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September, 2009

Employers Holdings, Inc.

Investor Presentation

EIG LISTED NYSE

Overview

Business	• **Specialty provider of workers' compensation insurance** • **Coverage required by statute** ➢ **Medical, temporary/permanent indemnity, death**	***$45 billion per year industry*** *(2008, A.M. Best)*
Customers	• **Small "main street" businesses** ➢ **Small business accounts for over 70% of 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)*

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

Acquisition Update / Outcomes

Excellent strategic fit – small business focus

Improved scale
- From 11 to 30 states
- More geographically diversified – at Q2 2009, CA is only 45% of direct written premium

Immediate growth in premium volume
- 41% increase in Net Premiums Earned (Q 2 2009 vs. Q 2 2008)
- Estimated annual premium growth largest in WI, IL, GA (Q 2 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

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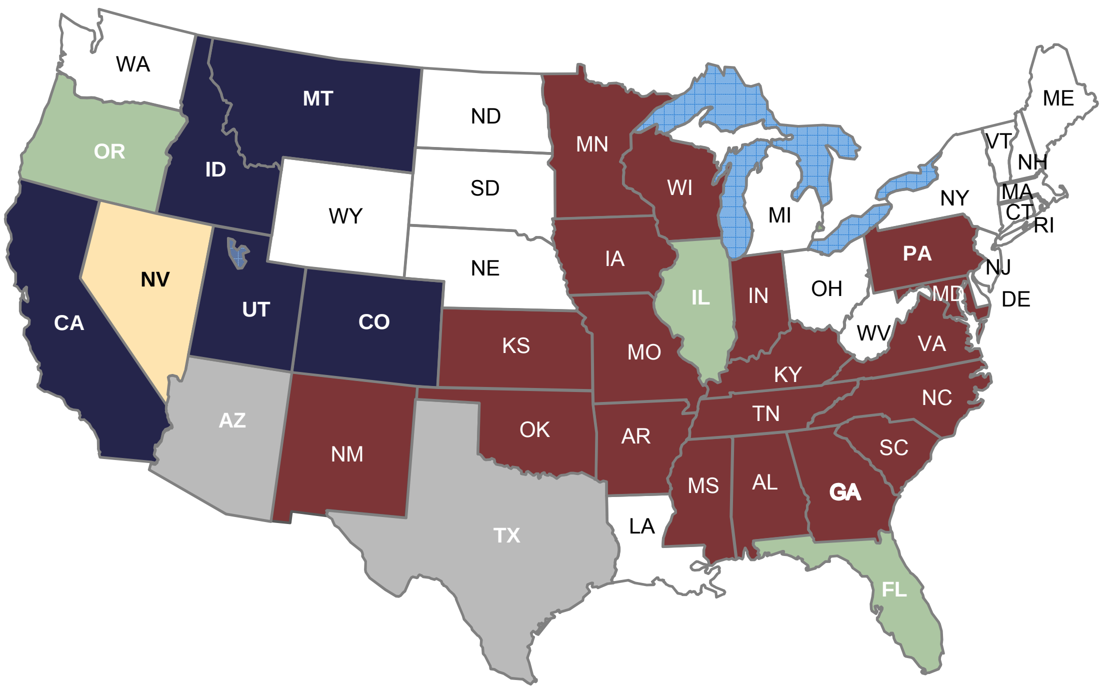
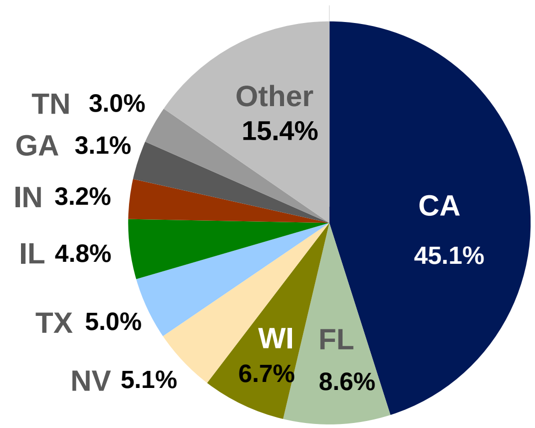
Selectively Expanding Footprint



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 6/30/09

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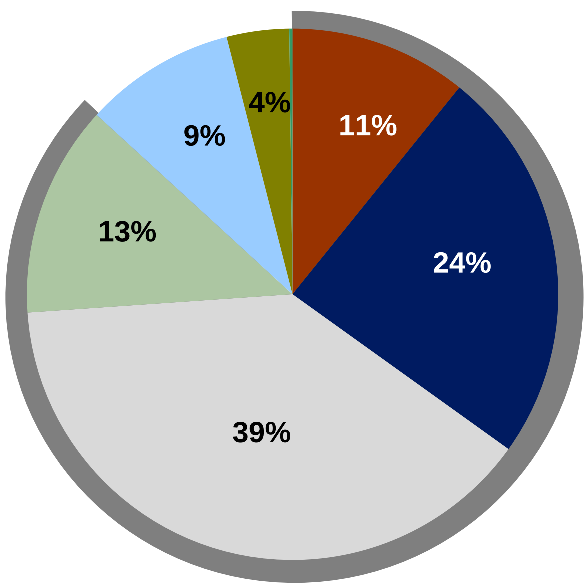
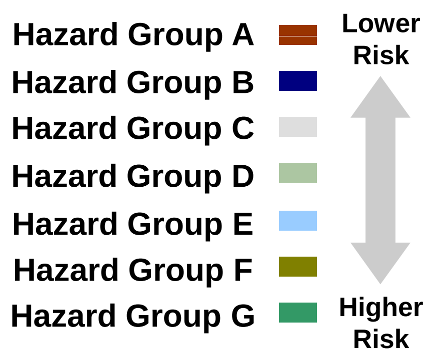
Disciplined Risk Selection

Focused Guidelines and Selection within Industry-defined Classes



% of Premiums Written, 12/31/08

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



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**

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

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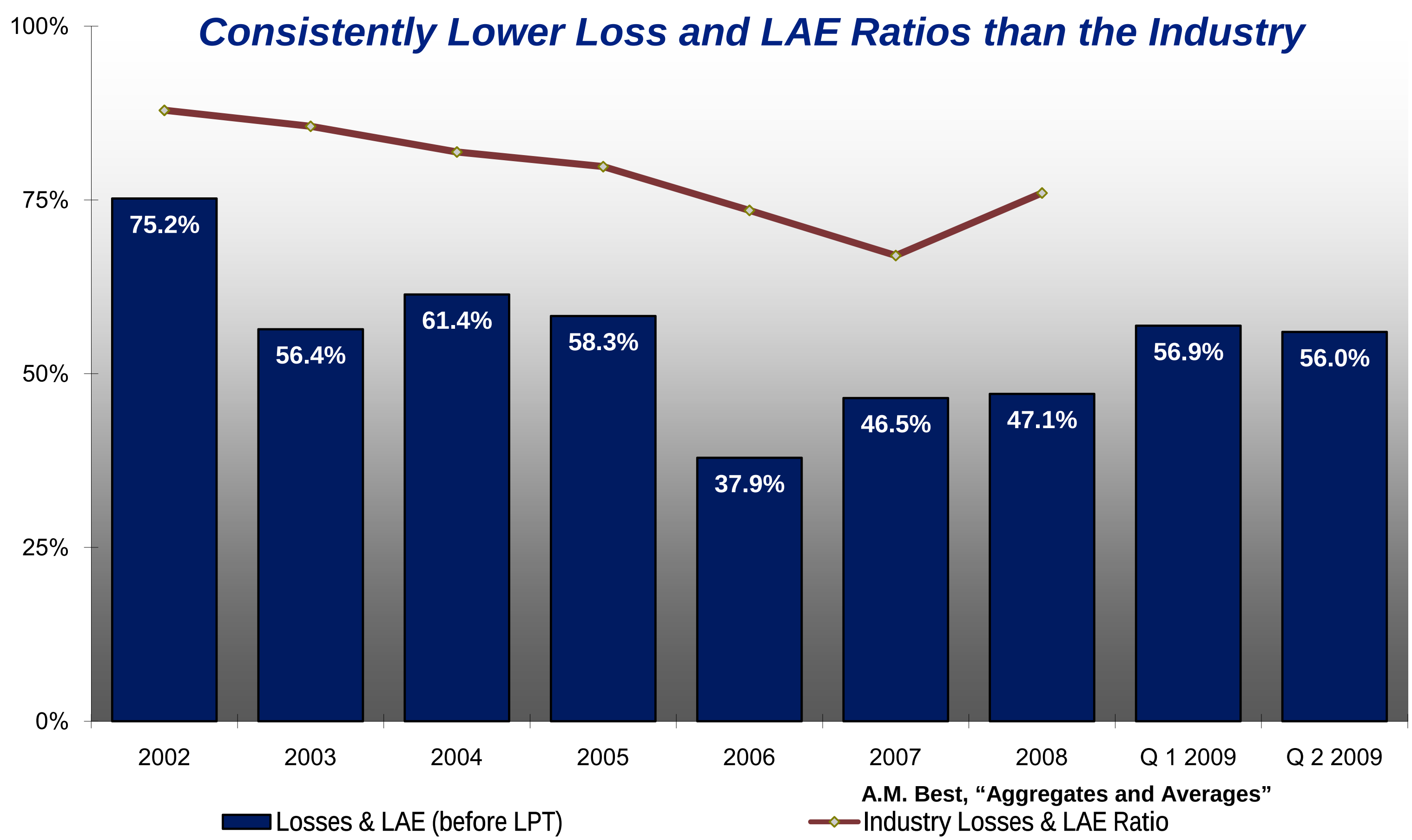
Delivering Superior Loss Ratios



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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
- NFIB (National Federation of Independent Businesses)

Increasing Points of Access

Strategic Partnerships

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

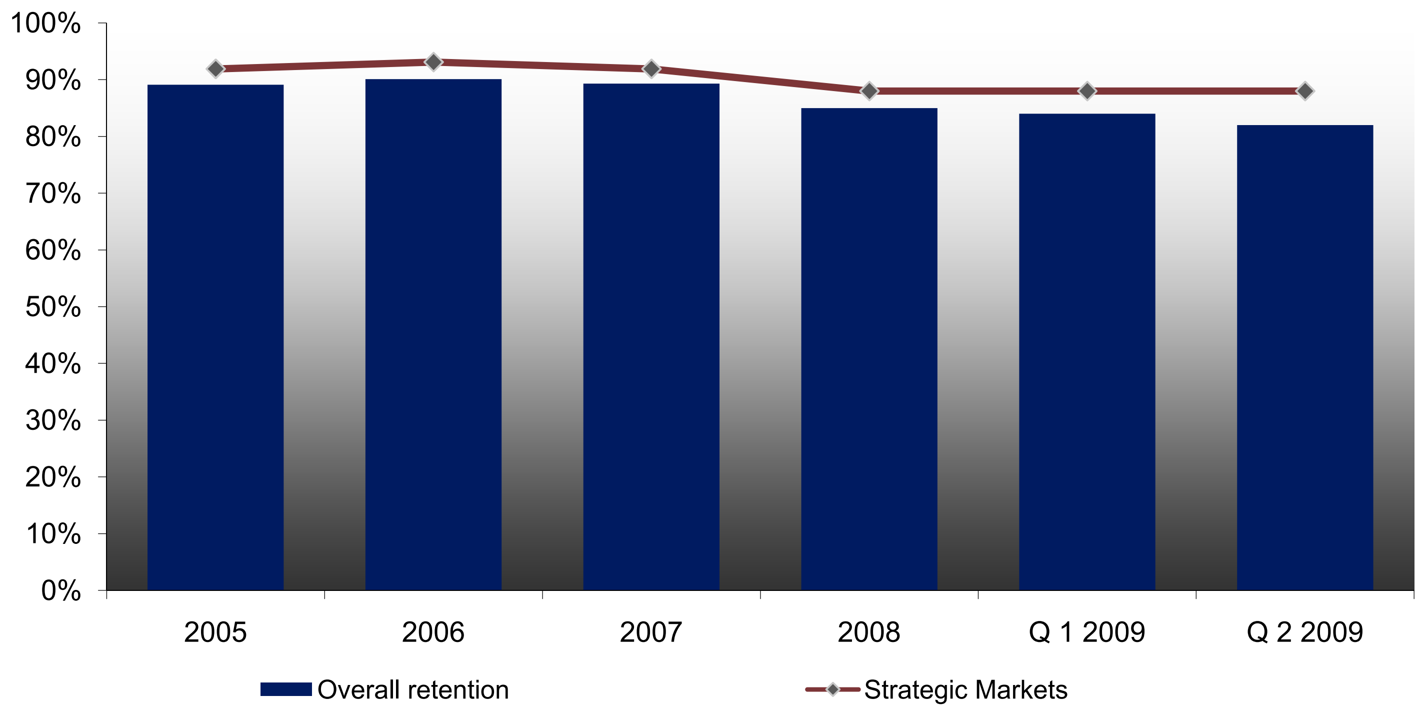
Result
- *in high persistency*

Contribute
- *about 15% of direct premiums written*

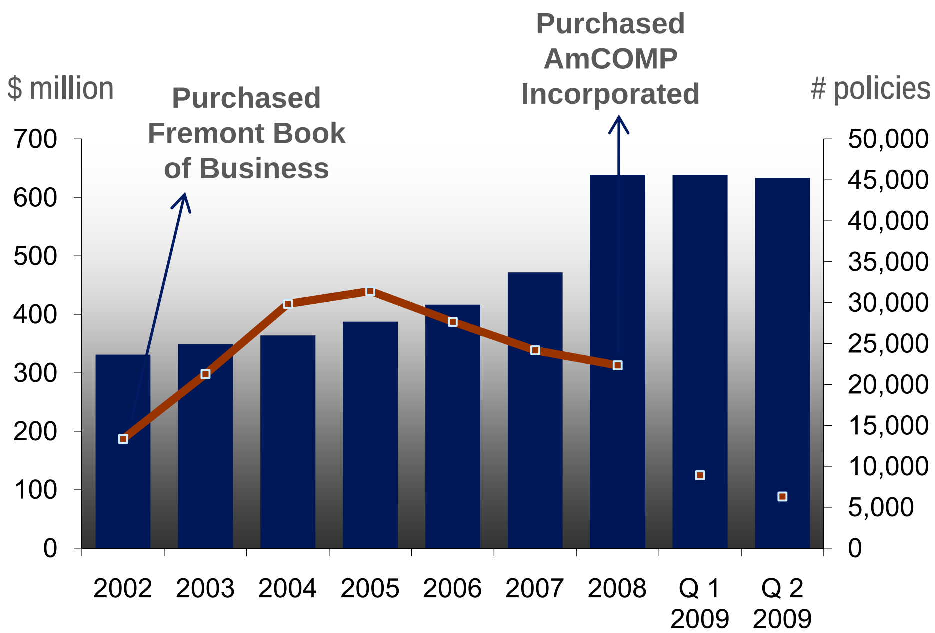
ADP® Automatic Data Processing, Inc.	Largest payroll services company in the U.S. Program since 2002 – business originates with ADP's field sales staff and insurance agency with "Pay-by-Pay" premium collection
Anthem	Largest group health carrier in CA – exclusive relationship – use medical provider network 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

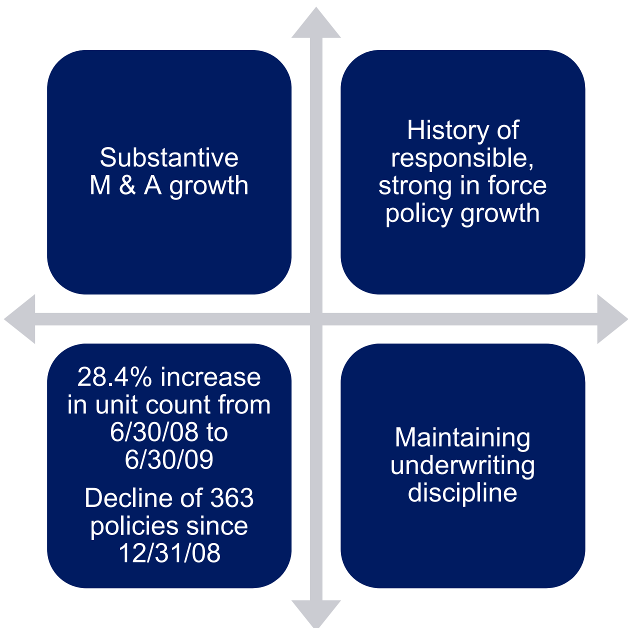


Increasing Market Penetration – Unit Count



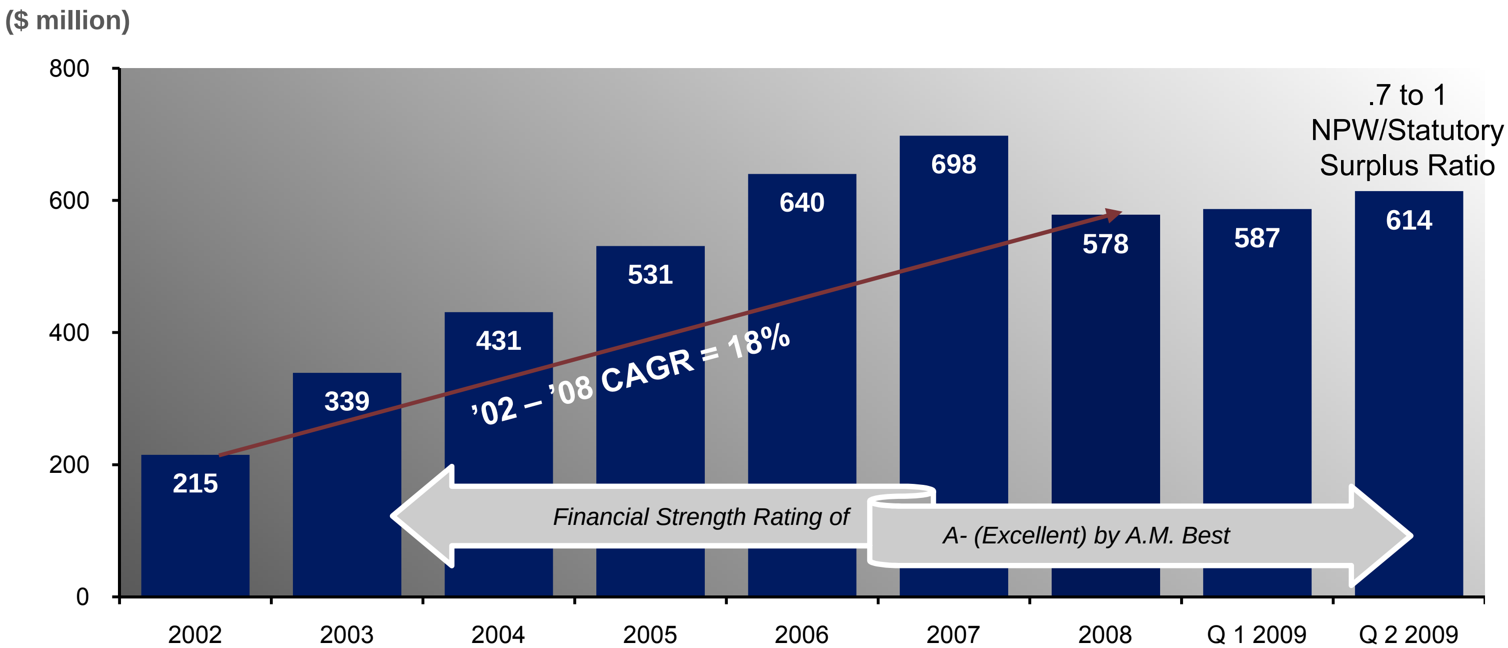
Policy Count '02-'08 CAGR = 12%

NPW '02-'08 CAGR = 9%



Strong Capital Position

Strong Growth in Statutory Surplus Provides a Solid Basis for Underwriting



$355 million extraordinary dividends to parent in 2008

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

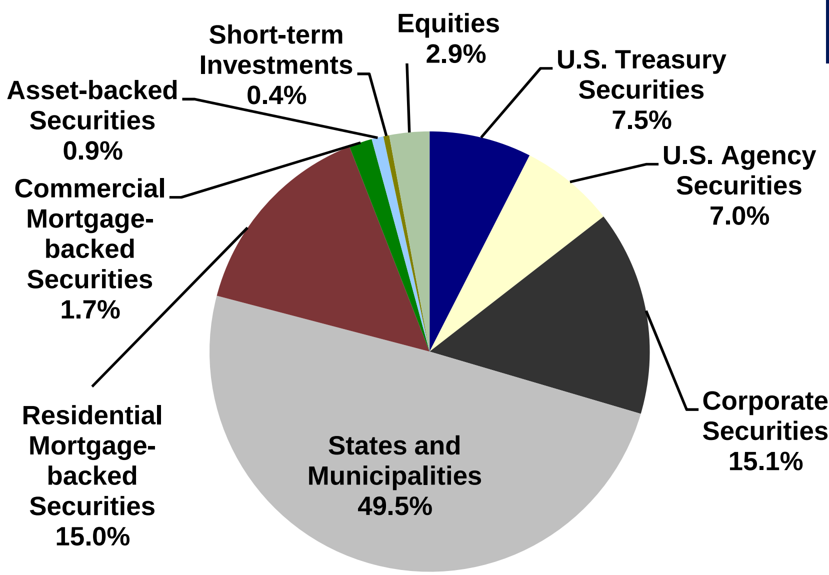
Contract	($ million)
Total Coverage	$2,000
Original Reserves (Liabilities) Transferred	$1,525
Consideration	$ 775
Gain at 1/1/2000	750
Subsequent Reserve Adjustments	(147.5)
Gain at 6/30/09	$602.5

Accounting at 6/30/09	($ million)
Statutory Surplus Created	$602.5
Cumulative Amortization To Date	(204.6)
GAAP: Deferred Reinsurance Gain – LPT Agreement	**$397.9**

Youngest claim is 14 years old – 3,624 claims open as of 6/30/09 with 5% closing each year

Remaining liabilities at 6/30/09: $909.7 million

High Quality Investment Portfolio



Portfolio at 6/30/09

$2.1 billion fair market value

- Approximately 97% fixed maturities with an average weighted AA rating
- Book yield of 4.7%
- Tax equivalent book yield of 5.6%
- Effective duration of 5.11
- 2008: added $418 million acquired assets
- Managed by Conning Asset Management
- Minimal impacts during challenging markets
  - Six months, 2009 OTTI of $1.9 million
  - 2008 OTTI of $12.7 million

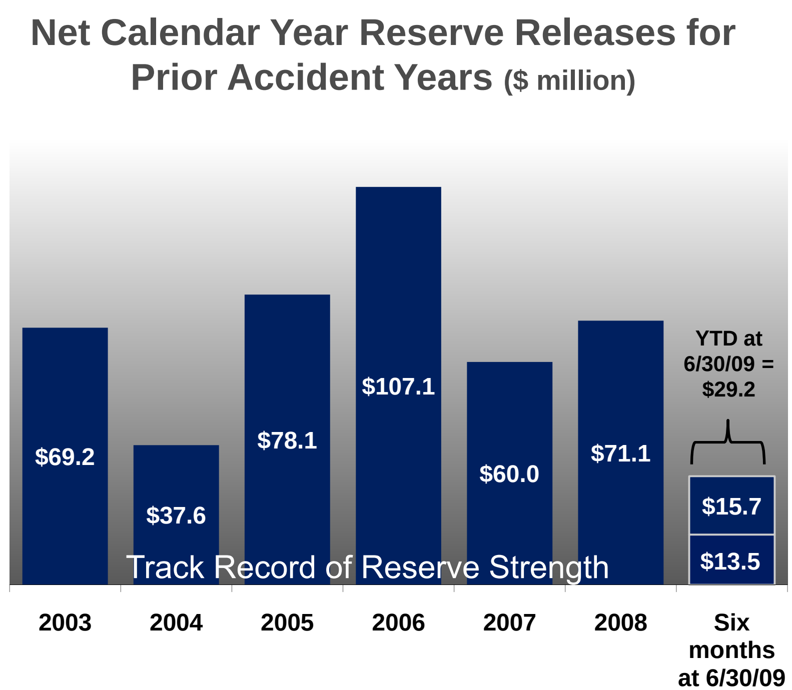
History of Reserve Strength

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



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

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Prudent Capital Management

Holding Company Flexibility

$67 million in cash

$18 million in paid dividends in July, 2009

Over $200 million in fixed maturities

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

Investing in the Future

Generating capital

Investing in operations

Investing in securities

Redeploying capital in profitable operations

Acquisition equity value, $189 million

$150 million Wells Fargo secured line of credit

- $50 million due 12/31/09

Cost containment

Q 2 2009 expenses, *excluding acquired operations and integration/restructuring,* decreased $2.9 million in the quarter and $4 million in 1st six months, 2009

14% staff reduction/consolidation

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: 3.1 million shares repurchased in 2009 as of 6/30/09, average price = $10.46 per share Since the IPO (02/05/07), repurchased 7.8 million shares, average price = $15.61 per share

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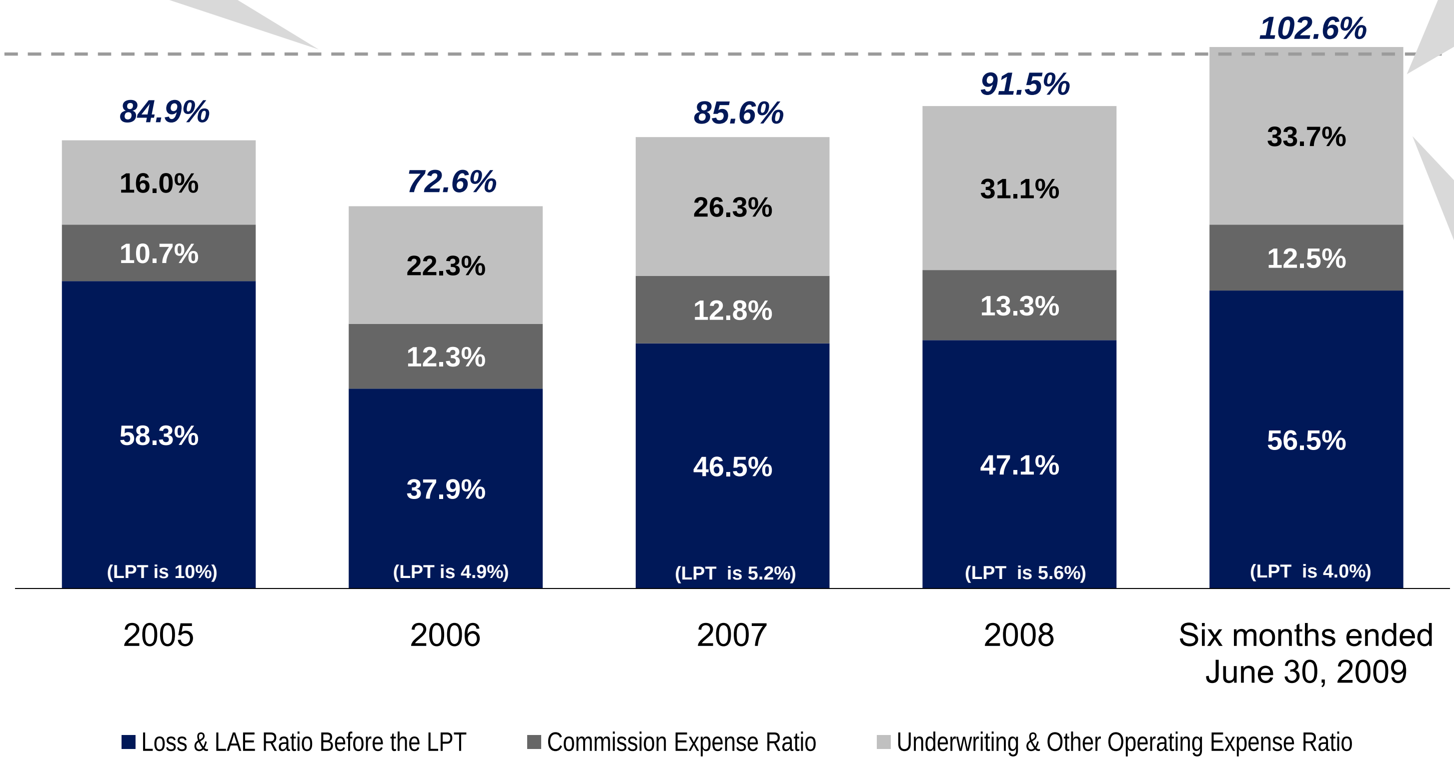
Consistently Profitable Underwriting

Underwriting model targets a 100% combined ratio and a 12-13% return on a premium dollar

Calendar Year Combined Ratio Before the LPT

Expense ratio includes 2.0 points of non-recurring integration costs and 1.8 points of policyholder dividends versus 0.1 points for six months ended June 30, 2008



Expense ratio on level net earned premium and excluding non-recurring charges would be approximately 27.4% (see Appendix for calculation)

NOTE: LPT percentages include reserve adjustments

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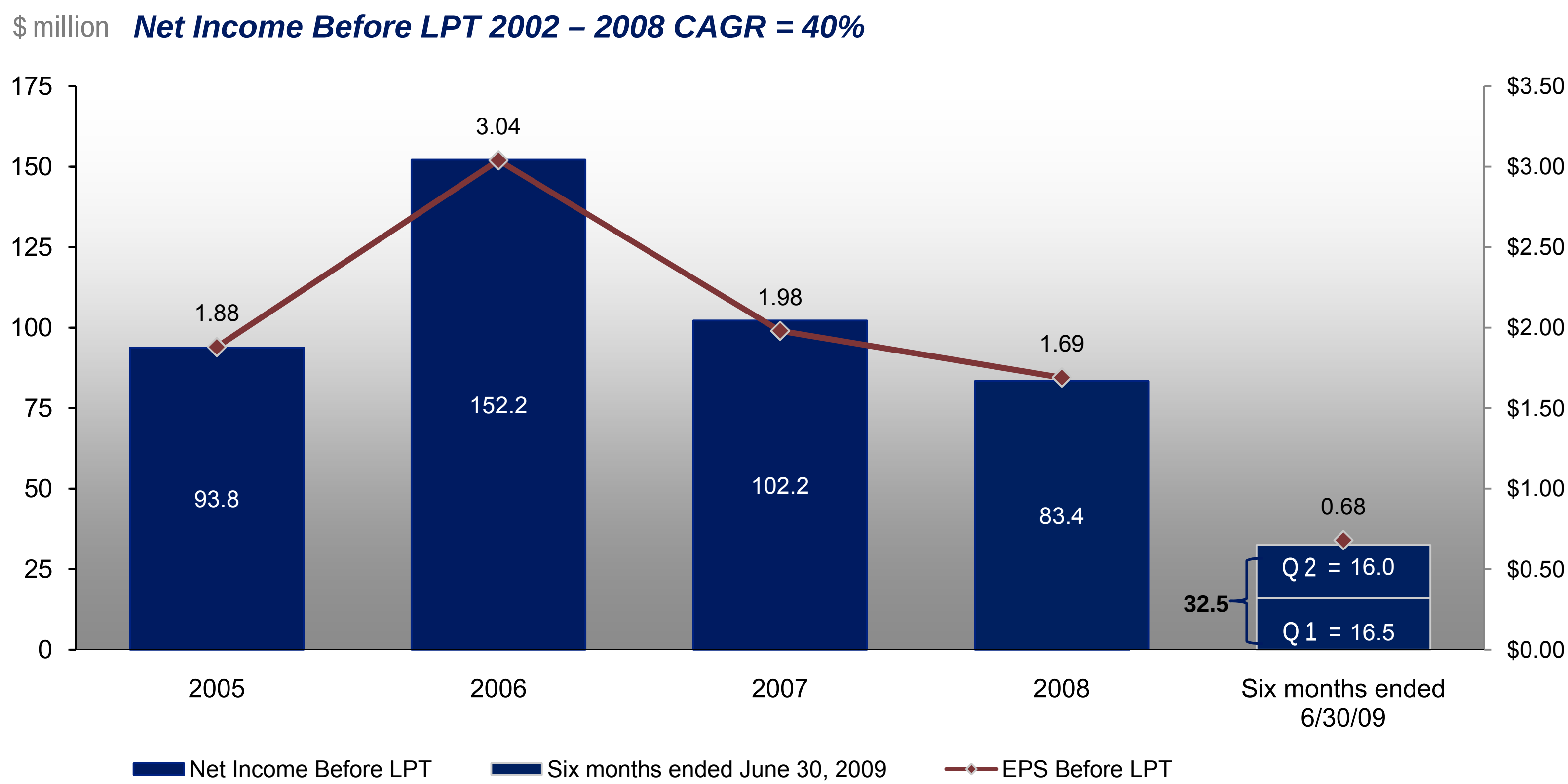
Continuing Profits



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

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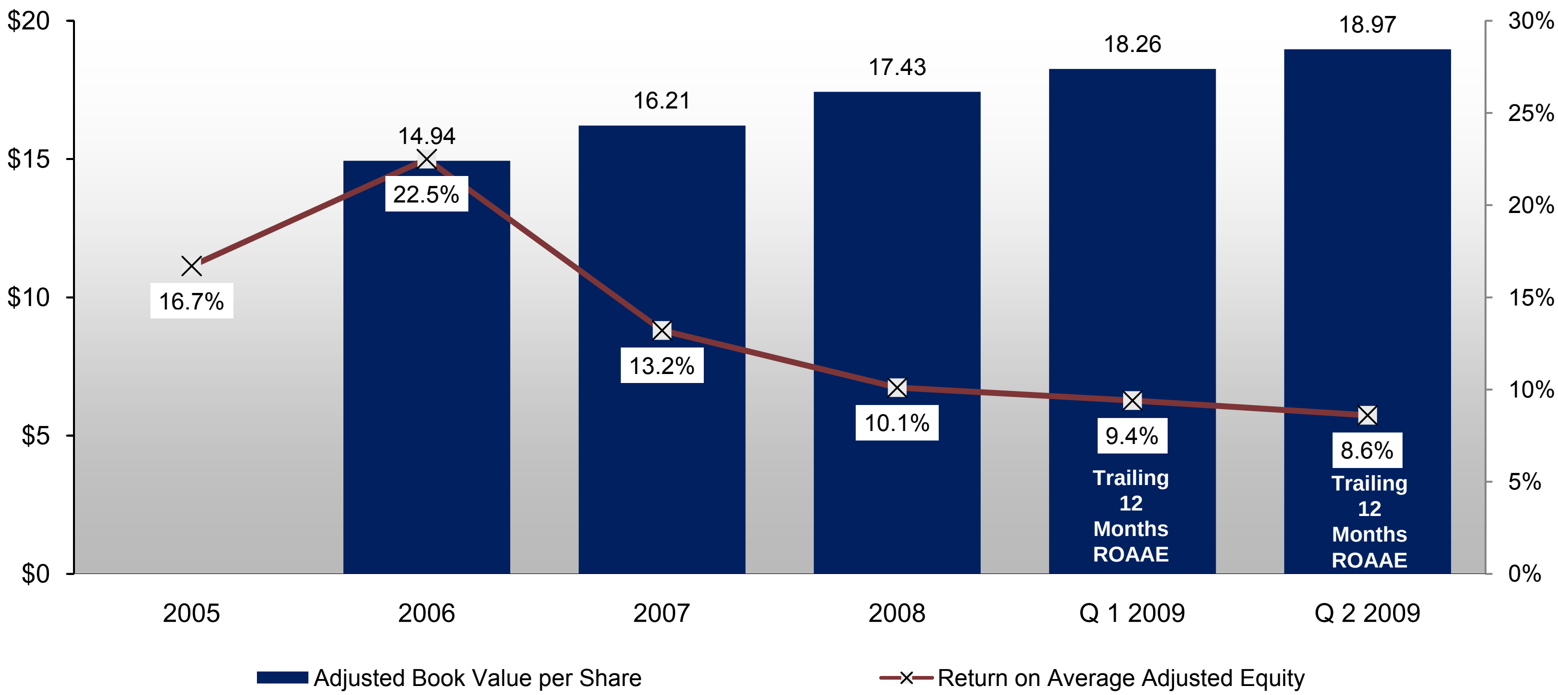
Return on Average Adjusted Equity, Increasing Book Value per Share



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

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

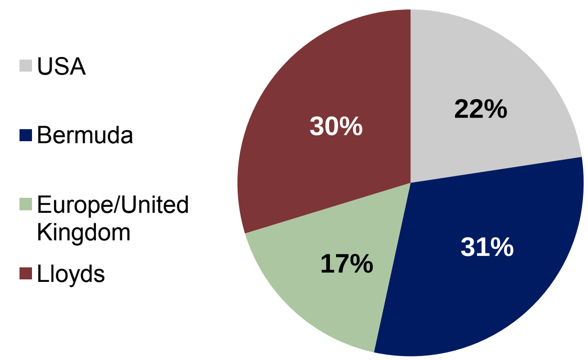
100% rated A or better

Program Structure, Effective 7/1/09

Limits of $200M

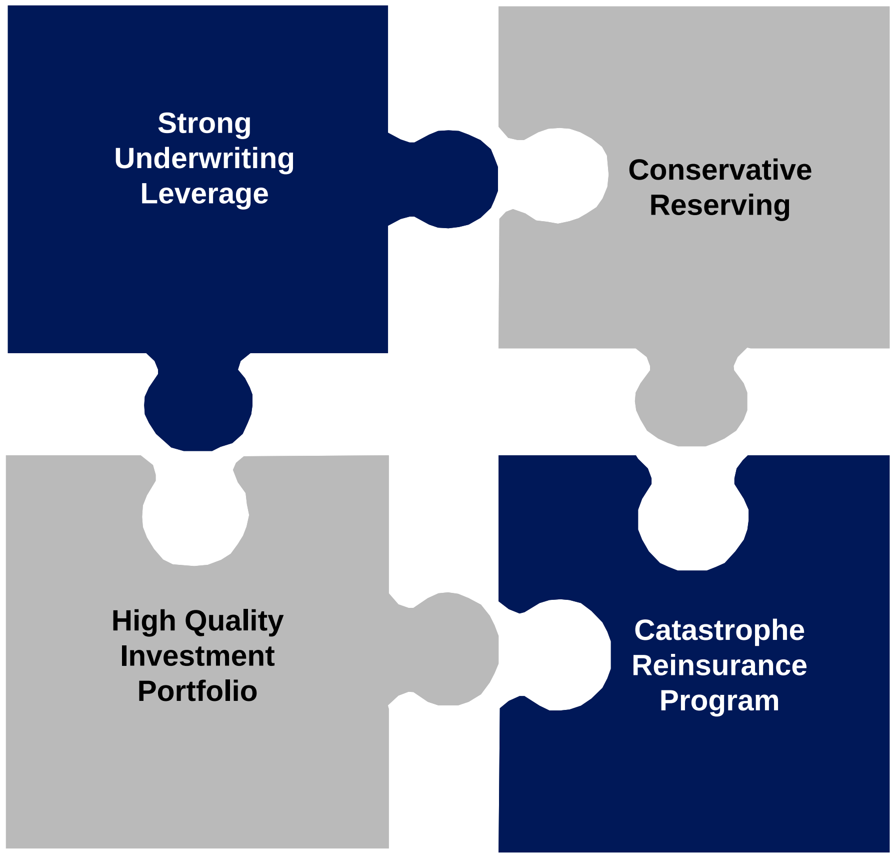
Retention of $5M

Reinsurers by Area



Summary of Financial Strength

.7 to 1 Surplus to NPW at 6/30/09



Track record of reserve strength: since IPO, $160 million favorable prior AY reserve development as of 6/30/09

$2 billion – over 97% invested in fixed maturity with average weighted rating of AA

Coverage up to $200 M loss

Key Strengths

- ***Established enterprise with consistently strong performance*** **–** 96 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 26 years experience with the ability to manage through challenging operating conditions

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Stock Ownership Limitations

As a reminder to investors, Employers Holdings, Inc. ("EIG") owns several insurance companies, domiciled in several different states. These wholly-owned insurers are regulated by insurance commissioners and are subject to the statutes and regulations of the various states where they are domiciled and authorized to transact insurance. As a result, EIG has the following stock ownership limitations, which must be satisfied prior to certain stock transactions.

- For a period of five years following the effective date of the Plan of Conversion of EIG, which is February 5, 2007, no person may directly or indirectly acquire or offer to acquire in any manner beneficial ownership of 5% or more of any class of EIG's voting securities without the prior approval by the Nevada Commissioner of Insurance of an application for acquisition under Section 693A.500 of the Nevada Revised Statutes.

- Under Nevada insurance law, the Nevada Commissioner of Insurance may not approve an application for such acquisition unless the Commissioner finds that (1) the acquisition will not frustrate the plan of conversion as approved by our members and the Commissioner, (2) the board of directors of Employers Insurance Company of Nevada has approved the acquisition or extraordinary circumstances not contemplated in the plan of conversion have arisen which would warrant approval of the acquisition, and (3) the acquisition is consistent with the purpose of relevant Nevada insurance statutes to permit conversions on terms and conditions that are fair and equitable to the members eligible to receive consideration.

- Furthermore, any person or entity who individually or together with an affiliate (as defined by applicable law) seeks to directly or indirectly acquire in any manner, at any time, beneficial ownership of 5% or more of any class of EIG's voting securities, will be subject to certain requirements, including the prior approval of the proposed acquisition by certain state insurance regulators, depending upon the circumstances involved. Any such acquisition without prior satisfaction of applicable regulatory requirements may be deemed void under state law.

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-Qs for the first and second quarters 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-Qs for the first and second quarters 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.

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Appendix

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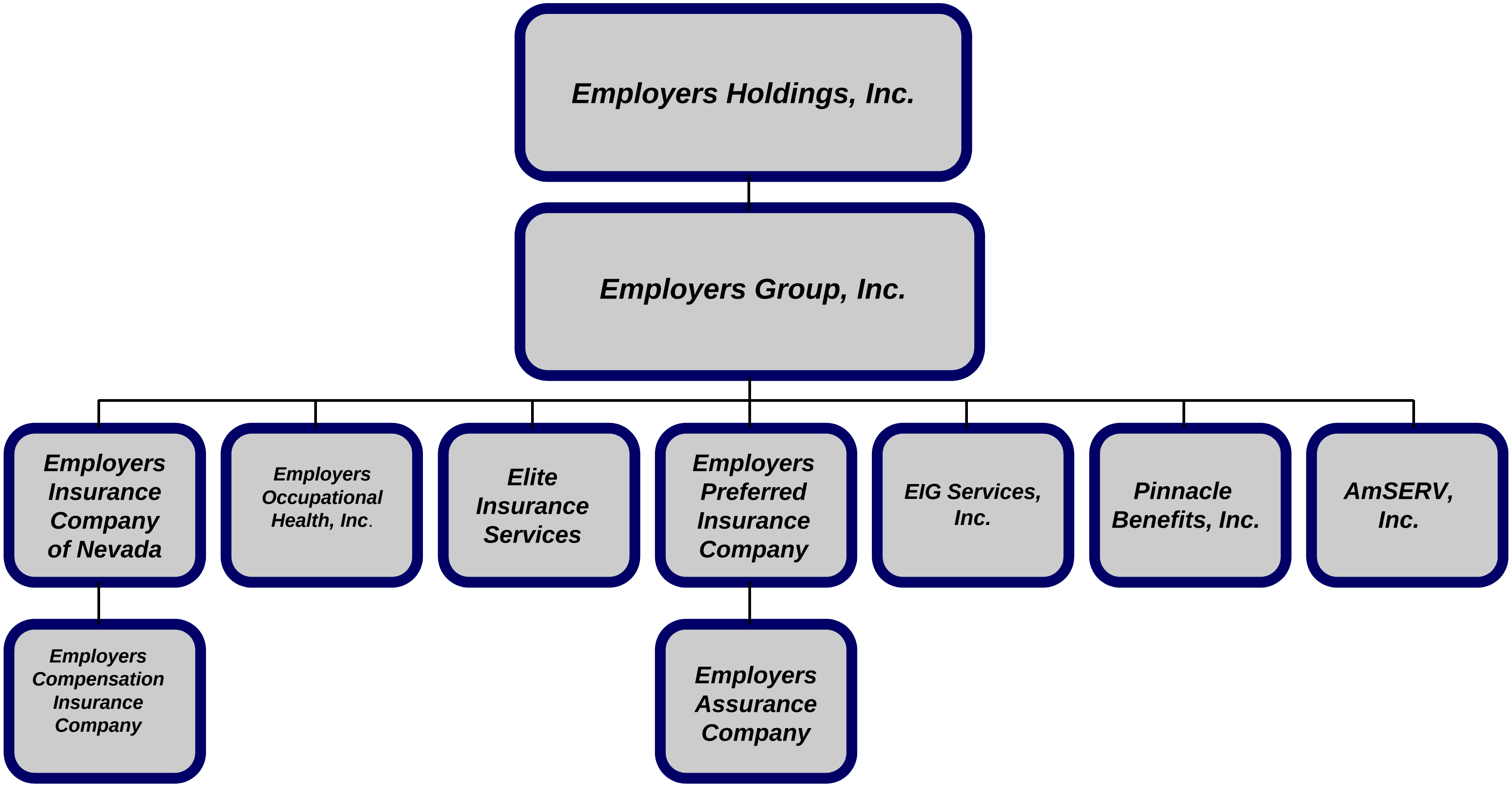
Organization



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Selected Operating Results

Income Statement ($ million)	2005	2006	2007	2008	Q 1 2009	Q 2 2009
Gross Written Premium	$ 458.7	$ 401.8	$ 350.7	$ 322.9	$ 128.1	$91.0
Net Written Premium	439.7	387.2	338.6	312.8	124.7	88.3
Net Earned Premium	438.3	393.0	346.9	328.9	111.6	104.4
Net Investment Income	54.4	68.2	78.6	78.1	23.3	23.1
Net Income	137.6	171.6	120.3	101.8	20.9	20.3
Net Income Before LPT	93.8	152.2	102.2	83.4	16.5	16.0
Balance Sheet ($ million)	**2005**	**2006**	**2007**	**2008**	**Q 1 2009**	**Q 2 2009**
Total Investments	$ 1,595.8	$ 1,715.7	$ 1,726.3	$ 2,042.9	$ 2,083.2	$ 2,059.0
Cash and Cash Equivalents	61.1	80.0	149.7	202.9	190.4	217.0
Total Assets	3,094.2	3,195.7	3,191.2	3,756.7	3,764.8	3,729.0
Reserves for Loss and LAE	2,350.0	2,307.8	2,269.7	2,506.5	2,494.6	2,470.4
Shareholders' Equity	144.6	303.8	379.5	444.7	459.9	471.1
Equity Including LPT Deferred Gain	607.0	746.8	804.5	851.3	862.2	868.9

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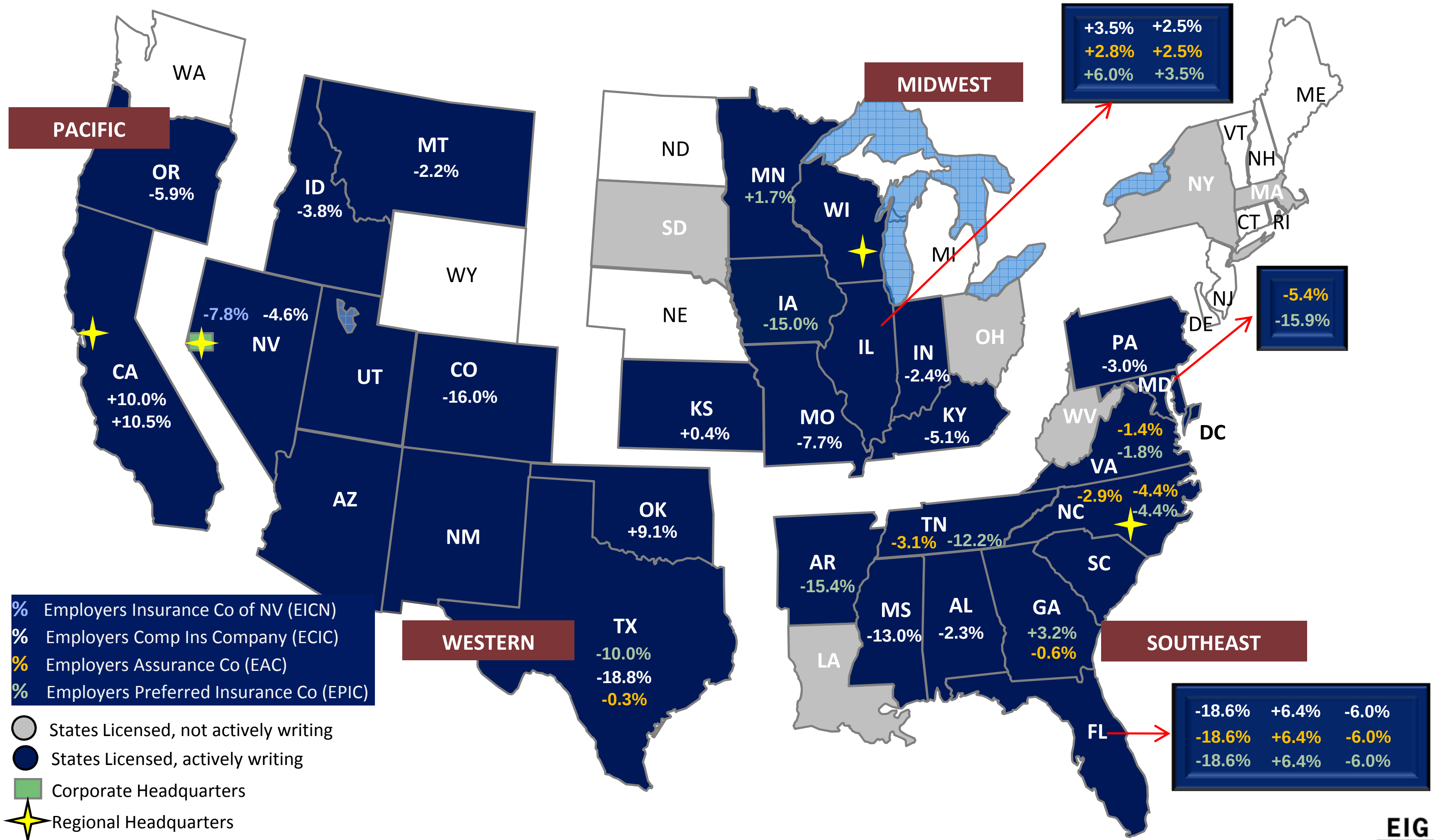
COMPUTATION OF ADJUSTED EXPENSE RATIO ON LEVEL PREMIUMS

	Six Months Ending 6/30/2008 (millions)		Six Months Ending 6/30/2009	
Earned Premium				
Employers	149.7		$ 216.0	
Acquired operations	100.7*		-	
	250.4	D	216.0	A
Underwriting & Other Operating Expenses			68.9	
Policyholder Dividends			3.9	
Total Expenses			72.8	B
Less: One-time restructuring charge	-		4.3	
Net Underwriting & Other			$ 68.5	C
Expense ratio			**33.7%**	B/A
Adjusted Expense ratio (net)			**31.7%**	C/A
Adjusted Expense ratio (net) on Level Premiums (six months ended 6/30/08)			**27.4%**	C/D

*Based on Form 10-Q filed with the SEC in August, 2008 by AmCOMP, Incorporated

Regional Organization, Pricing Trends in 2009 at 8/31/09



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