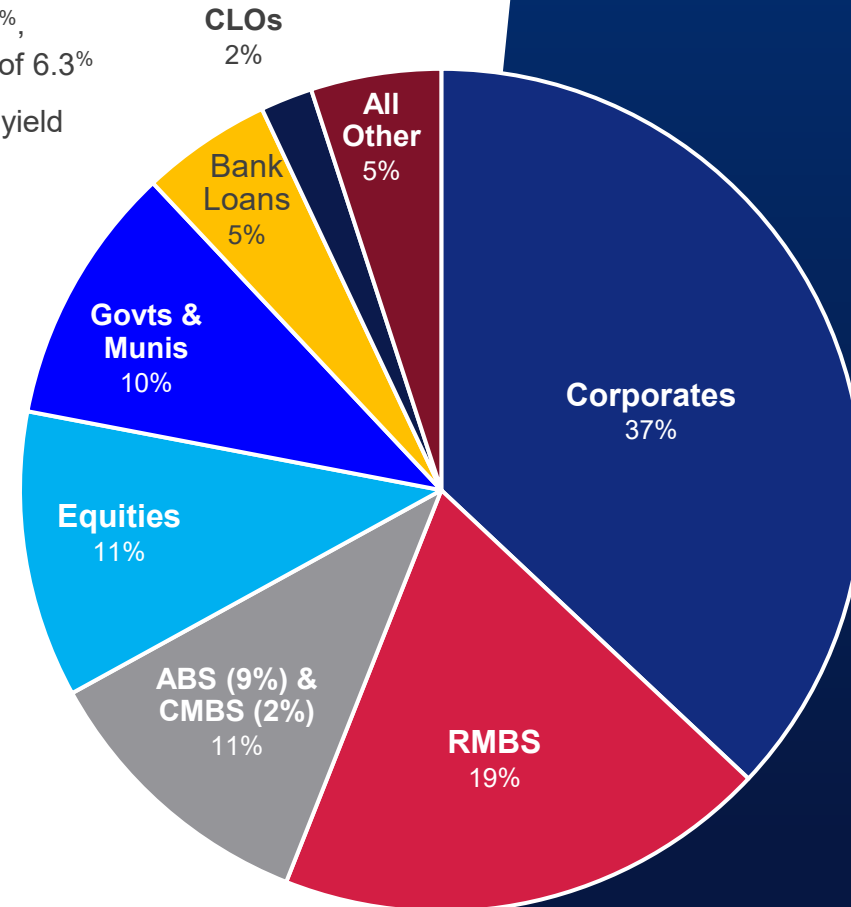
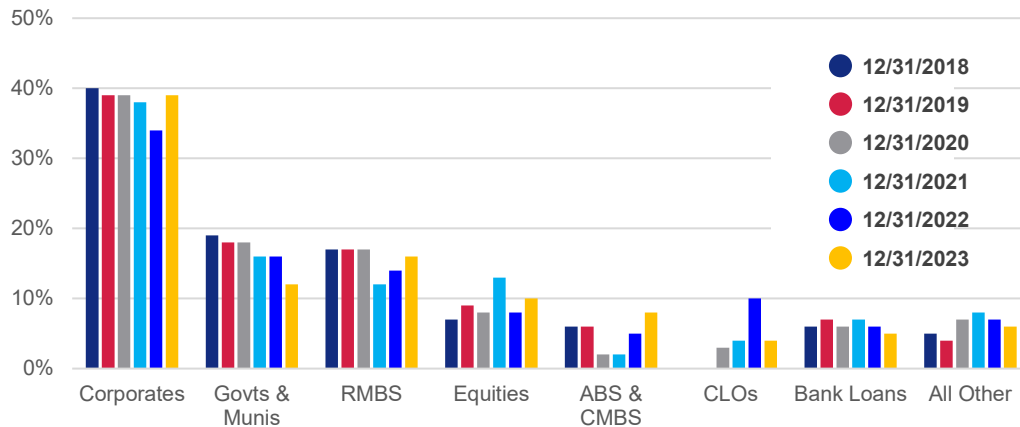
# Financial Strength

# Investment Portfolio

**\$2.5 billion fair market value (\$2.6 billion including cash)**

- + High quality (average credit quality of A+)
- + Highly liquid (\$1,034 million is unencumbered at the operating companies and is available within 2 business days)
- + Duration of 4.2
- + 2023 total investment return of 7.9%, 3Q24 YTD total investment return of 6.3%
- + 4.4% average ending pre-tax book yield vs. 4.1% a year ago

## Investment Portfolio Allocation History



September 30, 2024

# Net Investment Income

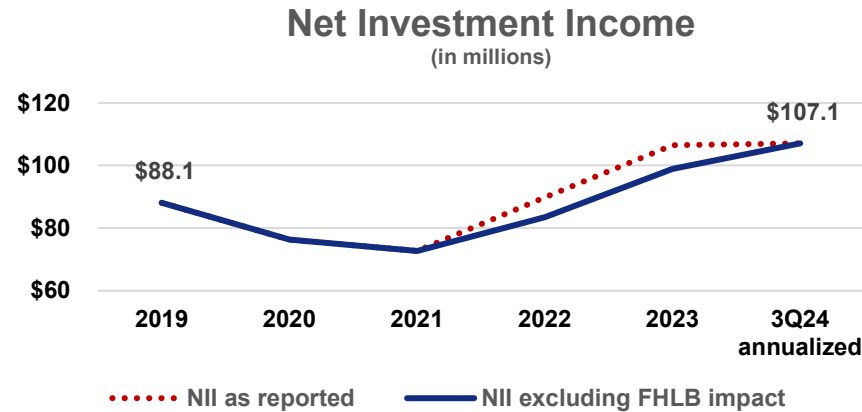
## Up nearly 50% versus 2021

- + Weighted average book yield of fixed maturity investments of 4.4% (versus 3.0% at December 31, 2021)
- + Dramatically higher yields today on variable rate instruments (such as Bank Loans and Collateralized Loan Obligations), short-term investments and cash equivalents due to the prolonged inverted yield curve
- + Proactive management of investments formerly on deposit is a contributor
- + Federal Home Loan Bank (FHLB) letters of credits used will increase by \$100 million in 4Q24, as they once again become a more favorable source of collateral than amounts physically on deposit in CA

### Net Investment Income

In Millions

- NII excluding FHLB impact
- NII as reported

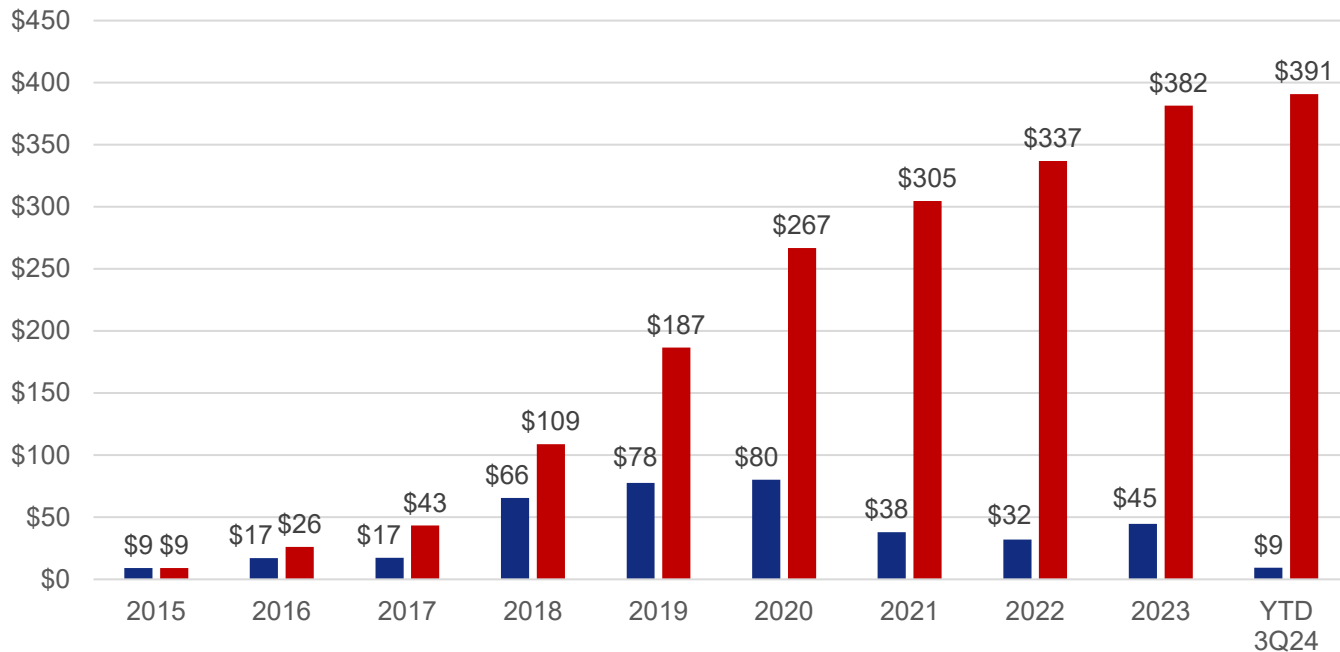


Our net investment income in 2022 and 2023 was enhanced by \$6.3M and \$7.6M of incremental net investment income, respectively, originating from FHLB borrowings that were used to purchase investment securities. These borrowings were fully repaid in 4Q23. The interest expense associated with this leveraged investment strategy was \$3.1 and \$5.3 million in 2022 and 2023, respectively.



# History of Reserve Strength

Reserves are reviewed internally each quarter, with full reviews occurring in 2Q and 4Q



## Net Calendar Year Reserve Development in Recent Prior Accident Years

\$ millions, excludes involuntary business

- Annual net favorable development
- Cumulative net favorable development since 2015

Reserve estimates are presented to the Audit Committee of our Board of Directors each quarter

### Mid-year 2024 Reserve Study

Recognized \$9.3 million of net favorable prior-year loss reserve development

# LPT Status

Retroactive 100% quota share reinsurance coverage for all losses 6/30/95 and prior



Gain booked as statutory surplus; deferred & amortized under GAAP



Non-recurring transaction  
No further cash benefits



Gain includes ITD adjustments to LPT reserves and a contingent profit commission



Collateralized: largely cash/short-term securities, US Treasuries, and equities



3 Reinsurers:  
Chubb (ACE), Berkshire (NICO), XL Group

**\$278M**

remaining liabilities

**~1,200**

open claims

## The LPT Agreement

(\$ million)

<b>Total coverage</b>	<b>\$2,000</b>
Original LPT reserves (liabilities) transferred	1,525
Consideration	<u>775</u>
STAT LPT gain recognized at June 30, 1999	750
Subsequent LPT reserve adjustments	(357)
Subsequent LPT contingent commission adjustments (profit sharing)	70*
Cumulative LPT amortization to-date	(369)
<b>GAAP LPT gain remaining at September 30, 2024</b>	<b>\$94</b>

\*The final installment of the contingent commission was settled during the third quarter of 2024.

# Strong Capital Management

## First nine months of 2024:

**\$31.4M**

*Aggregate share repurchases, excl. excise taxes*  
(748,083 shares at an average price per share of \$42.01)

**\$22.5M**

*Regular quarterly dividends declared*  
(\$0.28 in 1Q24 and \$0.30 in 2Q24  
and 3Q24, each per share)

## First nine months of 2023:

**\$61.1M**

*Aggregate share repurchases, excl. excise taxes*  
(1,570,342 shares at an average price per share of \$38.88)

**\$22.0M**

*Regular quarterly dividends declared*  
(\$0.26 in 1Q23 and \$0.28 in 2Q23  
and 3Q23, each per share)

The shares we repurchased during the first nine months of 2024 and the first nine months of 2023 were accretive to our current book value per share (\$44.20), book value per share including the deferred gain (\$47.99) and our adjusted book value per share (\$49.83)

# Strong and Transparent Balance Sheet

- Low premium leverage and reinsurance reliance
- Favorable reserving track record
- LPT protection
- High-quality reinsurance recoverables
- Low duration investment portfolio
- Less than \$50M of goodwill and other intangible assets

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**= Strong and Transparent Balance Sheet**

**Our balance sheet is strong and is unburdened by either legacy issues or a significant amount of goodwill and other intangible assets**

# Environmental, Social and Governance (ESG)

# Environmental

## Our Investment Portfolio

Our Investment Managers consider ESG criteria when evaluating investment opportunities.

- + Each of our Investment Managers are signatories to the United Nations Principles for Responsible Investment Group, an independent non-profit organization that encourages investors to use responsible and sustainable investment practices to enhance returns and better manage risks.
- + We have participated in California's Climate Risk Carbon Initiative and have altered our investment strategy to avoid owning investments that could be in direct conflict with that initiative.

## Our Natural Catastrophe Exposure

Reinsurance models are used to develop potential exposure to natural catastrophes and consider the potential effects of climate change.

- + We purchase a significant amount of catastrophe reinsurance annually.
- + We believe that our largest exposure to natural catastrophes is currently U.S. earthquake risk.
- + We believe, based on the most recent catastrophe modeling software, that with our current reinsurance protection we could withstand a greater than 1 in 1,000-year U.S. earthquake occurrence.

## Our Carbon Footprint

We have made a major move to shift our workforce to sharply reduce or eliminate commutes and their resulting carbon emissions.

- + We have eliminated over 1 million miles of annual commuting through remote and flexible options.
- + We exited our large Reno and Kansas City facilities during 2023, which significantly reduced our overall carbon footprint.
- + We have reduced our in-person board meetings by 50%, shifting to a more virtual environment.
- + We are also creating more sustainable business practices by building digital systems that will allow our customers to "go paperless" and improving our digital delivery capabilities that will keep future paper waste to a minimum.

[Employers' 2024 task force on climate-related financial disclosures report](#)

# Social

## Human Capital

- + Committed to providing equal employment opportunities to all qualified applicants
- + Comprehensive Code of Business Conduct and Ethics Policy
- + At 4Q23, women represented:
  - + 63% of all our employees;
  - + 70% of our managers and supervisors;
  - + 44% of our vice presidents and directors;
  - + 67% of our executive team; and
  - + 33% of our members of the Board of Directors.
- + We are also committed to philanthropic efforts that focus on children and education, equity and inclusion in workplace, health and science and catastrophic event relief.

## Policyholders and Their Employees

- + Our Risk Advisory services are focused on assisting policyholders in developing a positive safety culture, helping to ensure employees have a voice and are active participants in their workplace safety and well-being.
- + For injured workers, we utilize an outcome-based medical network that employs predictive analytics to identify medical providers who achieve superior clinical outcomes for injured workers.
- + We also have a proactive pharmacy management program focused on accelerating injured workers' return to work.

## Social Inflation

- + The term "social inflation" generally refers to the trend of rising insurance costs due to increased litigation, plaintiff-friendly judgements and higher jury awards.
- + We are not subject to social inflation in the traditional sense because the vast majority of case law does not allow a claimant to sue a workers' compensation carrier. Any such disputes are handled by petition with the appropriate Workers Compensation Bureau and are handled by a judge through an administrative hearing, without a jury.

[Employers' ESG Report](#)

# Governance

## Board and Management Composition and Conduct

Our Annual Proxy Statements and Annual Reports on Form 10-K provide details regarding the composition of our Board of Directors and our management. Our Human Capital Management and Compensation Committee provides advice, direction and oversight of the Company's policies and strategies in relation to culture and human capital management, including with regard to diversity, equity and inclusion, and oversees the Company's compensation plans, policies, programs and practices applicable to our Chief Executive Officer and other executive officers, including the Company's executive compensation plans, employee benefit plans, and incentive-compensation and equity-based plans.

## Information Security and Cybersecurity

- + Our operations rely on the secure processing, storage, and transmission of personal, confidential, and other information. Our business, including our ability to adequately price products and services, establish reserves, provide an effective and secure service to our customers and report our financial results in a timely and accurate manner, depends significantly on the integrity, availability, and timeliness of the data we maintain, as well as the data held by third party service providers.
- + In an effort to ensure the privacy, confidentiality, and integrity of this data, we continually enhance our cyber security and other information security in order to remain secure against emerging threats, as well as increase our ability to detect, and recover from, a cyber attack or unauthorized access.

## Fraud Prevention

We aim to safeguard our policyholders to fight workers' compensation fraud nationwide. Our Special Investigation Unit works diligently to fight fraud, an effort that reduces costs and protects policyholders. This unit provides anti-fraud training to employees, law enforcement agencies and policyholders, investigates potential cases of insurance fraud and maintains a fraud hotline for tips on suspected insurance fraud.

[Employers' ESG Report](#)



# Governance

Continued

## The Governance and Nominating Committee of our Board of Directors:

- + Identifies and selects individuals qualified to serve as members of its Board and committees;
- + Develops and recommends the Committee structure to the Board;
- + Recommends to the Board a slate of Director-nominees for the next annual meeting of stockholders;
- + Develops and recommends to the Board a set of corporate governance guidelines applicable to the Company;
- + Reviews the Company's environmental, social, and governance programs;
- + Reviews succession plans of the Company's Chair, Chief Executive Officer and other senior officers; and
- + Oversees the evaluation of the Board and management.



Employers' ESG Report

# Key Takeaways

- + Excellent market reputation and optimally positioned as a Workers' Compensation specialist,
- + Strong underwriting and investment performance, conservative balance sheet,
- + Low financial leverage, strong capital adequacy and diverse financial flexibility at both the parent company and within its operating companies,
- + Solid organic premium growth with no "legacy" issues,
- + Cerity<sup>®</sup> integration created meaningful efficiencies and cost savings, while preserving our direct-to-consumer capabilities,
- + Multiple distribution channels provide significant competitive advantages,
- + Significant innovation initiatives,
- + Strong risk culture, with a consistent view of risk across the organization.

From our 3Q24 Earnings Release dated October 30, 2024:

*"Our strong operating results, coupled with our proactive and opportunistic management of our investment portfolio and our capital position, contributed to year-over-year increases of 27% and 24% in our book value per share and book value per share including the deferred gain, respectively.*

*As a result, our balance sheet is strong, our underwriting capital is abundant and our confidence in the Company's future operations remains high."*

Kathy Antonello,  
President and CEO

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**Katherine “Kathy” Antonello**  
President and  
Chief Executive Officer



**Michael “Mike” Paquette**  
Executive Vice President,  
Chief Financial Officer

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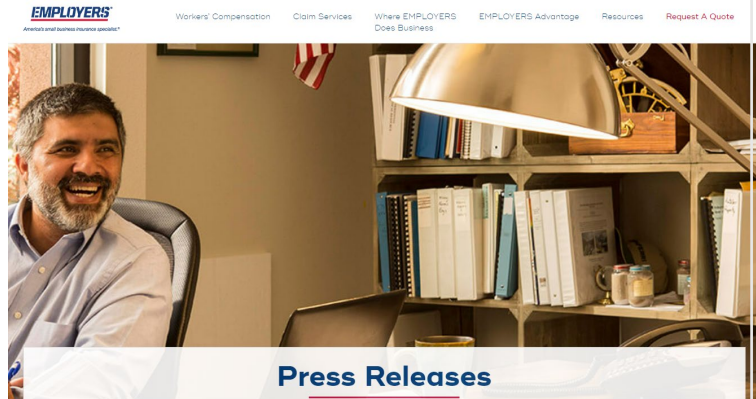
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# Additional Financial Information

## Press Releases



This section includes financial reports, governance information, stock information, featured events and the latest company news.

## SEC Filings



This section includes financial reports, governance information, stock information, featured events and the latest company news.

### Reconciliation of Non-GAAP Financial Measures to GAAP

Within this investor presentation we present various financial measures, some of which are "non-GAAP financial measures" as defined in Regulation G pursuant to Section 401 of the Sarbanes-Oxley Act of 2002. A description of these non-GAAP financial measures, as well as a reconciliation of such non-GAAP measures to our most directly comparable GAAP financial measures is included in the attached Financial Supplement. Management believes that these non-GAAP measures are important to the Company's investors, analysts and other interested parties who benefit from having an objective and consistent basis for comparison with other companies within our industry. Management further believes that these measures are more relevant than comparable GAAP measures in evaluating our financial performance.

These measures should not be viewed as a substitute for those determined in accordance with GAAP. Reconciliation of these measures to their most comparable GAAP financial measures are included in the attachment to this presentation. They are also included in the earnings release Form 8-Ks filed with the Securities and Exchange Commission (SEC) and available in the "Investors" section of our website at [www.employers.com](http://www.employers.com).