Employers Holdings, Inc.

Investor Presentation

Results Through Q2 2015

Regulation FD

This slide presentation is for informational purposes only. It should be read in conjunction with our Form 10-K for the year 2014, our Form 10-Qs 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 may be included in this presentation or in our Form 10-K for the year 2014, our Form 10-Qs 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.

All 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. The business of EHI and those engaged in similar lines of business could be affected by, among other things, competition, pricing and policy term trends, the levels of new and renewal business achieved, market acceptance, changes in demand, the frequency and severity of catastrophic events, actual loss experience including observed levels of increased indemnity claims frequency and severity in California, uncertainties in the loss reserving and claims settlement process, new theories of liability, judicial, legislative, regulatory and other governmental developments, litigation tactics and developments, investigation developments, the amount and timing of reinsurance recoverables, credit developments among reinsurers, changes in the cost or availability of reinsurance, market developments (including adverse developments in financial markets as a result of, among other things, changes in local, regional or national economic conditions and volatility and deterioration of financial markets), credit and other risks associated with EHI's investment activities, significant changes in investment yield rates, rating agency action, possible terrorism or the outbreak and effects of war and economic, political, regulatory, insurance and reinsurance business conditions, relations with and performance of employees and agents, and other factors identified in EHI's filings with the SEC. Accordingly, readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date on which they are made.

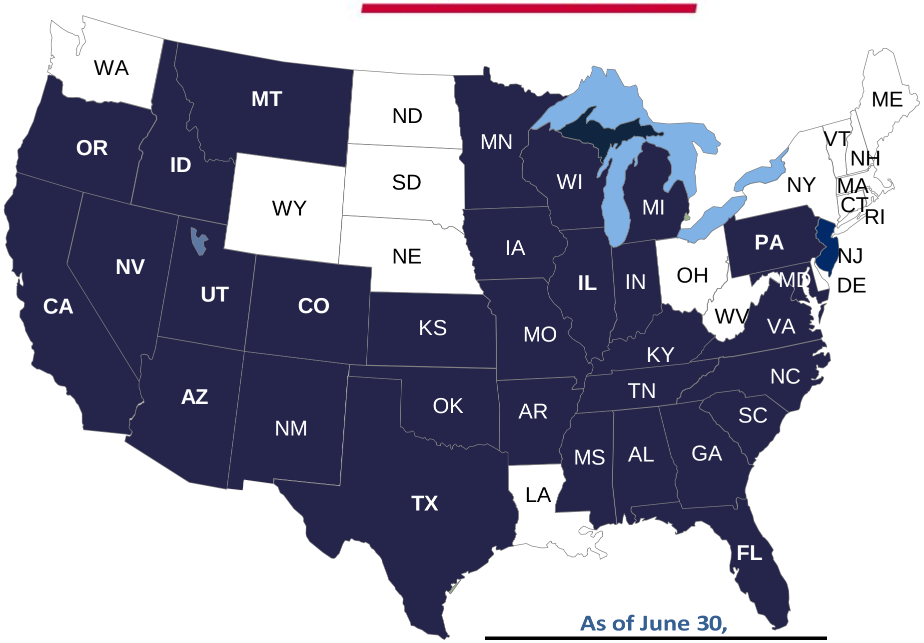
We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

 Employers Holdings, Inc. is a holding company with subsidiaries that are specialty providers of workers’ compensation insurance and services focused on select, small businesses engaged in low to medium hazard industries. The company, through its subsidiaries, operates in 31 states and the District of Columbia. Insurance subsidiaries include Employers Insurance Company of Nevada, Employers Compensation Insurance Company, Employers Preferred Insurance Company, and Employers Assurance Company, all rated A- (Excellent) by A.M. Best Company. Additional information can be found at: http://www.employers.com.

Overview

- **Workers' compensation mono-line writer**
- **Focused on small, low to medium hazard risks**
- **Distribution through agencies and strategic partners**
  - Nearly 5,000 agencies (includes over 1,200 Anthem Blue Cross of California agencies)
  - Alternative distribution = 24% in-force premium (partners include ADP, Paychex and Anthem Blue Cross of California)
- **Writing in 32 states and the District of Columbia**
  - Operate in approximately three quarters of total market
  - Long-term goal to operate in all of the continental United States, except monopolistic states
  - Entered Michigan in Q3 2015

EMPLOYERS®



As of June 30,	2015	2014	YoY % Change
In-force Premium ($ million)			
California	363.1	381.9	(4.9)
Other	264.5	251.8	5.0
TOTAL	627.6	633.7	(1.0)
In-force Policies			
California	45,404	48,950	(7.2)
Other	39,368	37,067	6.2
Total	84,772	86,017	(1.4)

Average policy size: $7,403

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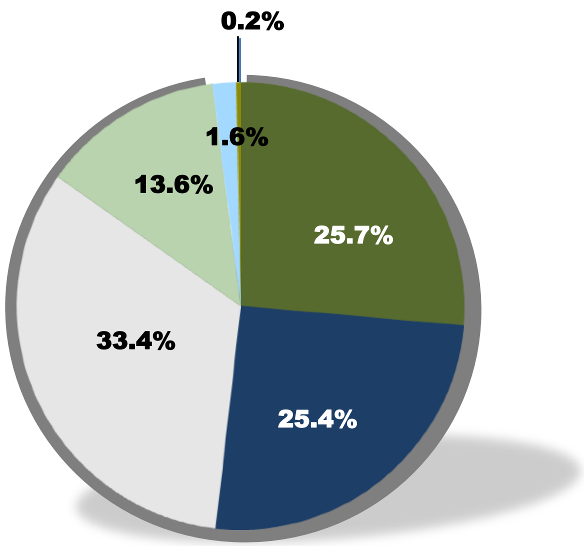
Underwriting focus on select low to medium hazard groups A - D

EMPLOYERS® Top 10 types of insureds:

- Restaurants
- Automobile Service or Repair Shops
- Hotels, Motels, and Clubs
- Dentists, Optometrists, and Physicians
- Gasoline Stations
- Wholesale Stores
- Real Estate Management
- Apparel Manufacturing
- Groceries and Provisions
- Schools-Colleges and Religious Organizations



Hazard Group Percentage
at June 30, 2015
98.1% in Hazard Groups A – D

Data shown as a % of in-force premium

NCCI Hazard Groups

Lower Risk

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

Higher Risk

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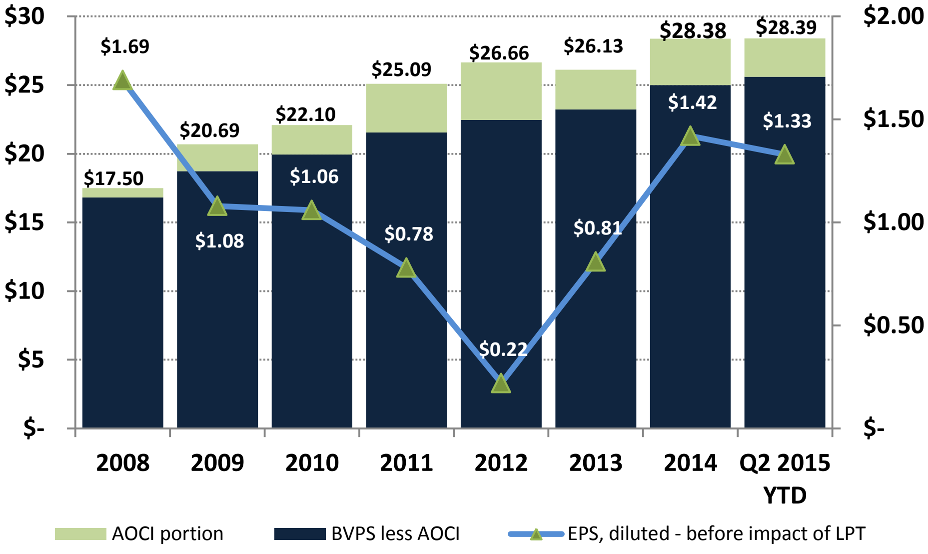
Growth and Performance

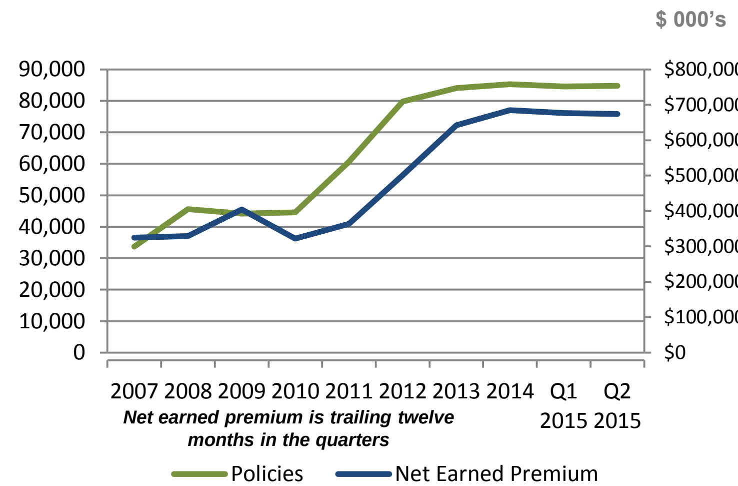
Book value and EPS (adjusted for the LPT)



- **Book value per diluted share is equity plus the deferred reinsurance gain related to the LPT, and includes accumulative other comprehensive income, net (AOCI)**
- **Earnings per share (EPS) is net income before the LPT per diluted share and is annualized in the quarters**

- **Increasing EPS, impacted by historically low yields year over year**
- **Increasing book value per share impacted, in part, by unrealized gains year over year**

Growth: policies, net earned premium

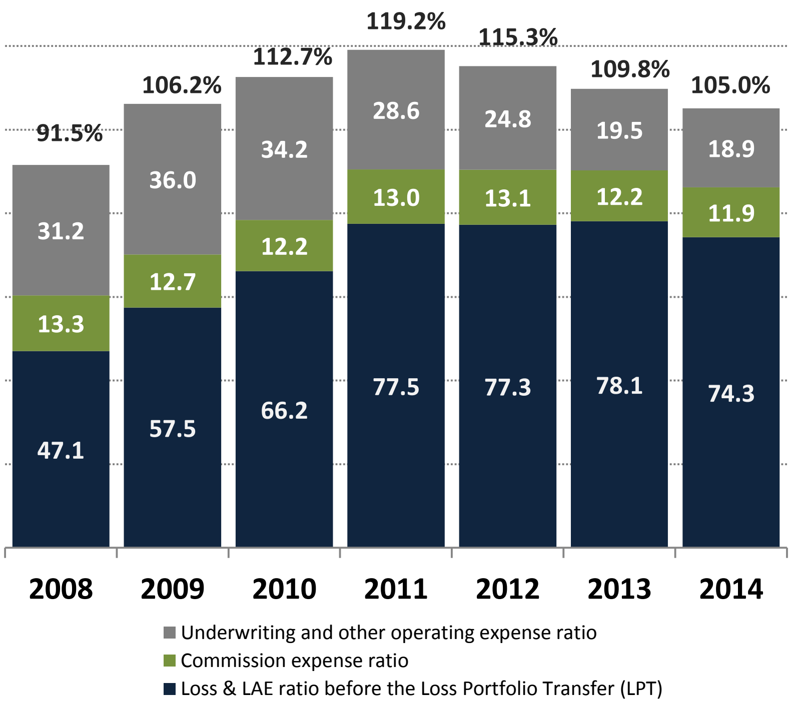


- **Decline in premium and policies in Q1 2015 due to pricing/re-underwriting initiatives in southern California**
- **Q2 2015 – impacts of southern California initiatives abating as premium decline flattened**

Improving Calendar Year Combined Ratio

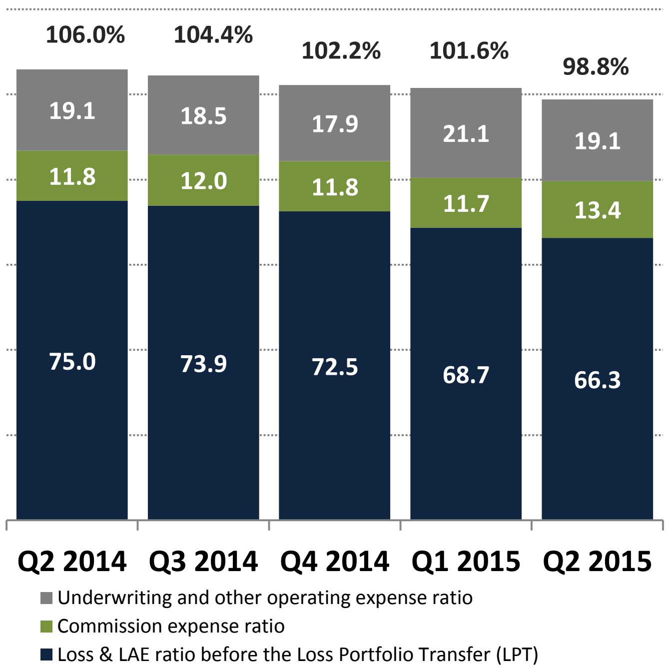
Annual

Improvement of 4.8 percentage points: 2014 vs. 2013



Quarterly

Improvement of 7.2 percentage points: Q2 2015 vs. Q2 2014



- ✓ Calendar year combined ratio before the impact of LPT
- ✓ Loss and LAE ratio excludes LPT Agreement adjustments for favorable prior period development of ceded reserves and the LPT contingent profit commission

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Initiatives: Restructuring / Underwriting

Underwriting/pricing strategies implemented

- Three-company pricing platform in California with territorial multipliers
- Increased prices for underperforming class codes
- Non-renewed poor performing business, particularly in Southern California
- Targeting attractive classes of business inside and outside California

Results:

	As of June 30, YOY % Change	
	Overall	California
In-force premium	(1.0)	(4.9)
In-force policy count	(1.4)	(7.2)
Average in-force policy size	0.5	2.5
In-force payroll exposure	(1.7)	(13.7)
Net rate	0.7	10.1

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Factors impacting recent decline in our selected current accident year loss provision rate

In picking our current accident year loss estimate for 2015, we considered the following factors:

PRICING AND RATE IMPACTS – about two thirds of change in loss pick due to price changes

- Premium effects including the impacts of filed rate changes and aggregate schedule rating changes – earned rate change in 2015 is driven by the strong rate action taken (underwriting and pricing initiatives) in southern California in 2014 and 2015 which earns through the book in 2015. These rate changes are adjusted to reflect changes in the mix of business and changes in the bureau experience modification.

- Loss ratio effects including the impacts of changes in providing benefits due to macroeconomic factors such as inflation, or due to the implementation of legislation or regulations

UNDERWRITING IMPACTS – LOSS RATIO EFFECTS – about one-third of change in loss pick due to non-renewals

- Impacts of non-renewals – the change in the total loss ratio arising from the initiative to non-renew underperforming accounts, especially in southern California

- Mix of business by state and territory – the change in the total loss ratio due to differing loss ratios by state and changes in the proportion of business written by state – a slight increase arises from efforts to diversify geographically, including some states with lower expenses. The effects of changes in the California mix of business by territory are significant.

- Mix of business by class (class and policy size) – the change in the total loss ratio arising from underwriting initiatives to target new business in historically profitable classes and in increasing the proportion of small account business

We are monitoring and tracking assumptions related to the annual loss provision rate

- At the end of the second quarter in 2015, loss ratio effects from pricing and business mix trends are as expected

Recent Trends In Rates, Business Mix, Losses & Loss Provision Rates (cont'd)

Loss triangles: why don't we see these positive trends reflected in the statutory filing - Schedule P - or in the company's loss triangles in the Form 10-K?

- The company and its consulting actuaries do a more detailed analysis of losses than can be obtained from schedule P or the loss triangles included in the annual Form 10-K
- Factors influencing reported loss triangles result in increases in historic losses that are not expected to apply to subsequent accident years. These factors include:

Recent strengthening in case reserves, particularly in California

When case reserves are strengthened, increases in the incurred losses drive what appears to be higher development in patterns derived from Schedule P. However, the latest known incurred losses are at a higher proportion of ultimate than was previously the case. So the future development wouldn't be expected to follow the historic patterns.

Recent increases in settlement activity

In the past few years (more recently, outside California) significant increases in claim settlement activity have caused known paid losses to rise. Because more claims are settled, less future development of losses is expected. However, Schedule P would indicate increased future development, due to the booking of these settlements.

California Losses: Ratio of Settlement Payments to Total Payments Including Loss Payments Only as of 3/31/15

Excludes all loss adjustment expenses

Displayed ratios are applicable to the California portion of the Schedule P for each subsidiary due to the intercompany pooling agreement

	Months Since Start of Accident Year					
Accident Year	**15**	**27**	**39**	**51**	**63**	**75**
2005	1%	5%	9%	12%	13%	15%
2006	1%	6%	10%	12%	13%	17%
2007	1%	6%	9%	13%	15%	16%
2008	2%	7%	12%	16%	18%	19%
2009	3%	10%	15%	19%	20%	21%
2010	3%	10%	15%	19%	21%	
2011	5%	11%	19%	22%		
2012	4%	17%	23%			
2013	13%	23%				
2014	15%					

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Superior Claims Management

In-house medical management staff

- Manage care and medical costs

Rigorous quality assurance processes

- Compliance with best practices and regulatory requirements

Comprehensive fraud program

- $8.6 million savings in 2014 (increase of $4.6 million over 2013)

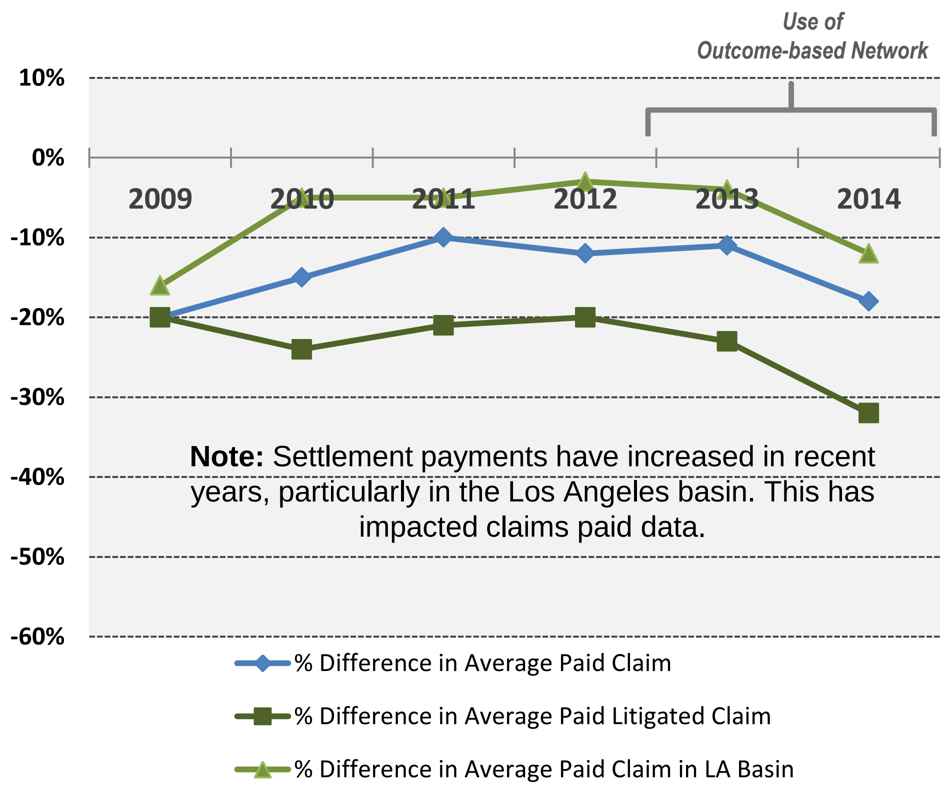
Pharmacy benefit management program

- $5.3 million savings in 2014

Claims professionals average over a decade of experience

- Increased claims settlement activity

Percent difference in the average cost per paid claim in California for EMPLOYERS® compared to the California industry average



Source: California Workers' Compensation Institute, data – As of JULY 22, 2015

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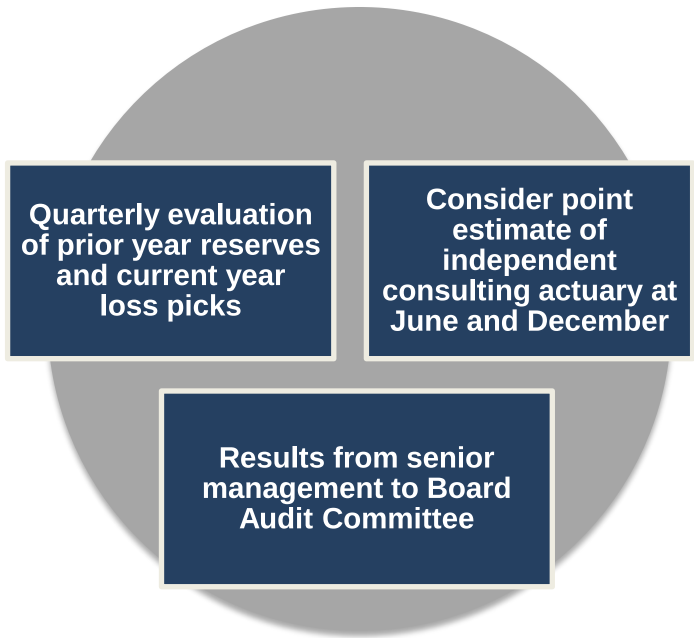
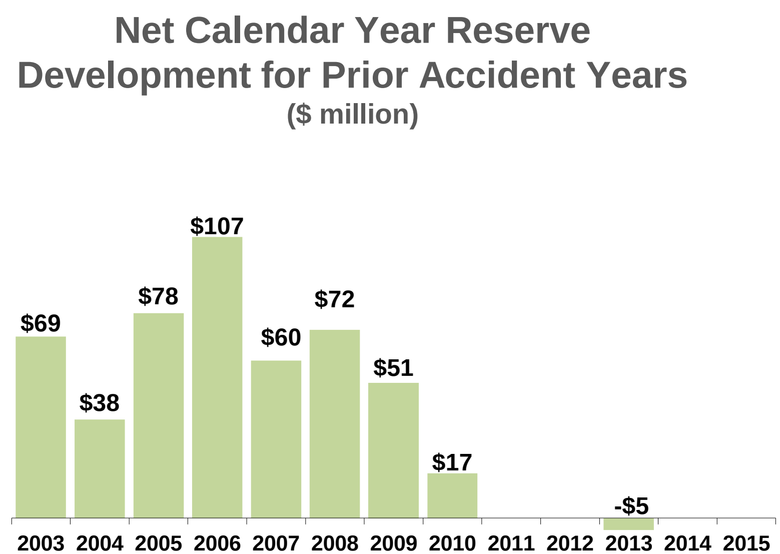
History of Reserve Strength

Reserve review



Reserve development



No changes to overall prior accident year reserves at June 30, 2015

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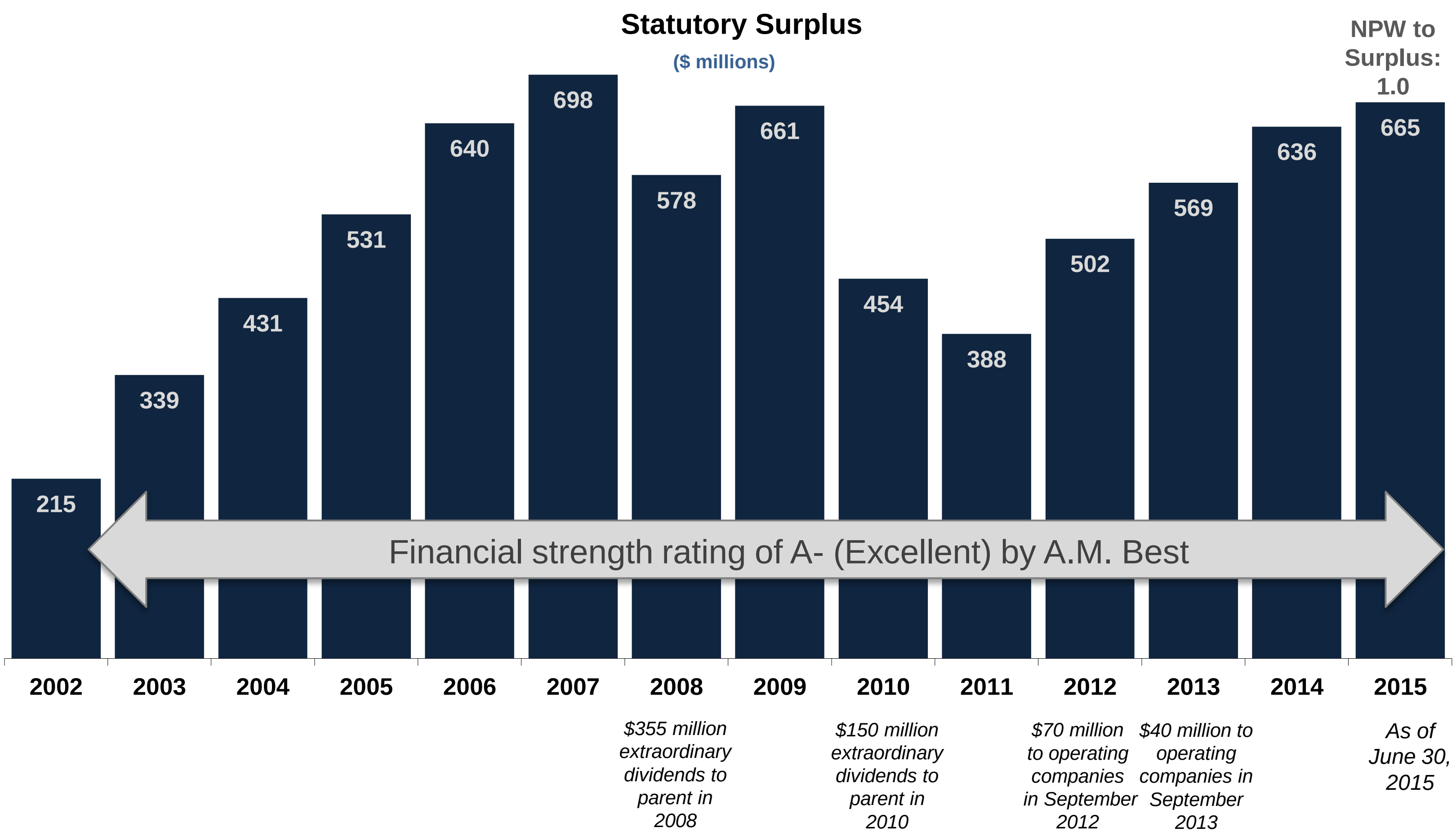
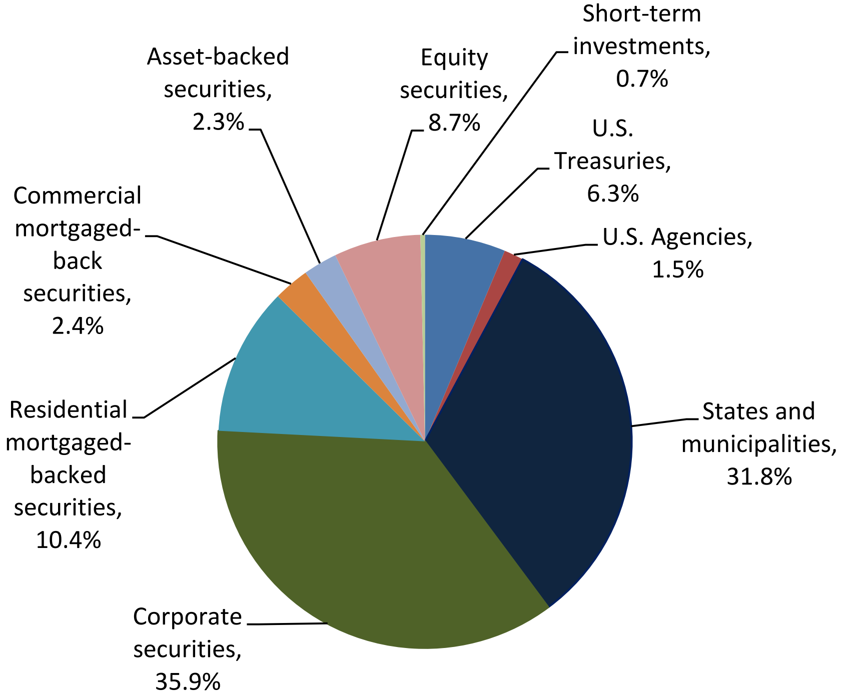
Strong Capital Position

Statutory surplus provides a solid basis for underwriting



High Quality Investment Portfolio



$2.5 billion fair market value

June 30, 2015

- **Fixed maturities have an average weighted rating of AA**
- **3.2% average pre-tax book yield**
- **3.8% tax equivalent book yield**
- **Effective duration of 4.2**

High Quality Reinsurance

Reinsurance management

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

Rated A or Better

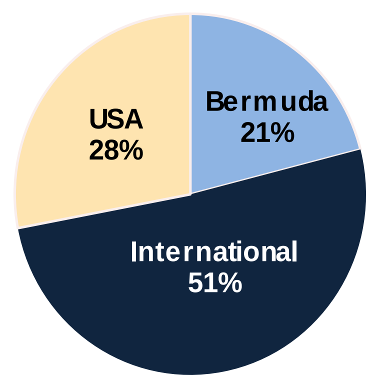
Program structure, effective 7/1/15

Limits of $200M

Retention of $7M plus $2M annual aggregate deductible

Maximum any one life - $20 million on excess layers

Reinsurers by Market



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Key Strengths

- **OVER 100 YEAR OPERATING HISTORY**
- Strong underwriting franchise with established presence in attractive markets
- Realized growth, expense management, improving operating ratios
- Unique, long-standing strategic distribution relationships
- Conservative risk profile and prudent capital management
- Strong financial position and strong balance sheet
- Experienced management team with deep knowledge of workers' compensation
- Demonstrated ability to manage through challenging operating conditions

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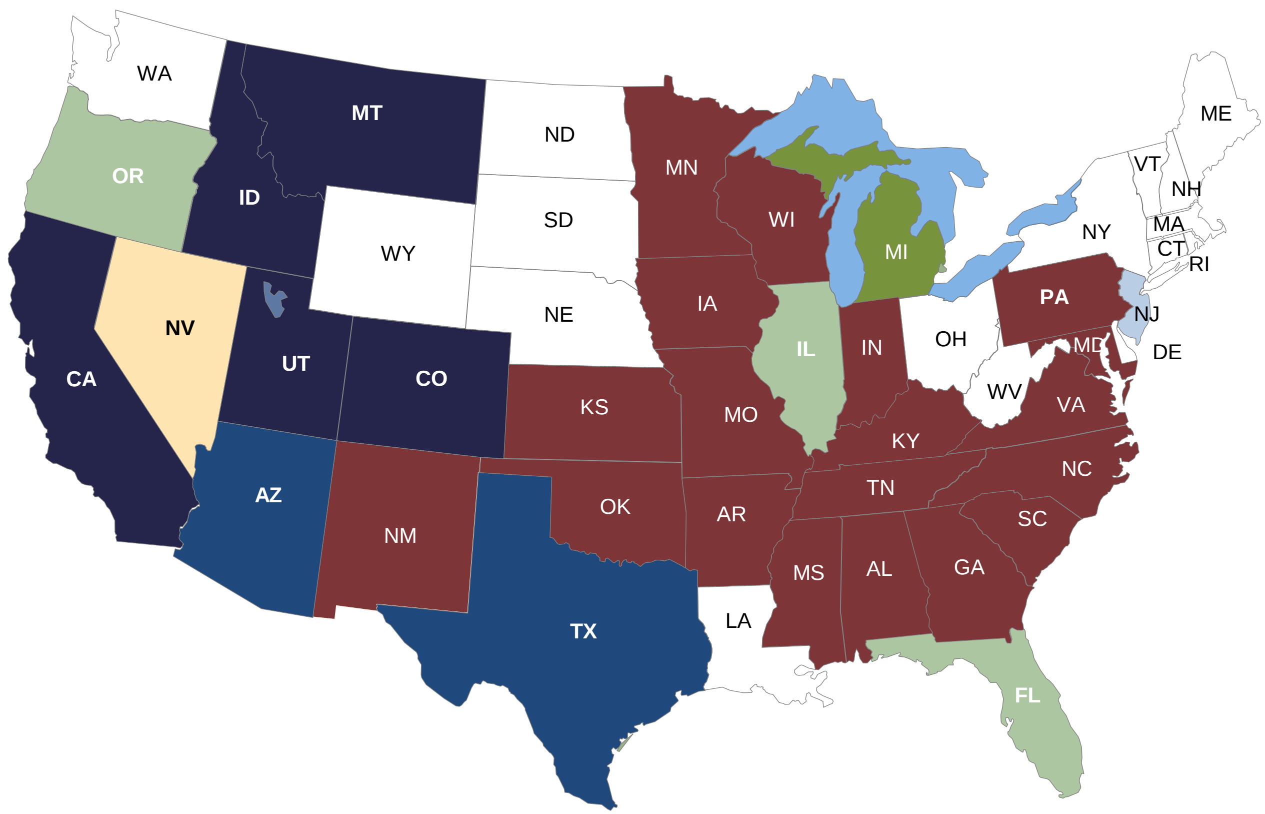
Appendix

Selectively Expanding Footprint



	2000	2002	2006	2007	2008	2009–2014	2015
HISTORY	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	2009 – 2014 Focus on growth in existing states; entry into New Jersey	2015 Entry into Michigan

Loss Portfolio Transfer (LPT)

- Retroactive 100% quota share reinsurance coverage for all losses 6/30/95 and prior
- 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 Collateralized under agreement: largely cash/short-term securities, US Treasuries, and Wells Fargo stock
- Gain includes favorable adjustments to LPT ceded reserves and adjustments in contingent commission such that the current gain represents the balance that would have existed at the inception of the LPT Agreement

Contract

	($ million)
Total Coverage	$2,000
Original Reserves (Liabilities) Transferred	$1,525
Consideration	775
Gain at 6/30/1999	$ 750
Subsequent LPT reserve adjustments	(332)
Subsequent LPT contingent commission adjustments	66
Gain at 6/30/15	$ 484

Accounting at 6/30/15

	($ million)
Statutory Surplus Created	$ 484.0
Cumulative Amortization To Date	$ (288.9)
GAAP: Deferred Reinsurance Gain – LPT Agreement	**$195.1**

Claims 6/30/1995 and prior: 2,618 claims open as of 6/30/15 with 6.5% closing each year

Remaining liabilities at 6/30/15: $511.2 million

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Results Overview

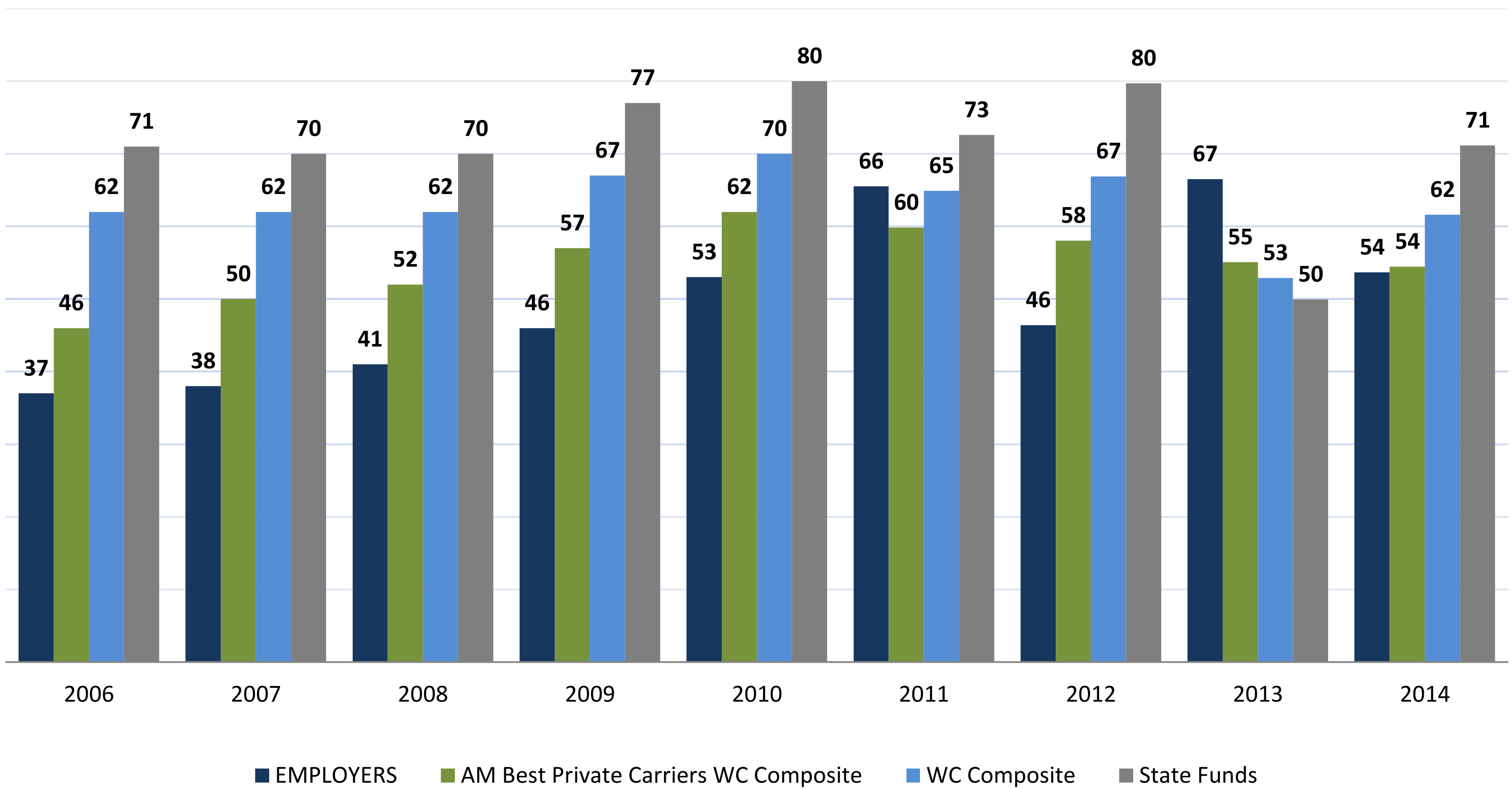
INCOME STATEMENT	YEAR	
Income Statement ($ million except per share data)	**2013**	**2014**
Net written premium	678.5	687.6
Net earned premium	642.3	684.5
Net investment income	70.8	72.4
GAAP Net income	63.8	100.7
Non-GAAP: net income less amortization of the deferred gain **Net income** (less impacts of the Loss Portfolio Transfer or LPT)	25.9	45.7
Net income before the LPT per diluted share	$0.81	$1.42

BALANCE SHEET	YEAR	
Balance Sheet ($ million except per share data)	**2013**	**2014**
Total investments	2,344.9	2,448.5
Cash and cash equivalents	34.5	103.6
Total assets	3,643.4	3,769.7
Reserves for losses and LAE	2,330.5	2,369.7
GAAP Shareholders' equity	568.7	686.8
Non-GAAP: shareholder equity (plus LPT deferred gain)	817.8	893.9
Non-GAAP book value per outstanding share	**26.13**	**28.38**

For reconciliations of non-GAAP measures, please see the Company's quarterly press releases (Form 8-K)

Statutory Loss Ratios

EMPLOYERS® Historically low loss ratios (%)



A.M. Best data, or derived from A.M. Best data as of 07/15/2015

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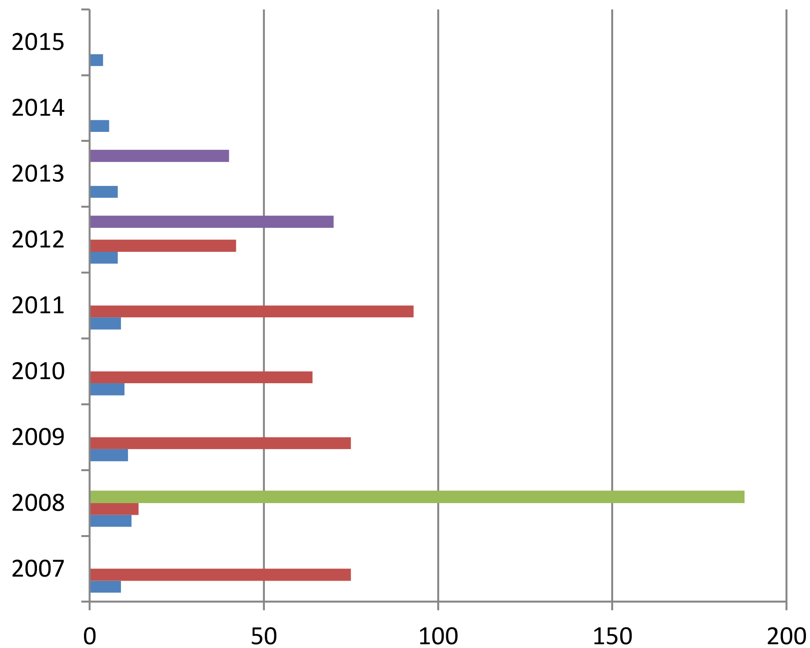
Capital Deployment

- $154.5 million in cash and securities at the holding company ($75 million restricted) at 6/30/2015
- Three uses of capital:
  1. Deploy into the business
  2. Opportunistic acquisitions/mergers
  3. Return to shareholders



($ Million)

Deploy in business: $40 million to operating subsidiaries in September, 2013
$70 million to operating subsidiaries in September, 2012
--- in support of growth and financial ratings

Strategic acquisitions: $188 million purchase of AmCOMP Inc. in 2008 expanded footprint, increased scale

Share repurchases: $363 million returned to shareholders, 23.4 million common shares at an average price of $15.51, 2007 going forward

Dividends: Over $76 million in dividends, historically stable quarterly dividend of 6 cents per share, 2007 going forward