Employers Holdings, Inc.

Investor Presentation

Results Through Year End 2013

EMPLOYERS®

Regulation FD

This slide presentation is for informational purposes only. It should be read in conjunction with our Form 10-K for the year 2013, 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 2012, 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.

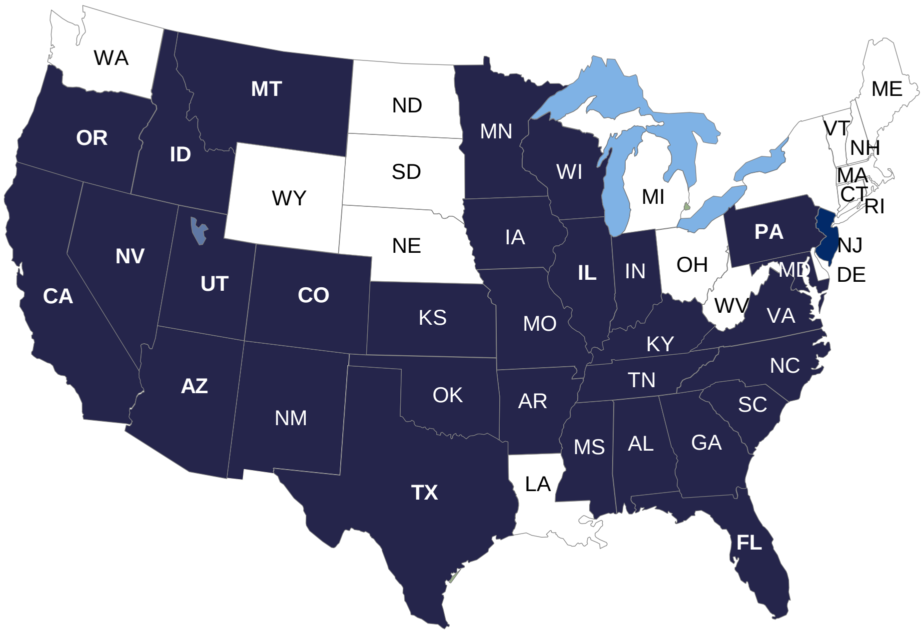
Overview

- Workers' compensation mono-line writer
- Focus on small, low to medium hazard risks

- Distribution through agents and strategic partners
  - 4,689 agents (includes 1,197 Anthem/BC agents)
  - Strategic partners = 23% in-force premium (partners include ADP, Paychex and Anthem Blue Cross of California)

- Writing in 31 states and the District of Columbia
  - Operate in approximately three quarters of total market

EMPLOYERS



At December 31, 2013

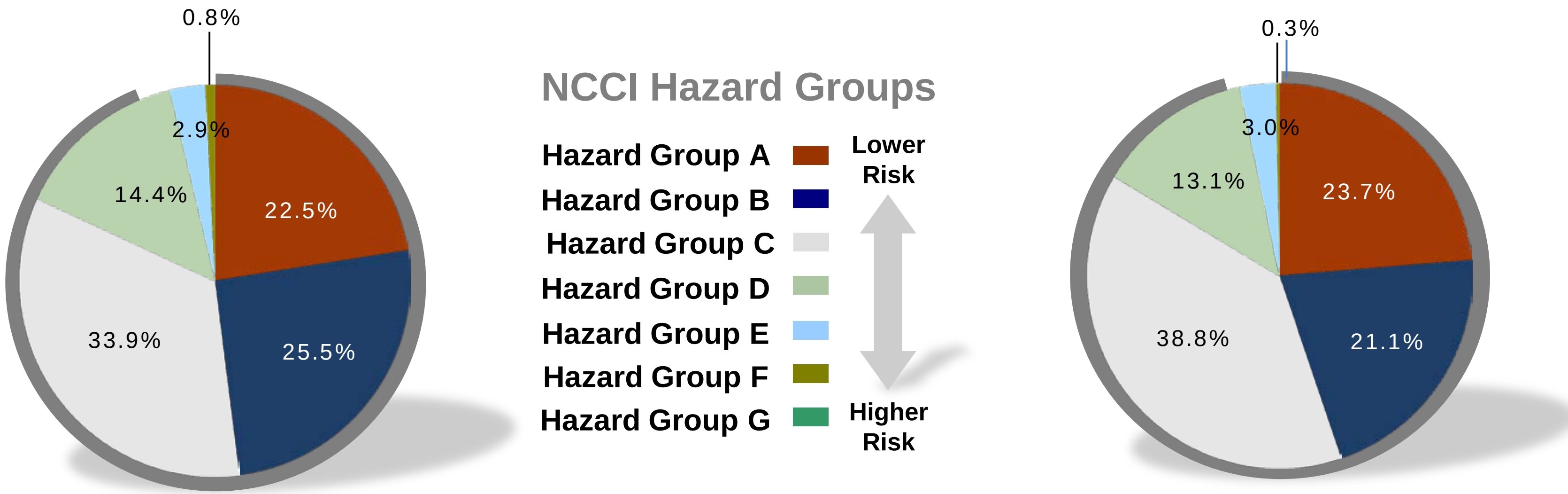
Average policy size: $7,345

In-force Premium	***Policy Count***
$617 million	***84,056 Policies***
CA = 60%	CA = 48,032
IL = 5%	IL = 3,184
GA = 4%	GA = 3,762
FL = 3%	FL = 3,270
NC = 3%	NC = 2,112

EIG LISTED NYSE

Low Risk Focus

Underwriting focus on select low hazard groups A - D



Hazard Group % at December 31, 2012
96.3% in Hazard Groups A – D

Data shown as a % of in force premium

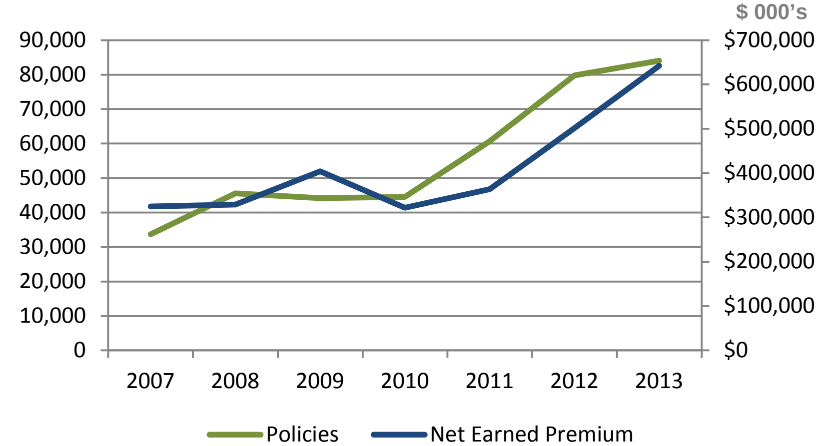
Hazard Group % at December 31, 2013
96.7% in Hazard Groups A – D

EIG LISTED NYSE

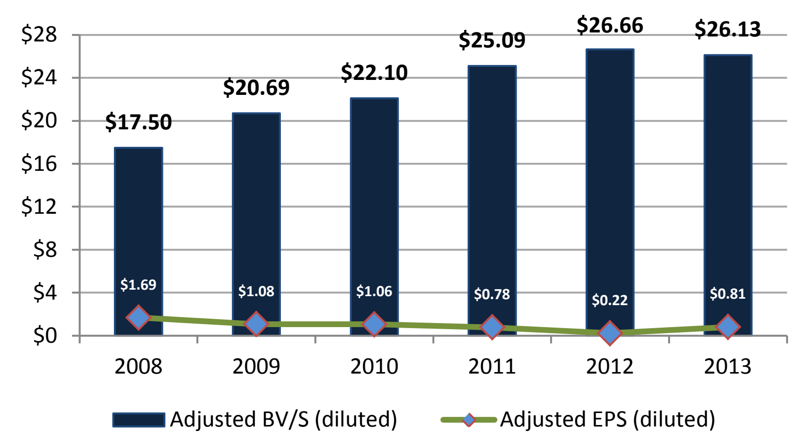
Growth, Book Value & EPS

- Increased net earned premium 28% in 2013 compared with 2012
  - Overall policy count increase of 5.3% in 2013
  - Increase of 8.8% in overall net rate in 2013 compared with 2012
- Increased EPS, impacted by historically low yields and high loss provisions in recent years
- Change in book value during 2013 driven by change in unrealized gains

Substantial growth in recent years



Adjusted book value and adjusted EPS



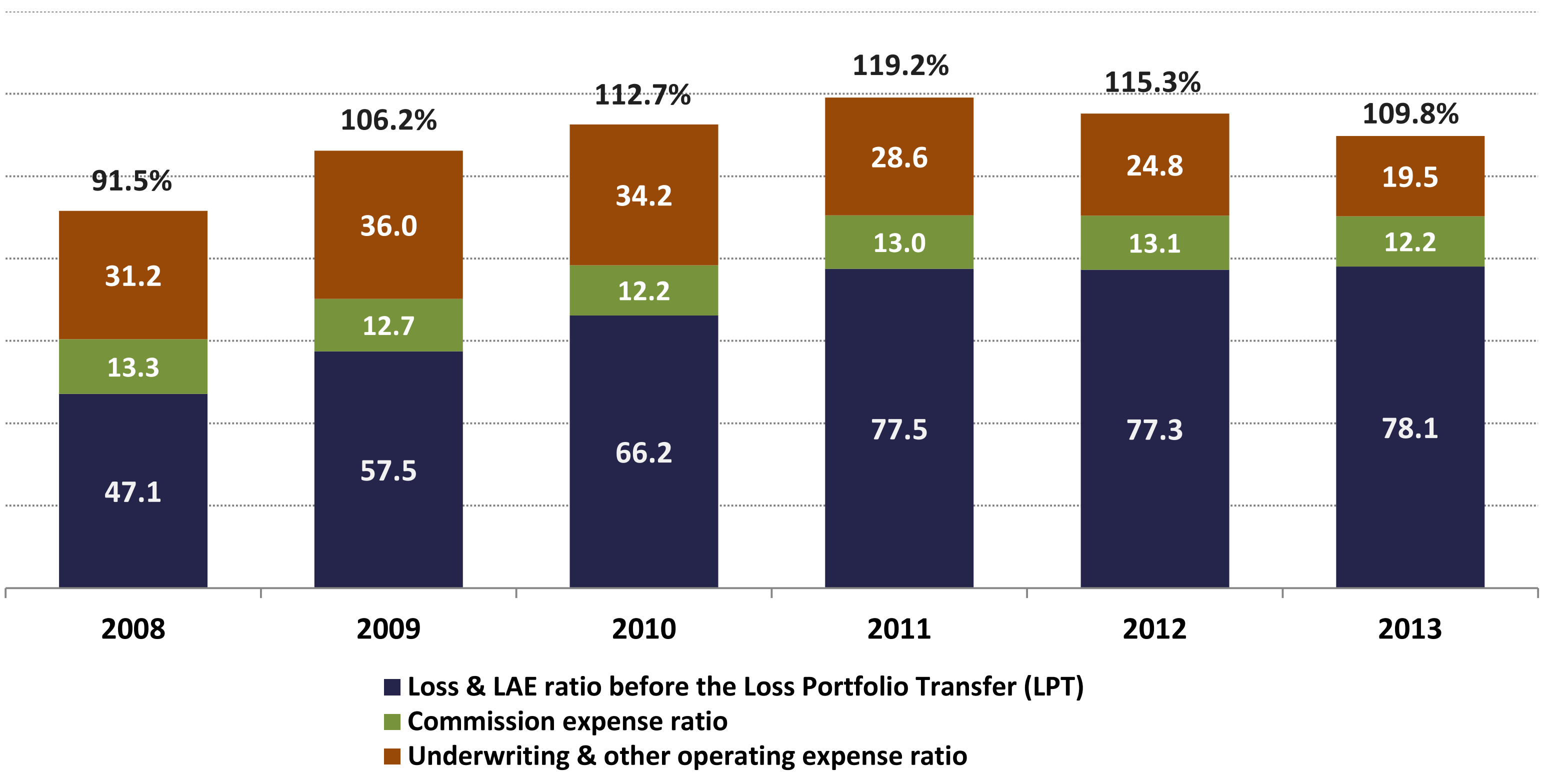
- *Adjusted and restated for impacts of the LPT*
- *Adjusted book value includes unrealized gains*

EIG LISTED NYSE

Improving Calendar Year Combined Ratio

- Combined ratio and underwriting expense ratio trended down with implementation of cost controls and increasing earned premiums

- Flat accident year loss provision rate in 2013 compared with 2012 as loss trends in the Los Angeles basin accelerated in the fourth quarter.



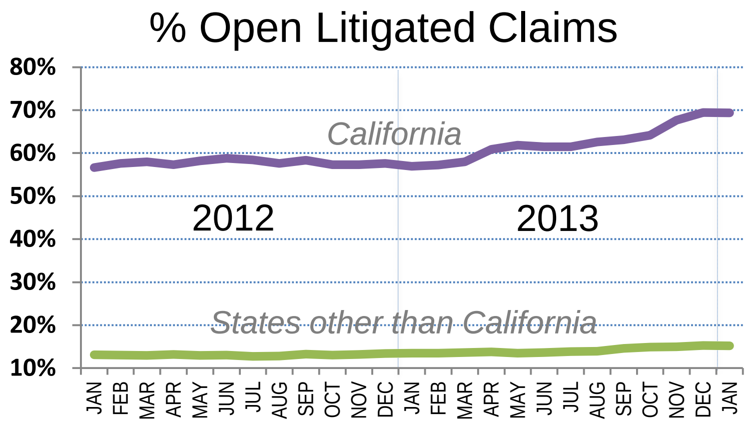
✓ *Loss and LAE ratio includes LPT Agreement adjustments for favorable prior period development of ceded reserves and the LPT contingent profit commission*

✓ *Policyholder dividends are included in underwriting and other operating expense*

EIG LISTED NYSE

California Loss Trends

- In our book of business, we noted upticks in frequency and severity in the fourth quarter of 2013 – contrary to the first three quarters of 2013
  - % of open indemnity claims with attorney involvement in Los Angeles area
    - 14 percentage point increase in the twelve months ended 12/31/13
    - 8 percentage point increase in the fourth quarter alone



- Industry data from the California Workers' Compensation Institute suggests that the cost of litigated indemnity claims is more than 7x the cost of non-litigated indemnity claims

- General loss trends in California, as reported by the Workers' Compensation Insurance Rating Bureau (WCIRB)
  - Increases in the number and size of indemnity claims from 2010 through preliminary data in 2012
    - Late-reported claims
    - Cumulative trauma
    - Shifts in business mix as more hazardous industries such as construction recover from the economic recession (note high hazard is not in EMPLOYERS appetite)
    - Perhaps increased PD benefits associated with Senate Bill 863
    - Geographical and socioeconomic differences with higher claim rates in the Los Angeles area
    - Other demographics including less experienced workers in the workforce

EIG LISTED NYSE

EIG Responses to California Loss Trends

Raised loss provision rate in Q 4 2013 resulting in an annual loss provision rate of 77% which was flat relative to 2012

- Increased losses and LAE $21.5 million in Q 4 2013
- Increased loss ratio by 12.6 points in Q 4 2013

Slowed policy count growth in California due to business concentration

- Overall policy count increase of 5.3%, 2.6% in CA and 9.2% in states other than CA YOY
- Percent of total policies in Hazard Groups A through D remained unchanged YOY

Adjusted pricing in CA in 2013 through filed rates and schedule credits/debits

- Reflected in 12.9% net rate increase in CA YOY

Now operating three companies in CA with separately approved pure premium rates and territorial multipliers

- Quoting underway for policies effective June 1, 2014
- Approved pure premium rates 7% higher on average than 2013 pure premium rates
- Greater pricing flexibility

We will either get pricing where needed in CA or we will not take the business

EIG LISTED NYSE

Superior Claims Management

In-house medical management staff

- Manage care and medical costs

Comprehensive fraud program

- $3.9 million savings in 2013
  (increase of $1 million over 2012)

Rigorous quality assurance processes

- Compliance with best practices and regulatory requirements

Dedicated subrogation unit

- Recoveries over $2.3 million in 2013
  (increase of $0.3 million over 2012)

Pharmacy benefit management program

- $4.6 million savings in 2013
  (increase of $1.2 million over 2012)

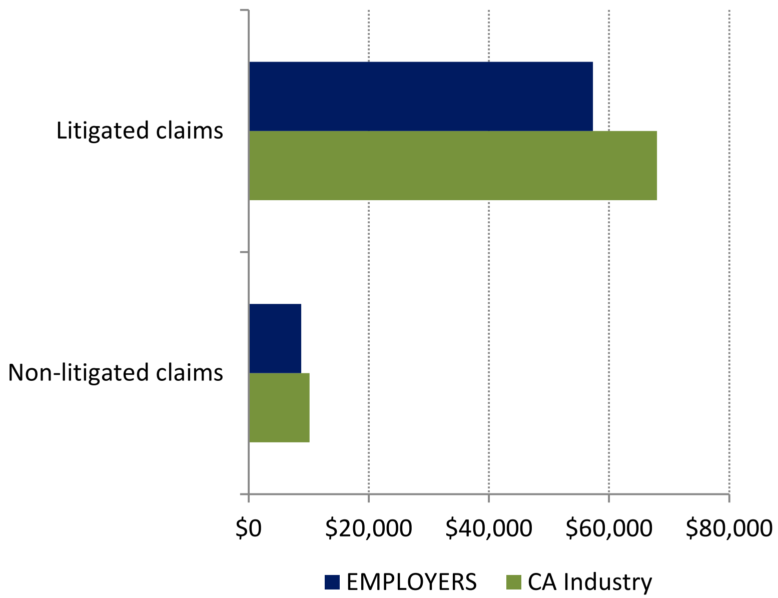
Claims professionals average over a decade of experience

- Two new claims experts in southern CA – Claims Audit team

EIG LISTED NYSE

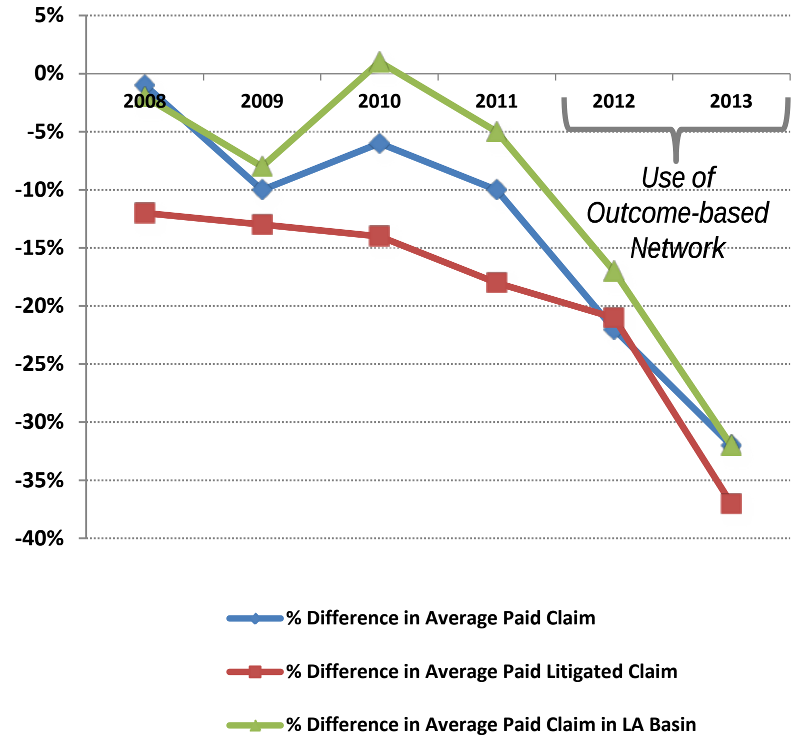
Superior Claims Management

Aggregated Average Cost of Claims in California



Source: California Workers' Compensation Institute
Aggregated data – 2004 through June 30, 2013

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

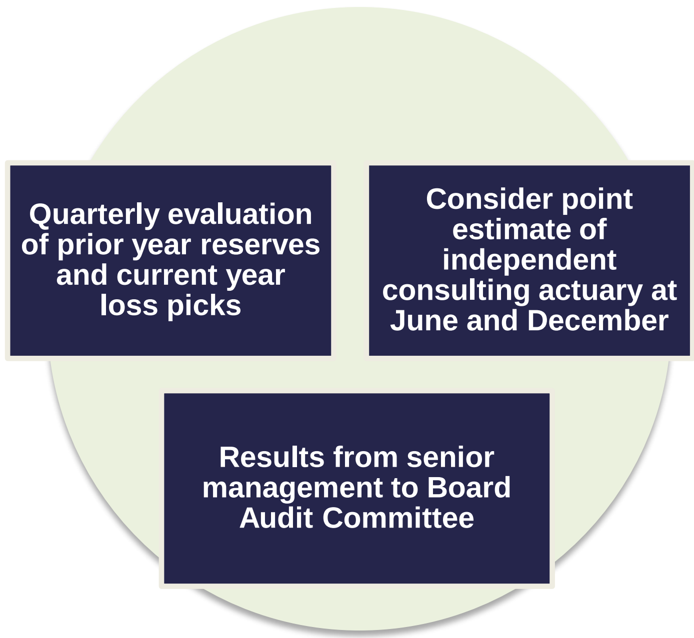


Source: California Workers' Compensation Institute
Data – 2008 through June 30, 2013

EIG LISTED NYSE

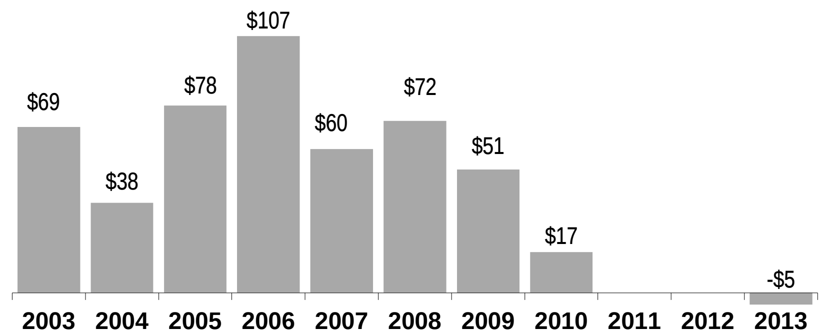
History of Reserve Strength

Reserve review



Reserve development

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

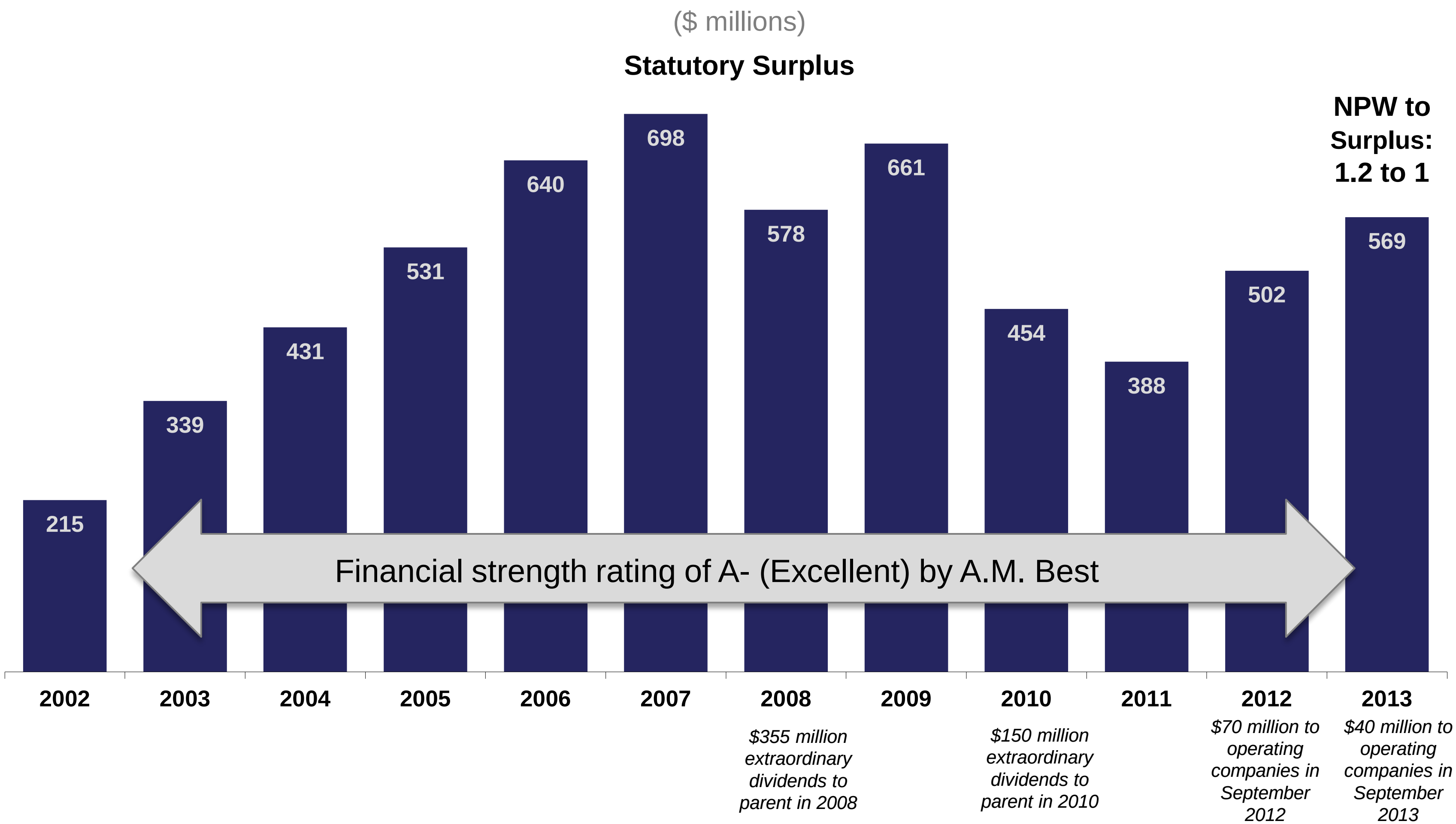


- *Carried reserves are our best estimate of outstanding unpaid losses and LAE*
- *Favorable development for prior periods through 2010*
- *Fourth quarter 2013, modest unfavorable development of $5 million (less than one-half of one percent of total reserves) for prior accident years 2009-2011, primarily California loss reserves*

EIG LISTED NYSE

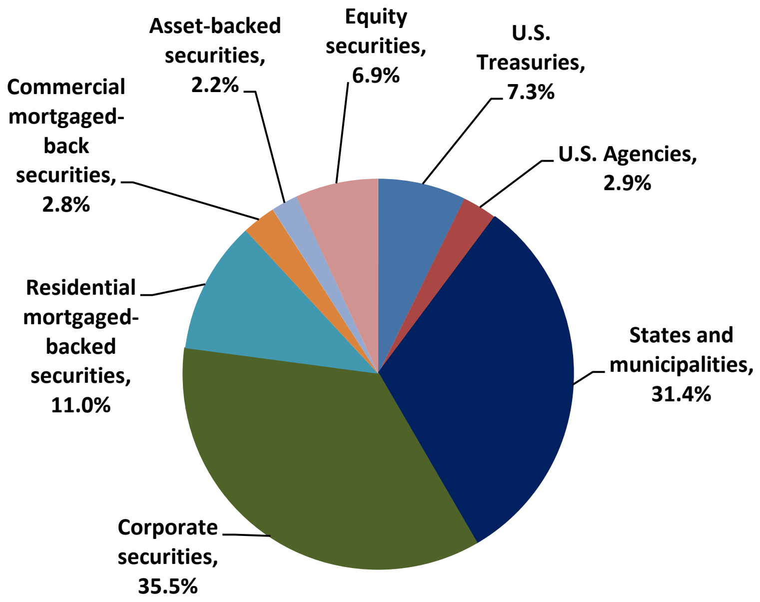
Strong Capital Position

Statutory surplus provides a solid basis for underwriting



Note: Statutory surplus in 2013 is shown in the 2013 Form 10-K as $581 million; statutory surplus was subsequently reduced by $12 million to reflect an "admitted asset" limitation related to deferred tax assets

High Quality Investment Portfolio



12/31/13: $2.3 billion fair market value

- **Fixed maturities have an average weighted rating of AA-**
- **3.4% average pre-tax book yield**
- **4.0% 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

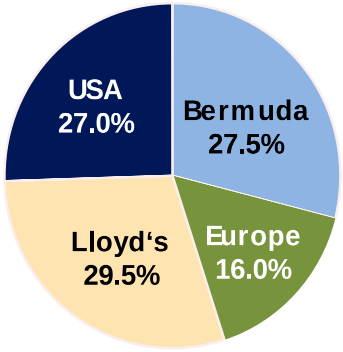
Rated A or Better

Program structure, effective 7/1/13

Limits of $200M

Retention of $5M plus $2M annual aggregate deductible

Reinsurers by Market



EIG LISTED NYSE

Key Strengths

EMPLOYERS®

- **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

EIG LISTED NYSE

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

William E. (Ric) Yocke
Executive Vice President and Chief Financial Officer
Employers Holdings, Inc.

Analyst Contact:

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

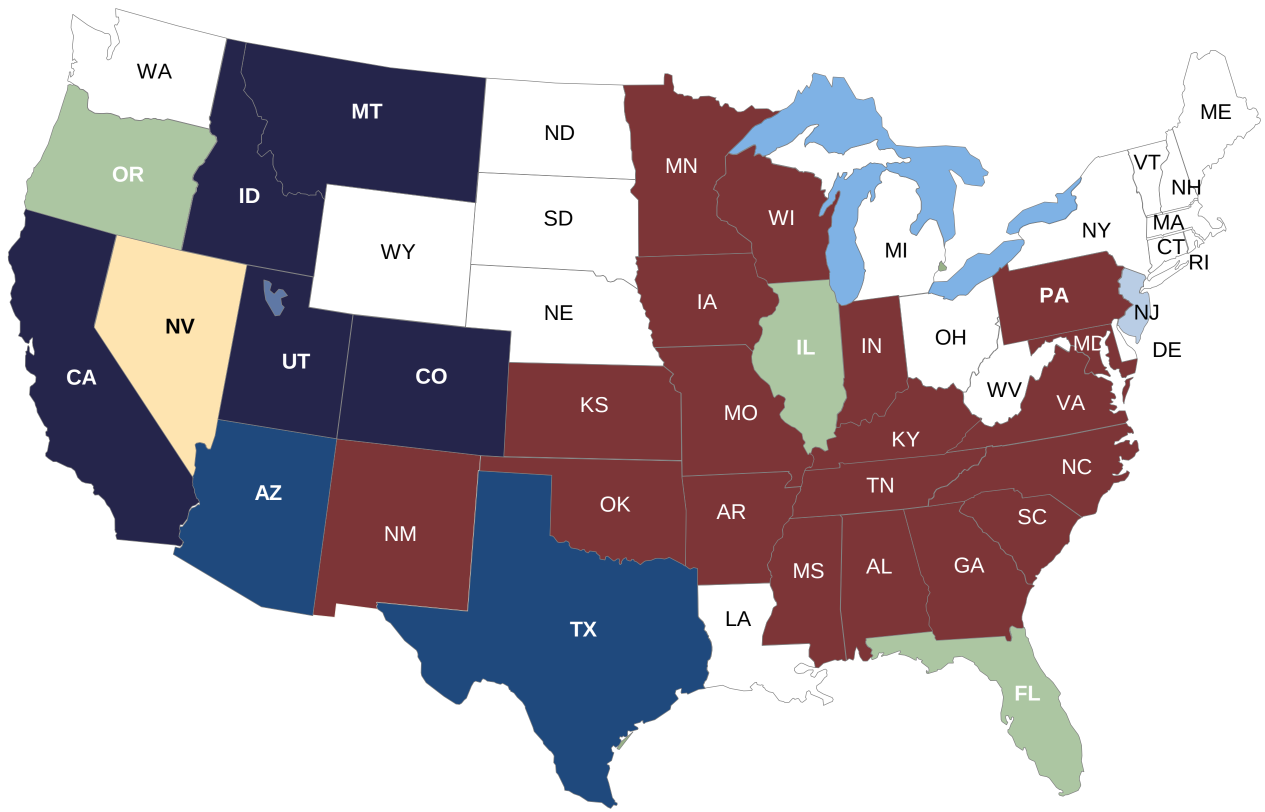
EMPLOYERS®

10375 Professional Circle
Reno, NV 89521
(775) 327-2700

EIG LISTED NYSE

Appendix

Selectively Expanding Footprint



	2000	2002	2006	2007	2008	2009–2013
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 – 2013 Focus on growth in existing states; entry into New Jersey

EIG LISTED NYSE

Ongoing Distribution Network

Partnerships

Provide … a distribution advantage by expanding market reach and providing local knowledge

Result … in high persistency

Contribute … about one quarter of in-force premiums historically

ADP	*Largest payroll services company in the U.S.* *Partner 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 is originated by health or casualty agents with a single bill to customers*
PAYCHEX	*Specialty provider of payroll and human resource services, 2nd largest payroll provider in U.S.* *Partner since 2012*
Granite Insurance Brokers / E-chx, Inc.	*Specialty provider of payroll services / insurance broker* *Partner since 2006, expanded alliance in 2008*
INTEGO	*Provider of insurance software services – partner since 2007*
WELLS FARGO	*Small business payroll services – partner since 2008*
Telepayroll.com, Inc.	*Online payroll services and payment processing* *One of the largest independent payroll processors in Southern CA* *Partner since 2009*

EIG LISTED NYSE

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	(275)
Subsequent LPT contingent commission adjustments	50
Gain at 12/31/13	$ 525

Accounting at 12/31/13

	($ million)
Statutory Surplus Created	$525
Cumulative Amortization To Date	$ (276)
GAAP: Deferred Reinsurance Gain – LPT Agreement	**$249**

Claims 6/30/1995 and prior – approximately 2,875 claims open as of 12/31/13 with 5.5% closing each year

Remaining liabilities at 12/31/13: $612 million

EIG LISTED NYSE

Selected Results

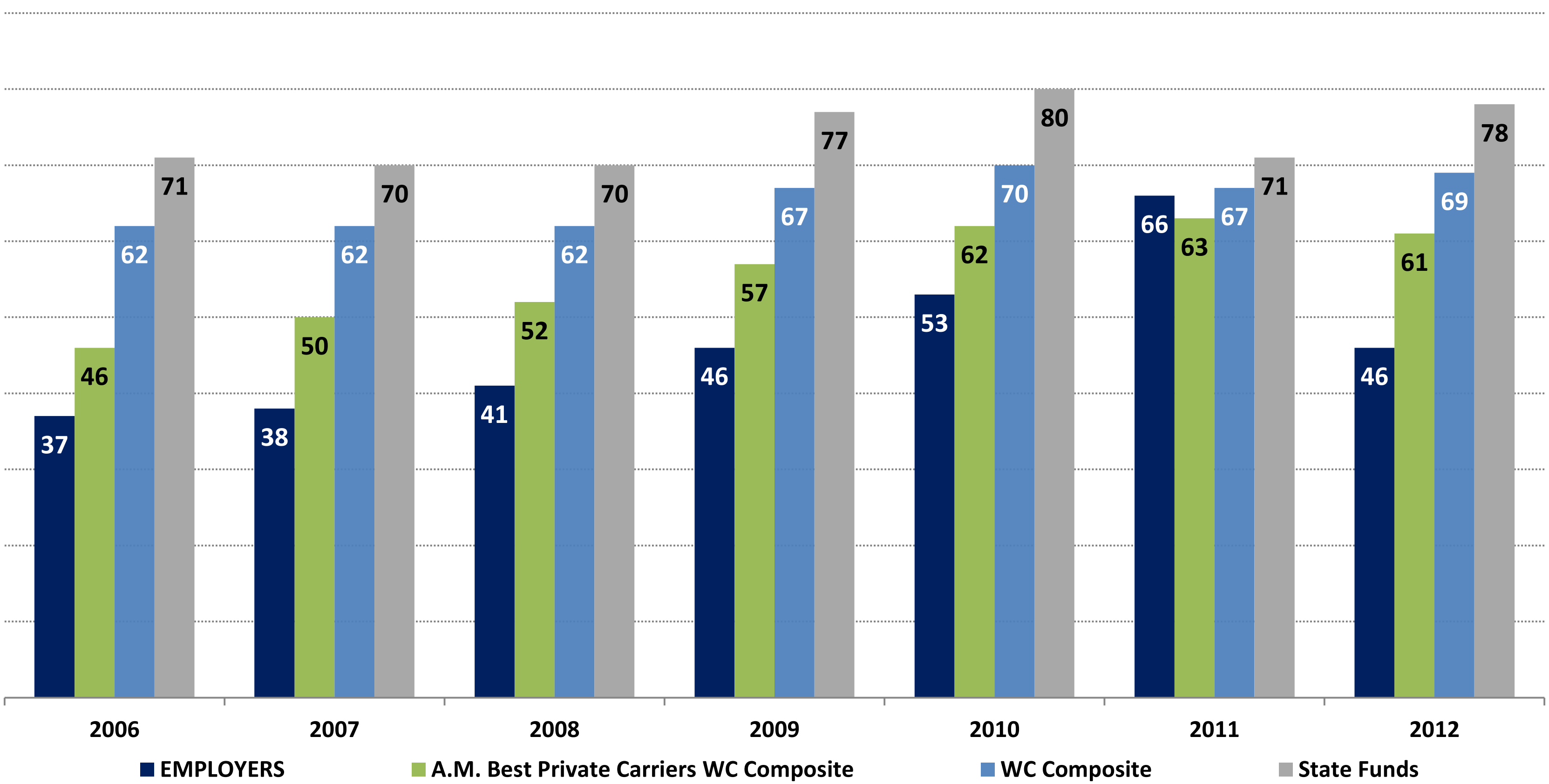
	12 Months Ended December 31,	
Income Statement ($ million)	**2013***	**2012***
Gross written premium	689.9	580.3
Net written premium	678.5	569.7
Net earned premium	642.3	501.5
Net investment income	70.8	72.4
Net income	63.8	106.9
Net income before LPT	**25.9**	**7.0**
Balance Sheet ($ million except per share data)	**2013**	**2012**
Total investments	2344.9	2149.5
Cash and cash equivalents	34.5	140.7
Total assets	3643.4	3511.3
Reserves for losses and LAE	2330.5	2231.5
Shareholders' equity	568.7	539.4
Equity including LPT deferred gain	817.8	820.4
Book value (equity plus LPT deferred gain) per share	**26.13**	**26.66**

** Includes adjustments to the LPT Agreement for favorable prior period development of ceded reserves and the LPT contingent profit commission*

EIG LISTED NYSE

Statutory Loss Ratios

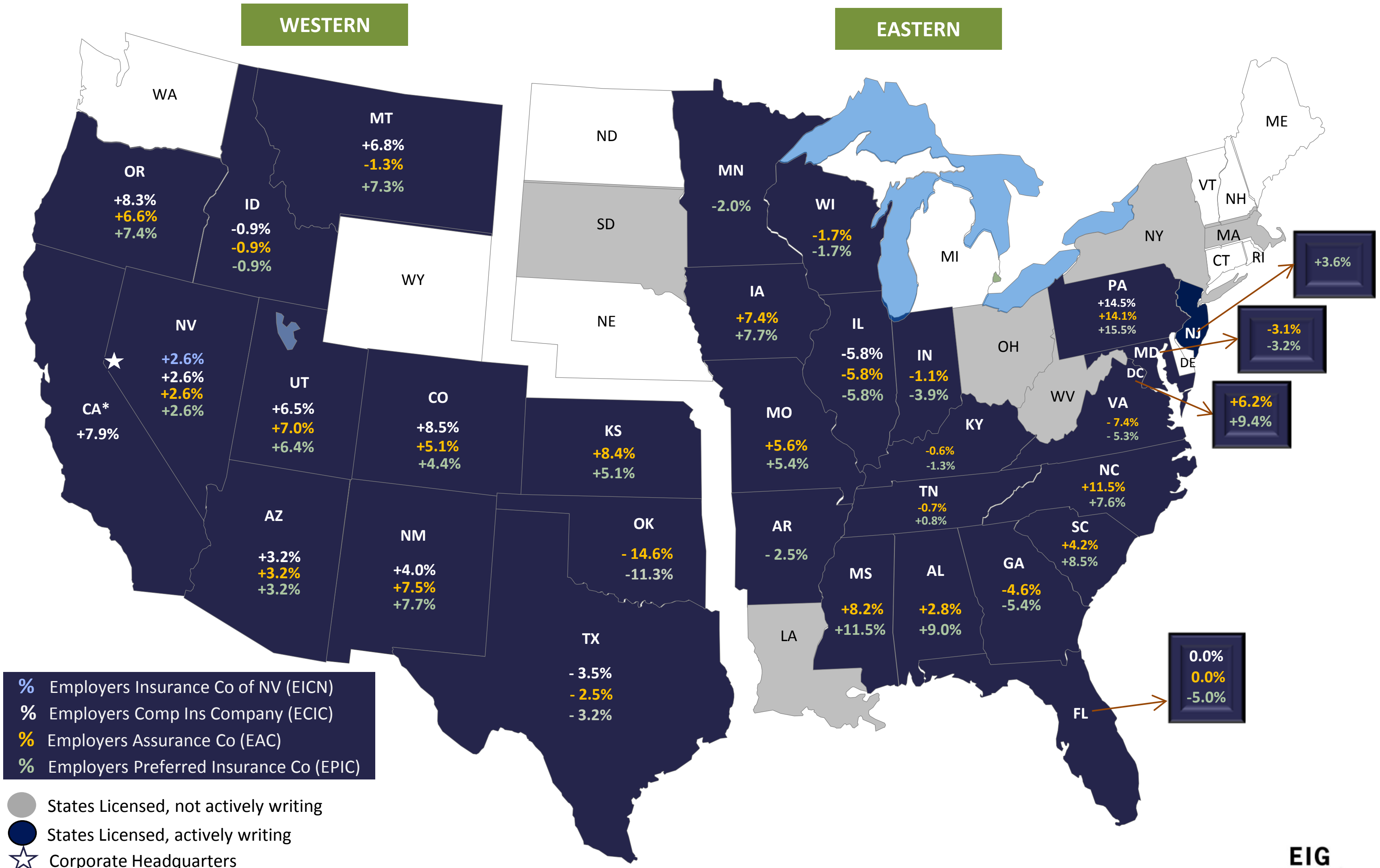
EMPLOYERS®: Historically low loss ratios (%)



A.M. Best data, or derived from A.M. Best data; DATA for 2013 NOT YET AVAILABLE

EIG LISTED NYSE

Filed Rate Changes: 02/01/13 thru 01/31/14*

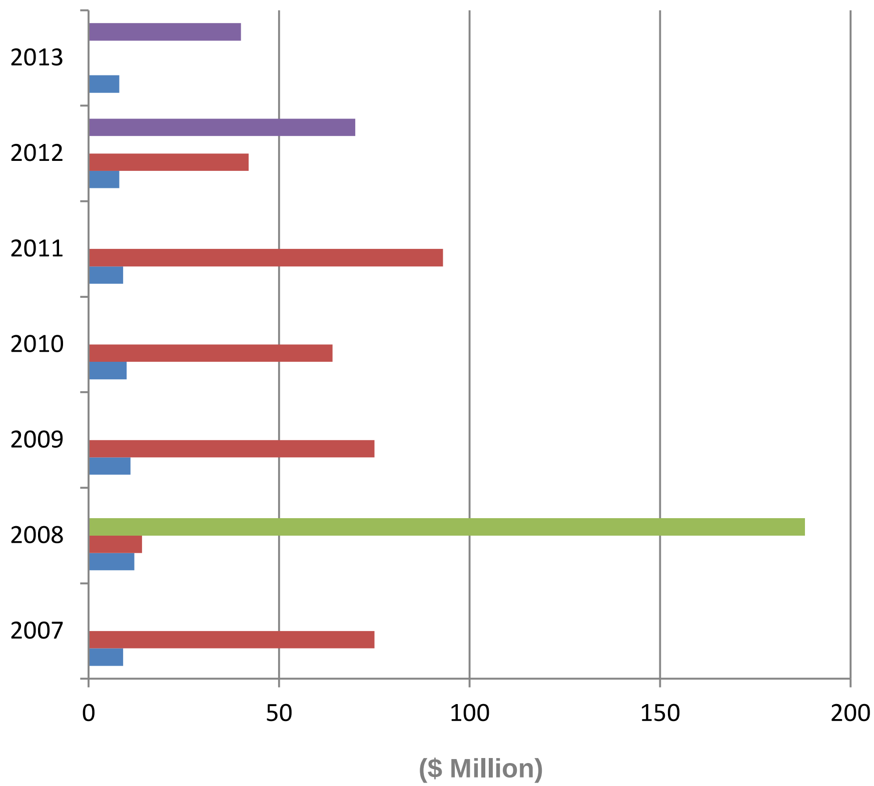


*This an average overall change in California for ECIC, EAC and EPIC and includes their filings that will be effective 06/01/14.

EIG LISTED NYSE

Capital Deployment

- $174 million at 12/31/2013 in cash and securities at holding company
- $728 million deployed 2007 through 2013. Three uses of capital:
    1. Deploy into the business
    2. Opportunistic acquisitions/mergers
    3. Return to shareholders



Deploy into business

$40 million to operating subsidiaries in September, 2013
$70 million to operating subsidiaries in September, 2012 to support 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 through 2013

Dividends

$67 million in dividends, historically stable quarterly dividend of 6 cents per share, 2007 through 2013

EIG LISTED NYSE