



EMPLOYERS[®]

America's small business insurance specialist.[®]

NYSE: EIG
INVESTOR PRESENTATION
JULY 2021

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, including the effects of the Coronavirus (COVID-19) pandemic, 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 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 U.S. Securities and Exchange Commission (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. The Company's filings with the SEC can also be accessed through the SEC's EDGAR Database at www.sec.gov (EDGAR CIK No. 0001379041).

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.

At a Glance

Ticker	NYSE: EIG
Headquarters	Reno, Nevada
Stock Price*	\$41.36
Common Shares Outstanding at 6/30/2021	28.3 Million
Float at 6/30/2021	27.9 Million
Average Daily Volume	140,000 shares
Market Cap*	\$1.2 Billion
Book Value per Share at 6/30/2021	\$46.83**
Analyst Coverage	Boenning & Scattergood Dowling & Partners JMP Securities Truist Securities

* As of July 22, 2021

** Including the Deferred Gain

Impacts of COVID-19 on our Business

(excerpt from the Company's Form 10-Q)

The COVID-19 pandemic has caused a reduction in business activity, widespread unemployment, supply chain interruptions, and overall economic and financial market instability. All states, including California, where we generated 45% of our in-force premiums as of June 30, 2021, have, at times, imposed various restrictions on business operations and social gatherings. Certain classes of business that we insure, especially those related to the restaurant and hospitality industries, were particularly affected by these restrictions.

Notwithstanding the COVID-19 pandemic, we continue to experience strong new business growth opportunities. Most businesses have now reopened and restrictions have largely been lifted; thus we have experienced year-over-year increases in new business submissions, quotes, and binds in the majority of the states in which we operate, including California where increases occurred throughout the second quarter of 2021. While in-force policies have increased throughout 2021, in-force premiums only began increasing in May and our year-over-year new business premium is down slightly.

While new business premium production did not meet our expectations during the first quarter of 2021, we are encouraged by the rebound we experienced during the second quarter of 2021. We closed another quarter with a record number of policies in-force, which demonstrates that our policyholders have endured the pandemic and small businesses are actively shopping for workers compensation coverage. As widespread vaccinations continue and labor market shortages improve, we remain confident that rising payrolls will bring further improvement to our top line. In support of this anticipated recovery, we have continued to pursue and advance the significant investments that we have made in delivering a superior customer experience for our independent and digital agents.

We continually review and adjust to changes in our policyholders' payrolls, economic conditions, and seasonality, as experience develops or new information becomes known. Any such adjustments are included in our current operations. Approximately 25% of our current payroll exposure, including that associated with policies generated by our largest payroll partners, is considered to be "pay as you go," where the associated premium collected from policyholders is adjusted in real-time based on changes in the underlying payroll. For all other policyholders, payroll adjustments are made periodically through mid-term endorsements and/or premium audits. We reversed our negative final audit premium accruals taken during the first quarter of 2021, which added \$2.6 million to our premiums written and earned during the three months ended June 30, 2021, as the reductions in payroll exposure due to the COVID-19 pandemic have been captured in our in-force premium.

Despite government mandates and legislative changes related to the COVID-19 pandemic, including the presumption of COVID-19 compensability for all or certain occupational groups in many states, we experienced a decline in the frequency of compensable indemnity claims in the first half of 2021. This decline was experienced in nearly all states.

While vaccination efforts are underway and most businesses have now reopened, the continued impact of the COVID-19 pandemic, including any increases in infection rates, new variants and renewed governmental action to slow the spread of COVID-19, cannot be estimated.

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

MARKETS AND DISTRIBUTION

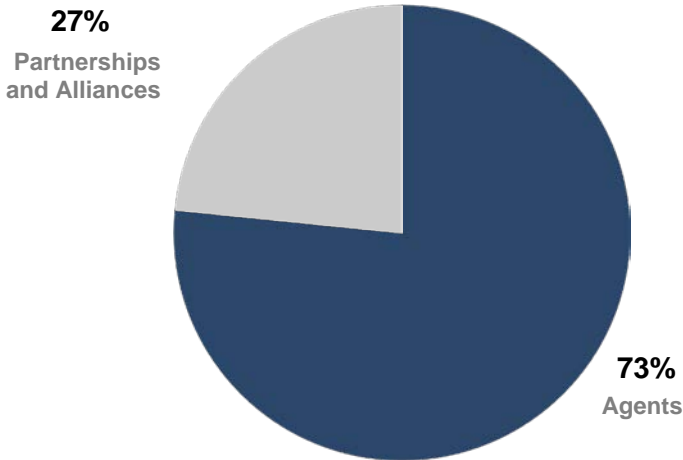
\$580 Million Written Premium 2020
\$697 Million Written Premium 2019

Low Hazard Focus

97% of in-force premium in NCCI low to medium (hazard groups A-D)

3% of in-force premium in NCCI higher (hazard groups E-G)

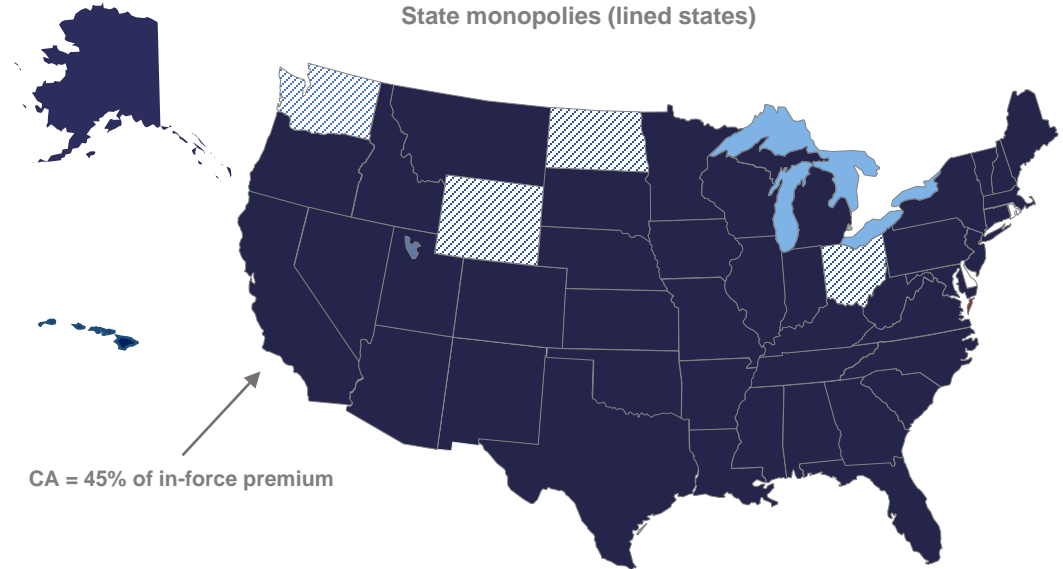
Premium Contribution



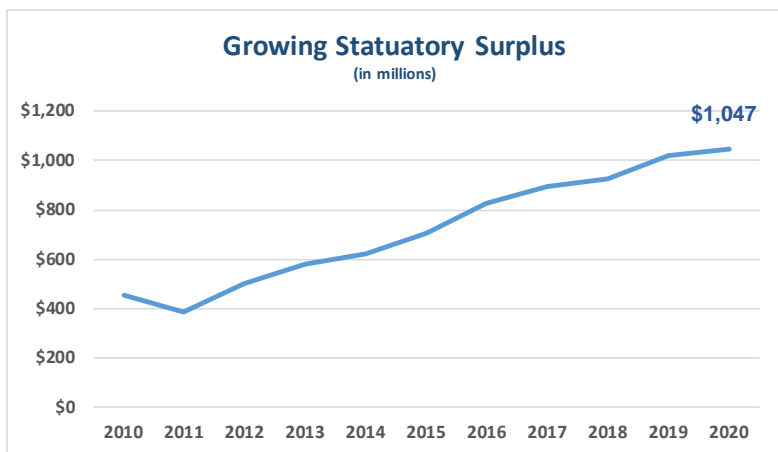
107,314 in-force policies at 6/30/2021
\$5,210 average policy size

Nationwide Platform

State monopolies (lined states)



Capital Strength ~ Returns to Shareholders



A- (Excellent) rating from A.M. Best

Shareholder Friendly While Focused on Long-Term Stability

\$792M

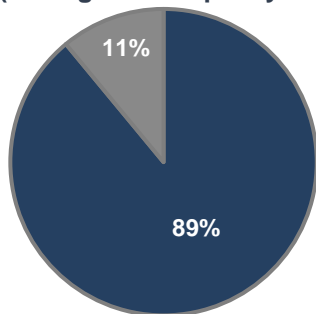
Returned to shareholders since IPO in share repurchases and dividends

Reinsurance

\$190 million in excess of \$10 million retention

Investment Portfolio Complements Structure

\$2.7B
Investment Portfolio
(average credit quality A+)



■ Fixed Income ■ Equities and Other Investments

2021 Repurchases and Dividends

\$20.1M

Aggregate share repurchases in 1H 2021, totaling 548,882 shares of common stock, at an average price of \$36.54 per share

\$0.50

Cash dividends paid per share in 2021 (representing a 2.3% annual dividend yield on the 6/30/2021 share price of \$42.80)



OVER 100 YEAR OPERATING HISTORY

Strong underwriting focus with established presence in attractive markets

Record number of policies in-force, excellent operating ratios

Unique, long-standing strategic distribution relationships

Conservative risk profile and prudent capital management

Solid financial position and strong balance sheet

Extremely well-positioned for post COVID-19 economic recovery

UNIQUE GROWTH OPPORTUNITIES SPECIFIC TO EMPLOYERS[®]

Transforming the way small businesses and insurance agents utilize digital capabilities to improve their customer experience:

(i) improving the agent experience and enhancing agent efficiency;

(ii) providing direct-to-customer workers' compensation insurance policies through Cerity, a subsidiary separate from EMPLOYERS' other insurance businesses

The Workers Compensation Market

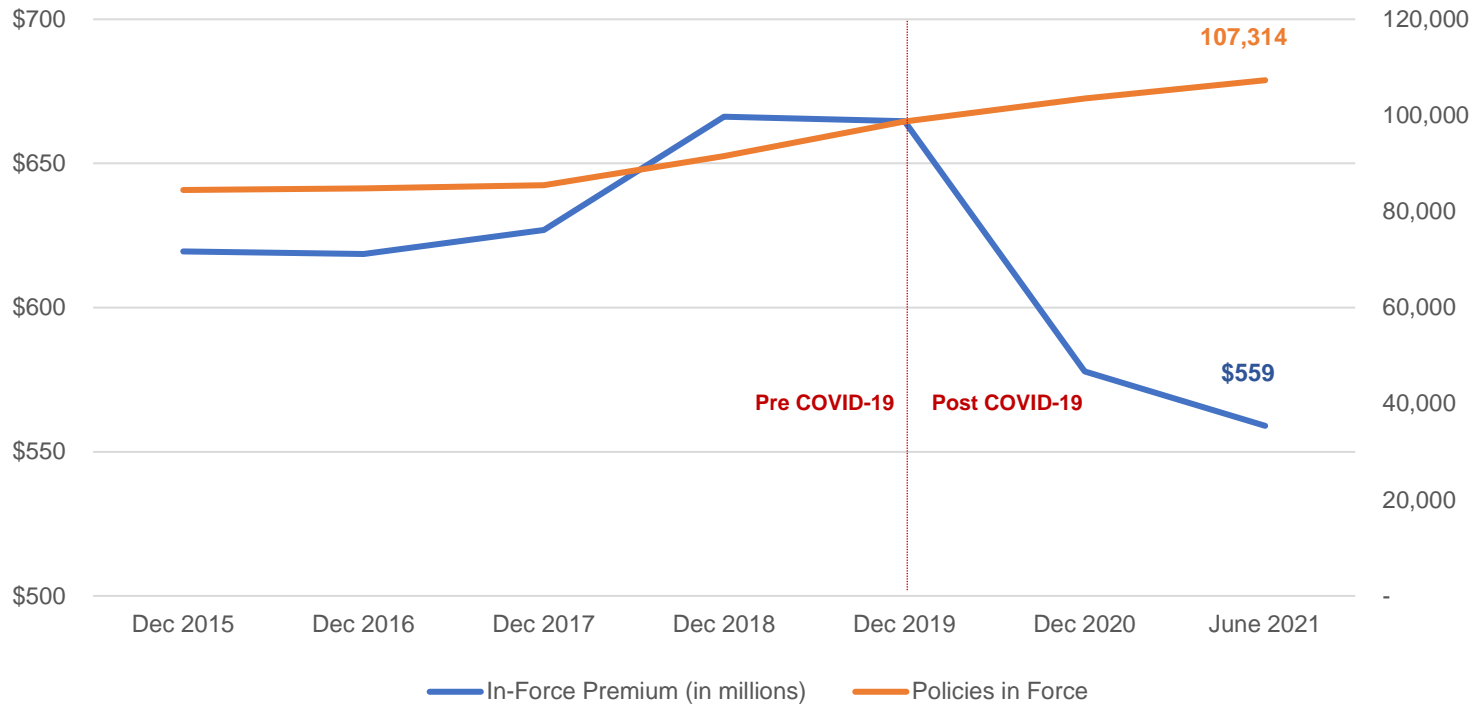
- Workers' compensation is a form of insurance providing wage replacement and medical benefits to employees injured in the course of employment.
- Approximately 1,500 companies write workers' compensation in the U.S.

Total Size: Approximately \$51 Billion in Direct Written Premium in 2020*

2020 Rank	Company	2020 Direct Premiums Written (ALL LINES)	2020 Direct Premiums Written (Workers Comp.)	% in Workers Comp.	
1	Travelers	28,786,741	3,737,454	13%	
2	The Hartford	12,378,219	2,992,054	24%	
3	Zurich	13,623,338	2,495,405	18%	
4	Chubb	24,199,582	2,294,598	9%	
5	Liberty Mutual	36,172,570	2,140,149	6%	
6	Berkshire Hathaway Inc.	46,358,896	1,998,778	4%	
7	AmTrust Financial	4,620,771	1,956,224	42%	
8	AF Group	2,189,021	1,668,319	76%	
9	State Ins Fund Workers' Comp	1,610,727	1,610,727	100%	New York State Fund
10	Old Republic Insurance	4,777,897	1,301,262	27%	
11	AIG	13,503,321	1,188,916	9%	
12	Great American Insurance	6,689,564	1,165,279	17%	
13	W. R. Berkley Corp.	6,807,602	1,087,052	16%	
14	State Compensation Ins Fund	1,076,840	1,076,840	100%	California State Fund
15	ICW	1,042,670	964,004	92%	
16	Texas Mutual Insurance Co.	923,314	923,314	100%	Texas State Fund
17	CNA	11,746,820	814,943	7%	
18	Fairfax Financial	7,514,896	700,029	9%	
19	STARR Cos.	3,816,065	662,253	17%	
20	Arch Capital	4,688,733	631,585	13%	
21	EMPLOYERS®	570,760	570,760	100%	100% focused on Workers' Compensation Low-Medium Hazard Risk
22	CopperPoint Insurance Companies	668,784	569,547	85%	
23	Pinnacol Assurance	512,025	512,025	100%	Colorado State Fund
24	Markel	6,054,305	497,736	8%	
25	Everest Re	2,690,700	493,543	18%	

* Source: National Association of Insurance Commissioners and S&P Global

For EMPLOYERS[®], in-force policy counts are at record levels, but payrolls have been adversely impacted by COVID-19.



Market Conditions: Impact and Recovery

The Macro-Economy and Workers Compensation



America's small business insurance specialist.®

2019

Markets have been competitive with generally declining loss costs reflected in rates.

Provided greater support to agents and policyholders; further diversified risk exposure geographically; and utilized a multi-company pricing platform and territory-specific pricing.

2020

The slowdown in economic production due to COVID-19 led to an overall reduction in premiums as policyholders reduced their workforce.

The record number of ending policies in-force demonstrates that Employers' policyholders are enduring the pandemic, albeit with lower payroll levels.

Average policy size falls to \$5,584, down from \$6,735 in 2019.

2021

Macro-economic conditions remain resilient.

With its high number of policies in-force and strong retention ratios, Employers is well positioned to regain the premium it lost to COVID-19.

"For the remainder of the year we will be diligently focused on improving our economies of scale by capitalizing on emerging labor market improvements, while continuing to maintain underwriting discipline and actively managing our expenses"

Mix by Hazard Group

Hazard Group: Workers' Compensation classifications that have relatively similar expected excess loss factors over a broad range of limits

97% in Hazard Groups A-D

Lower Risk



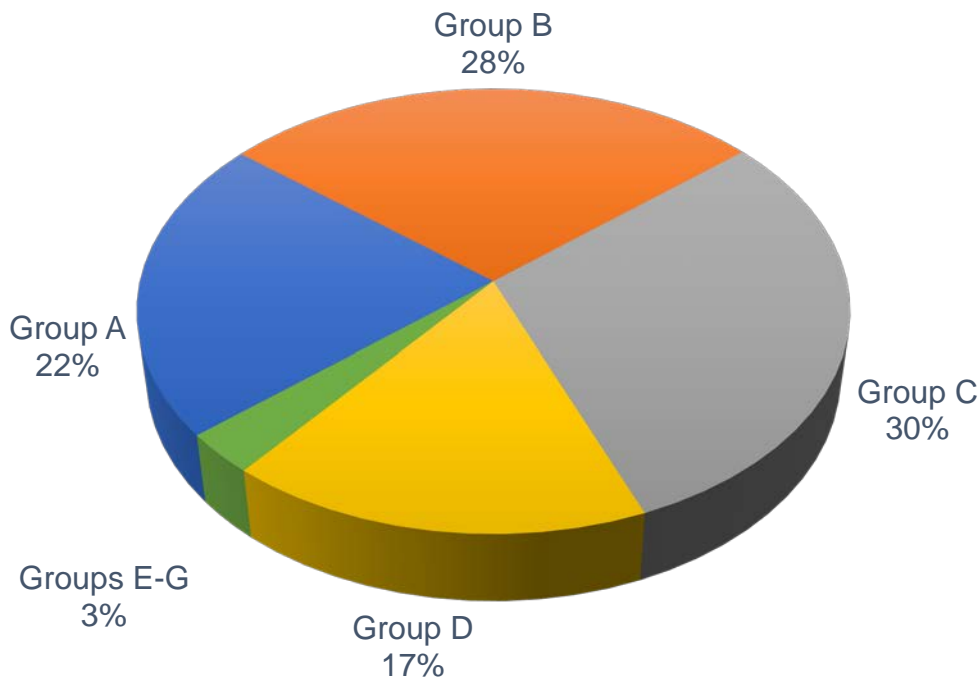
Higher Risk

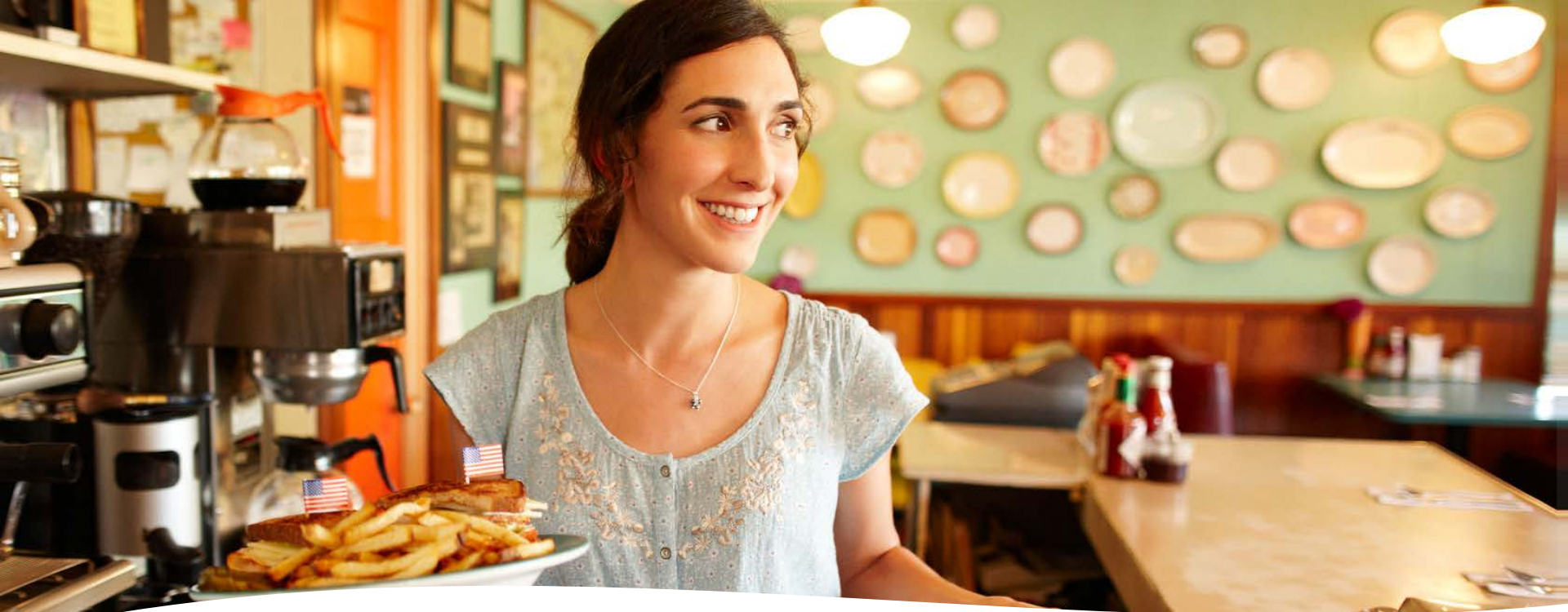
3% in Hazard Groups E-G

Focus on Select Low to Medium Hazard Groups

Data shown as a % of in-force premium

June 30, 2021





EMPLOYERS® Target Market: Small Business / Low Hazard Risk

EMPLOYERS® Top 10 types of insureds:

- Restaurants and Other Eating Places (23%)
- Traveler Accommodations (7%)
- Automobile Dealers (5%)
- Automotive Repairs and Maintenance (5%)
- Offices of Physicians (4%)
- Real Estate Management (4%)
- Schools (3%)
- Retail Stores (3%)
- Grocery Stores (3%)
- Wholesale Stores (3%)

In-Force Growth (YoY)

OVERALL

At June 30, 2021

- In-Force Premiums: **DOWN 10%**
- Policies: **UP 3%**
- Average policy size: **DOWN 13%**

CALIFORNIA

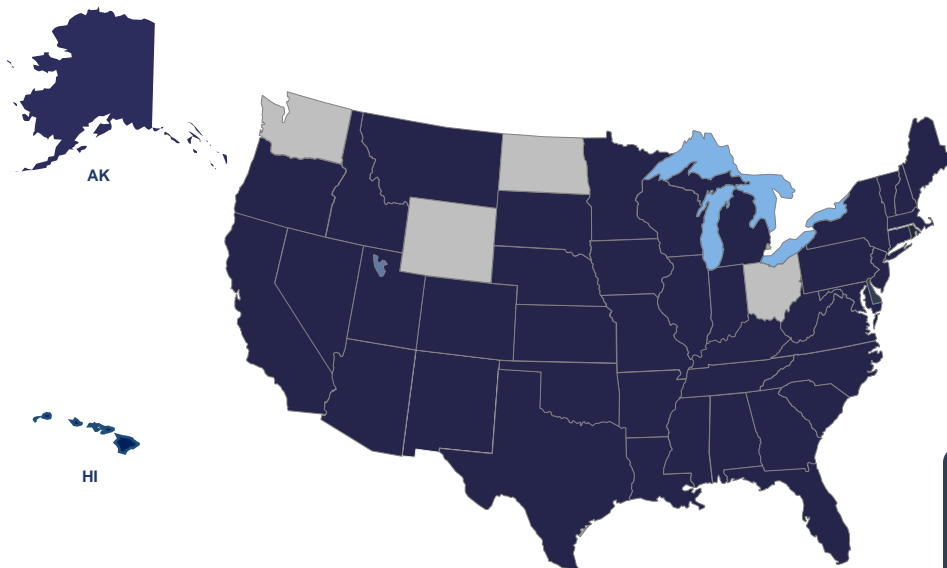
45%
of total
in-force premiums

**Premium
DOWN
14%**



37%
of total
in-force policies

**Policies
DOWN
7%**



ALL OTHER STATES

55%
of total
in-force premiums

**Premium
DOWN
7%**



63%
of total
in-force policies

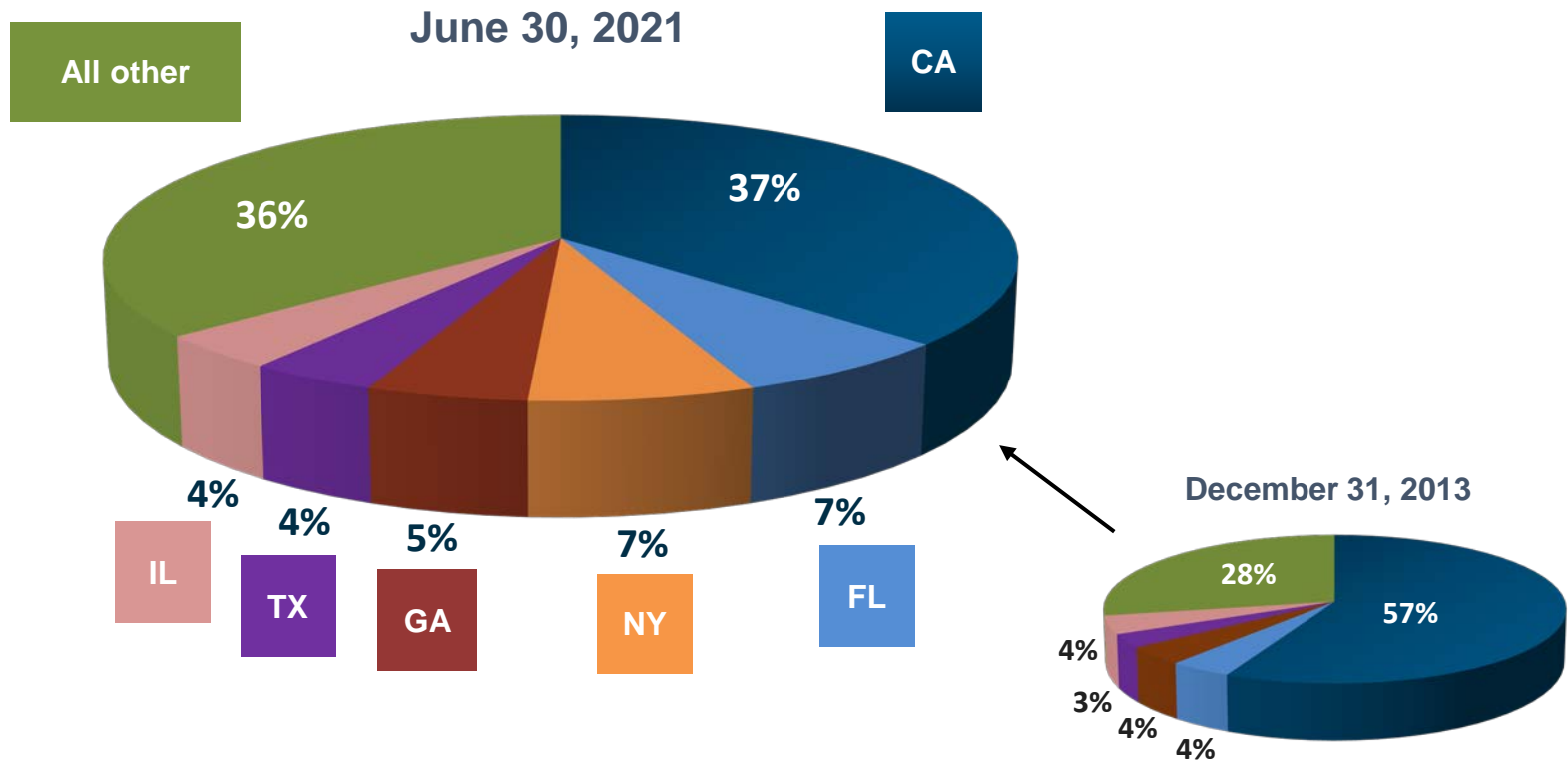
**Policies
UP
9%**

Geographic Spread

(by policies in-force)

Continual diversification outside of CA

Now writing business throughout the United States, with the exception of four states that are served exclusively by their state funds.

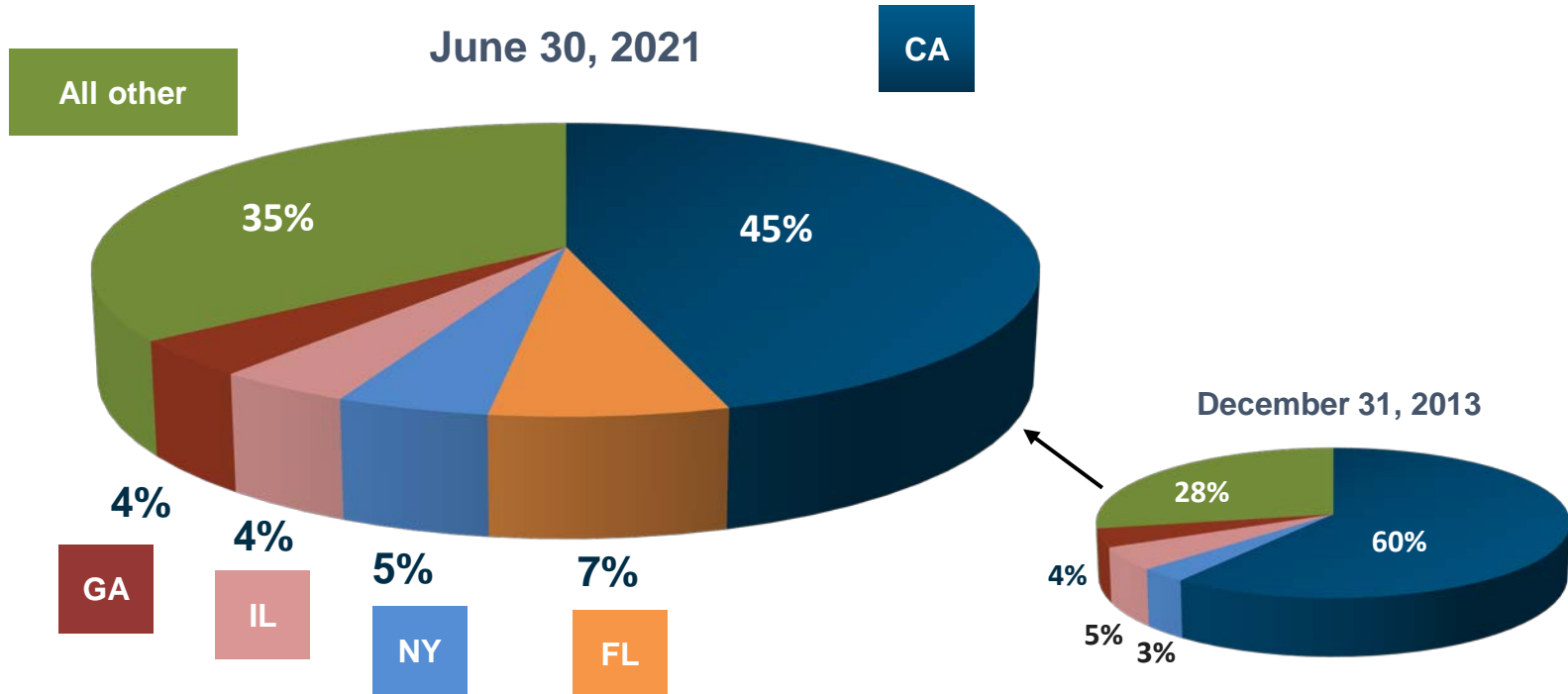


Geographic Spread

(by in-force premium)

Continual diversification outside of CA

Now writing business throughout the United States, with the exception of four states that are served exclusively by their state funds.



History of Reserve Strength

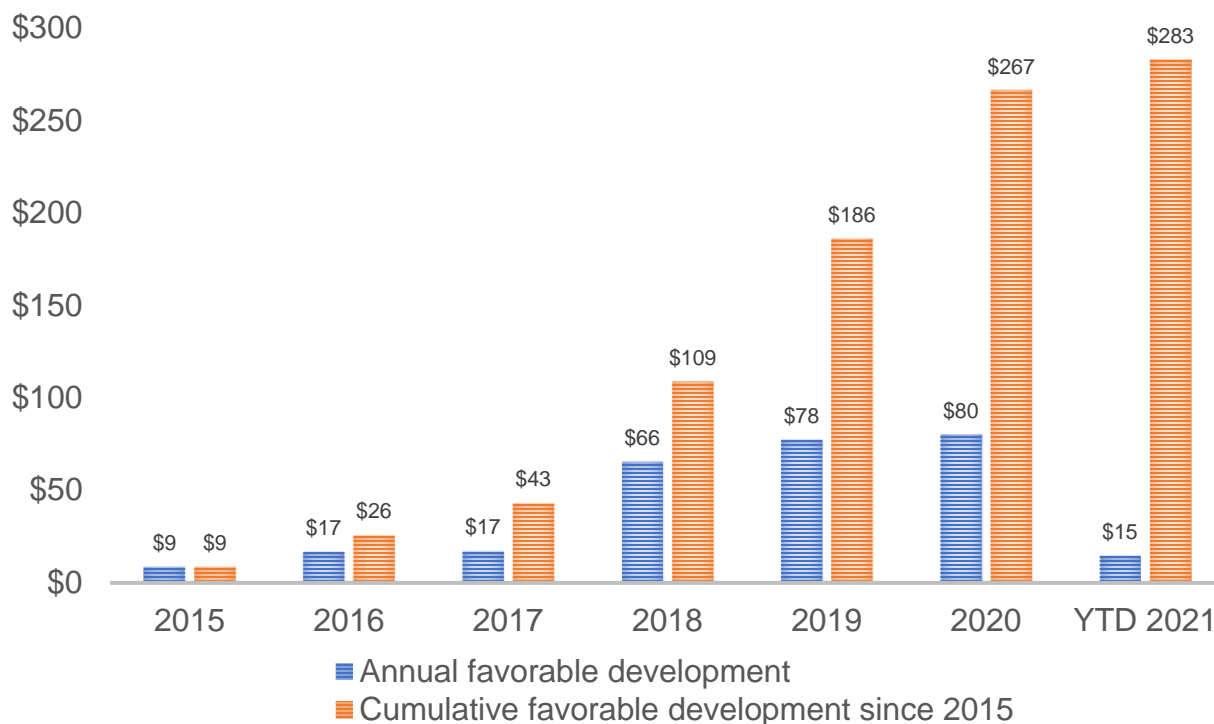
Reserve Review

Reserves are reviewed internally each quarter

Management's best estimate is presented to the Audit Committee of the Board of Directors each quarter

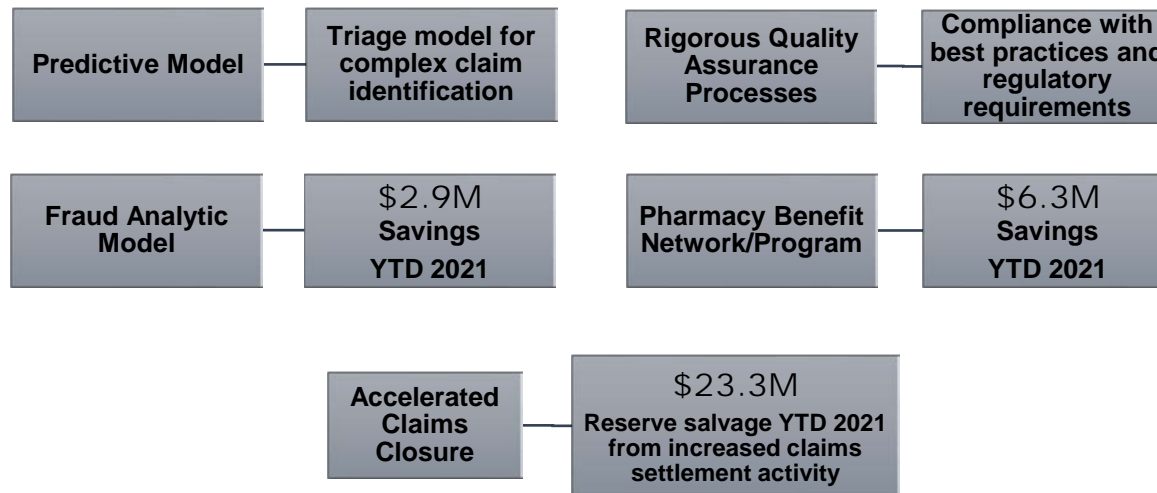
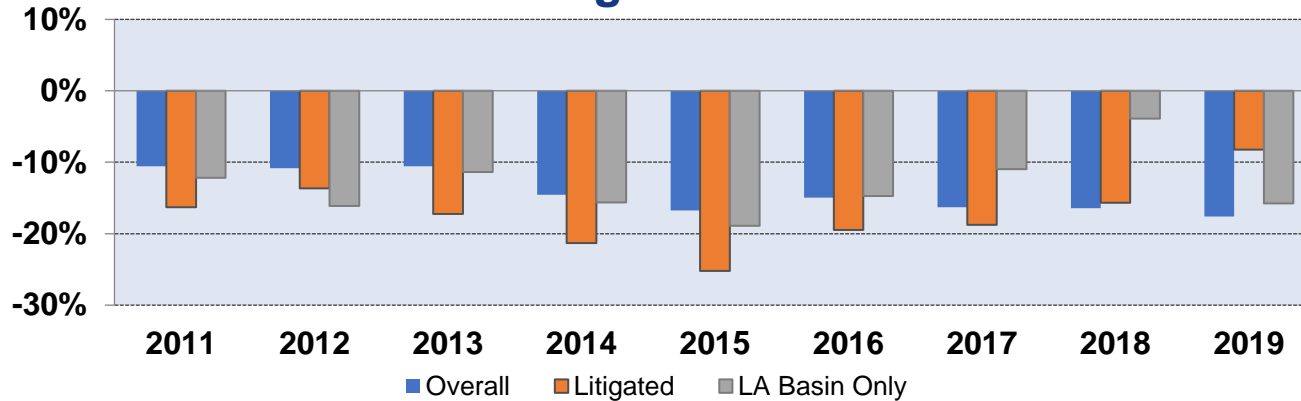
Net Calendar Year Reserve Development in Recent Prior Accident Years

(\$ millions, excludes involuntary business)



Superior Claims Results

CA - % Variance to Industry - Indemnity Claims Avg Paid



Source: California Workers' Compensation Institute, data as of June 30, 2020.

Cerity™

Workers' comp
insurance for small
business



What is Certy?



Headquartered in Austin, TX, Certy is a digital, direct-to-customer company dedicated to providing small/micro businesses with workers' compensation insurance policies that meet their specific needs.

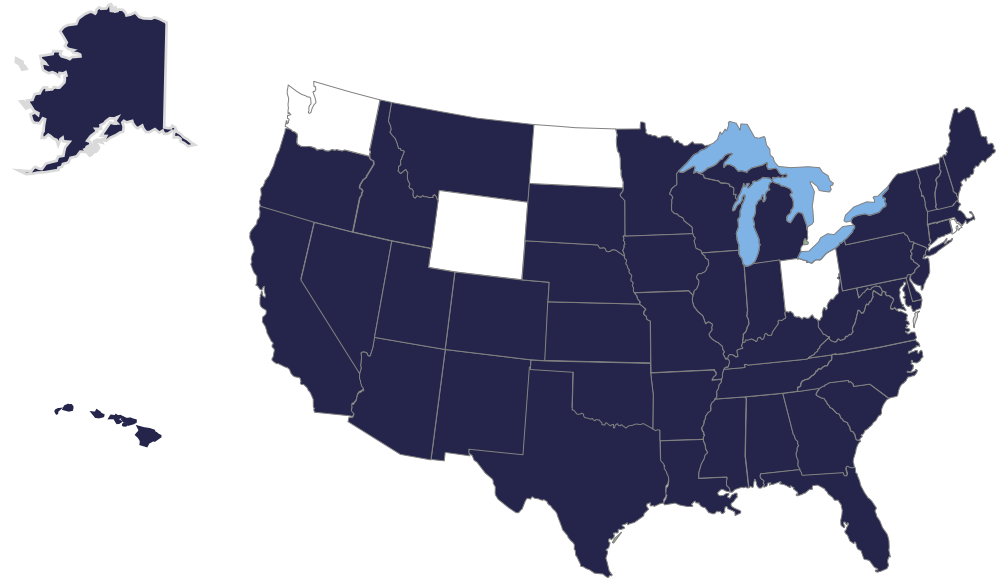
- Certy is a different kind of company, one that wants to make insurance easy because it should be. Certy's goal is to make it easy for small business owners to protect their business. Certy believes that small business owners need a simple no-hassle way to buy workers' comp insurance.
- Using innovative digital solutions, Certy created a product that made the process simple while being transparent about what its customers are buying. Certy's top priority is to provide a product that helps small business owners protect their business when the unexpected happens.
- Certy is a team of advisors, educators and partners working to help small business owners save more in the long-run.



Certy helps cover small businesses in just a few clicks.

- Built from scratch with a focus exclusively on small business.
- Leverages modern technology and advanced data and analytics including a predictive model with up to 100 price points, making it fast and precise.
- Gives small businesses the ability to get a quote and purchase a policy in ***less than five minutes.***
- Enables small business owners to quote, purchase and maintain a policy from one organization.

- Cerity operates throughout the United States, with the exception of four states that are served exclusively by their state funds.
- Cerity currently covers the following businesses:
 - Food & Beverage
 - Tech and Scientific services
 - Legal and Financial services
 - Hospitality
 - Landscaping and Lawn Services
 - Printing and Publishing
 - Retail
 - Educational
 - Personal Services
 - Clothing retail
 - Personal product retail
 - Medical professions
 - Architecture and Engineering services
 - Office, Home and Garden
 - Therapeutic Services
 - Cerity plans to expand into other classes of business in the future



- 76% of small business owners within Cerity's target market indicate they would like to purchase commercial insurance online, reinforcing our belief customer buying behaviors are changing and the market is ready for a simple, digital purchasing solution.
- There are nearly 30 million small businesses in the United States and Cerity believes this number will continue to grow.
- Cerity's focus is on low-hazard business with 25 or fewer employees.

How will the U.S. Small Business Owner buy workers' compensation over the next 5, 10, 20 years???

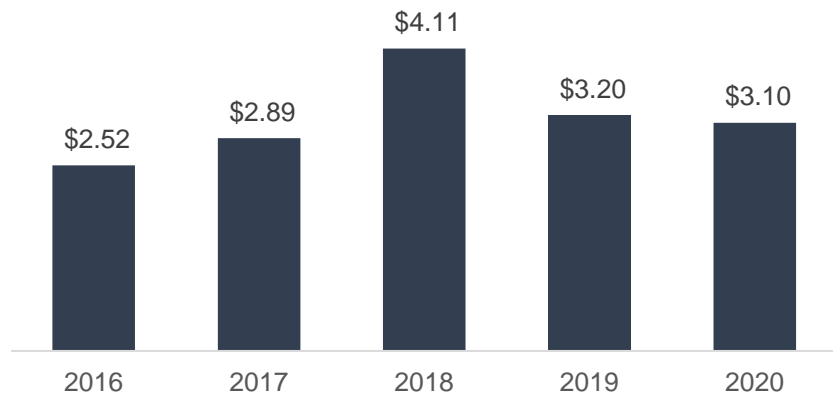


A man with short, graying hair, wearing a maroon polo shirt, is looking down at a newspaper he is holding. He is standing in a factory or industrial setting, with various pieces of machinery and equipment visible in the background. The lighting is bright, and the overall atmosphere is one of a busy industrial environment.

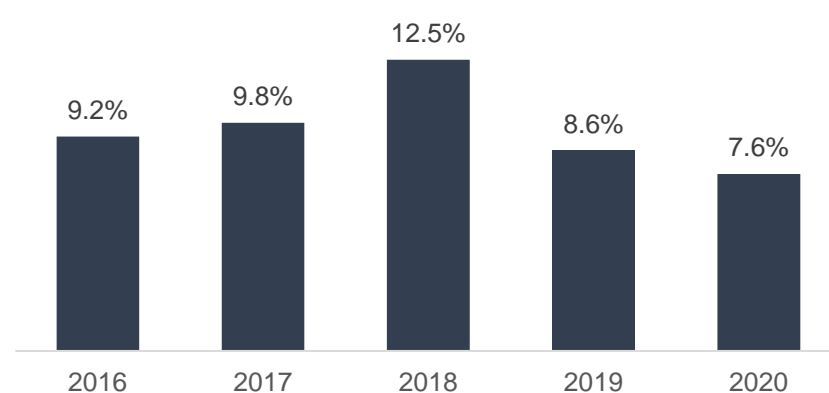
FINANCIAL PERFORMANCE

Five-Year Financial Performance

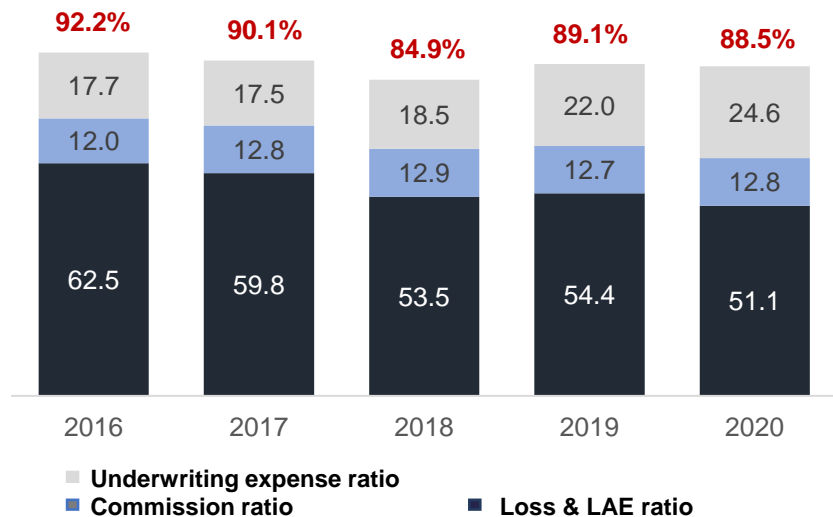
Adjusted EPS (Diluted)



Adjusted ROE



Combined Ratio – Employers Segment



Book Value per Share including Deferred Gain



Adjusted Net Income

\$ in millions	Three Months ended June 30,		Six Months ended June 30,	
	2021	2020	2021	2020
Net investment income	\$ 18.2	\$ 19.9	\$ 36.6	\$ 39.8
Underwriting income (CAY ex LPT)	(2.4)	(9.5)	(11.5)	(15.6)
Underwriting income (PAY devel. on vol. business)	1.6	23.5	15.0	26.5
Other operating items	(2.9)	(1.8)	(8.1)	(5.2)
Adjusted income (pretax)	14.5	32.1	32.0	45.5
Income taxes	(2.7)	(6.4)	(5.5)	(8.8)
Adjusted net income	\$ 11.8	\$ 25.7	\$ 26.5	\$ 36.7

CAY = Current Accident Year

PAY = Prior Accident Year

LPT – see pages 28-29

2Q21 Highlights (YoY)

NON-GAAP

VS
\$25.7M

Adjusted Net Income
\$11.8 million

VS
8.9%

Annualized Adjusted ROE
3.8%

UP
2.3% QTD
including dividends

Book Value per Share
Including Deferred Gain
\$46.83

VS
\$57.1M

Net Income before the LPT*
\$24.4 million

GAAP

VS
\$59.6M

Net Income
\$26.4 million

VS
21.7%

Annualized ROE
8.8%

UP
2.7% QTD
including dividends

Book Value per Share
\$42.54

VS
19.8%

Effective Income Tax Rate
18.5%

* - See Slides 28-29 on LPT

YTD 2021 Highlights (YoY)

NON-GAAP

VS
\$36.7M

Adjusted Net Income
\$26.5 million

VS
6.1%

Annualized Adjusted ROE
4.3%

UP
1.0% YTD
including
dividends

**Book Value per Share
Including Deferred Gain**
\$46.83

VS
\$19.8M

Net Income before the LPT*
\$45.4 million

GAAP

VS
\$24.7M

Net Income
\$49.5 million

VS
4.3%

Annualized ROE
8.2%

UP
1.4% YTD
including
dividends

Book Value per Share
\$42.54

VS
14.8%

Effective Income Tax Rate
17.5%

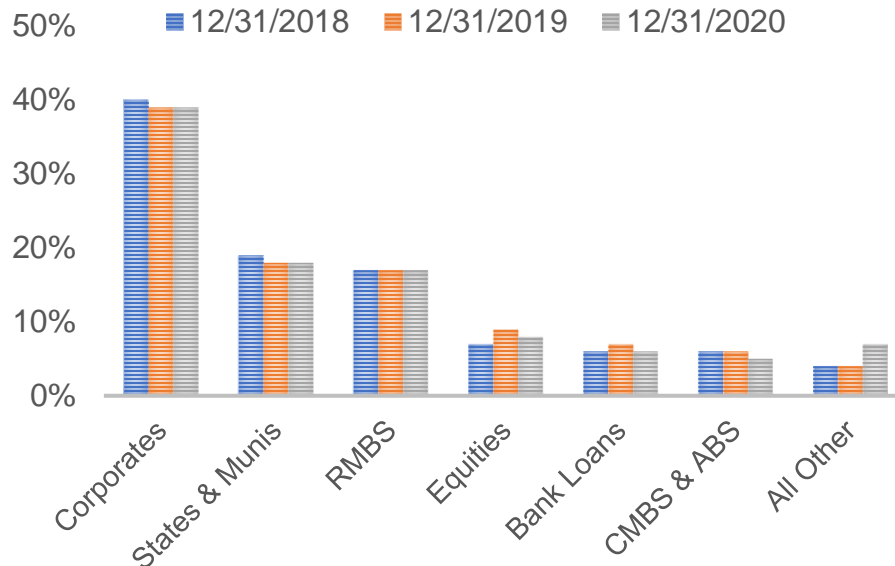
* - See Slides 28-29 on LPT

2021: \$2.7 billion fair market value (\$2.8 billion including cash)

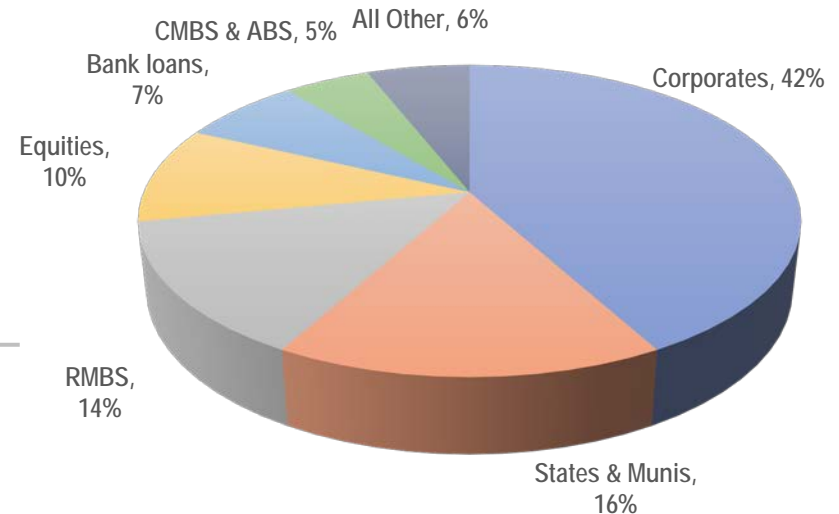
- High quality (average credit quality of A+)
- Highly liquid (\$1.2 billion is unencumbered and available within 3 business days)
- Duration of 3.7
- 1H21 total pretax investment return of 1.2%, 1H20 total pretax investment return of 2.5%
- 3.1% average ending pre-tax book yield

Investment Portfolio Allocation

Last Three Years



At 6/30/2021



In 1999, the Nevada State Industrial Insurance System (our predecessor) entered into a retroactive 100% quota share reinsurance agreement for all losses incurred 6/30/95 and prior through a loss portfolio transfer transaction with third party reinsurers (LPT Agreement).

Upon entry into the LPT Agreement, an initial deferred reinsurance gain (Deferred Gain) was recorded as a liability on our GAAP Balance Sheets which is being periodically amortized to income as a reduction to our losses and loss adjustment expenses.



So What Does that Mean?

Pursuant to the LPT Agreement, through 2024 we are entitled to receive a contingent profit commission which is based on both actual paid results to-date and projections of expected paid losses under the LPT Agreement.

The LPT Agreement is a non-recurring transaction that provides us with no significant ongoing cash benefits.

As a result of the LPT Agreement, within each of our non-GAAP measures we include the remaining Deferred Gain in our book value calculations and exclude the current period amortization of the Deferred Gain from our operating results and underwriting ratios.

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 significant ongoing 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

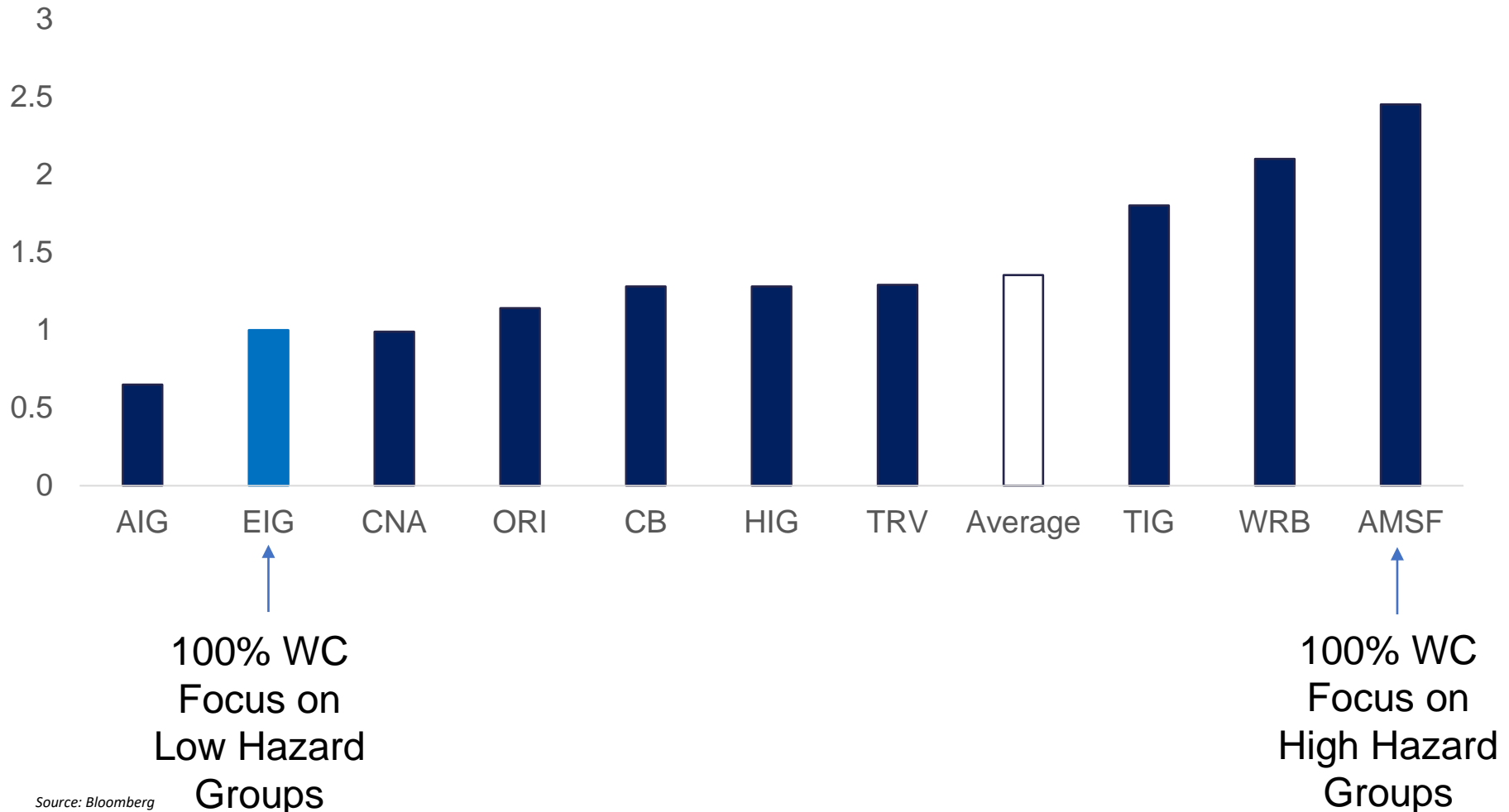
\$344M
remaining liabilities

1,619
open claims

THE LPT AGREEMENT	(\$ million)
Total coverage	\$2,000
Original LPT reserves (liabilities) transferred	1,525
Consideration	<u>775</u>
STAT LPT gain recognized at June 30, 1999	750
Subsequent LPT reserve adjustments	(352)
Subsequent LPT contingent commission adjustments (profit sharing)	69
Cumulative LPT amortization to-date	(346)
GAAP LPT gain remaining at June 30, 2021	\$ 121

Valuation and Comparing Public Comps

Price to Book ratios as of 7/22/2021 for top 10 publicly-held workers' compensation writers
(EIG and AMSF are the only pure play publicly traded workers' compensation writers)
(EIG based on 6/30/2021 GAAP book value)



Source: Bloomberg



Kathy Antonello

President and
Chief Executive Officer

Mike Paquette

Executive Vice
President,
Chief Financial Officer

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EMPLOYERS® and *America's small business insurance specialist*® are registered trademarks of EIG Services, Inc. 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 operates throughout the United States, with the exception of 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 the A.M. Best Company. Not all companies do business in all jurisdictions. See www.employers.com and www.cerity.com for coverage availability.

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Click on Links for Full Documents

[Financial Results and Supplement for Second Quarter Ended June 30, 2021](#)

Employers Holdings, Inc. Reports Second Quarter 2021 Results; Declares Third Quarter 2021 Cash Dividend of \$0.25 per Share

July 22, 2021 at 4:15 PM EDT
Company to Host Conference Call on Friday, July 23, 2021, at 11:00 a.m.
Eastern Daylight Time

RENO, Nev.--(BUSINESS WIRE)--Jul. 22, 2021-- Employers Holdings, Inc. (the "Company") (NYSE:EIG), 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, today reported financial results for its second quarter ended June 30, 2021.

[Form 10Q for the Second Quarter Ended June 30, 2021](#)

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the Quarterly Period Ended June 30, 2021

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from ____ to ____

Commission file number: 001-33245

EMPLOYERS HOLDINGS, INC.

(Exact name of registrant as specified in its charter)

Nevada
(State or other jurisdiction
of incorporation or organization)

04-3850065
(I.R.S. Employer
Identification Number)

10375 Professional Circle

Reno, Nevada 89521

(Address of principal executive offices and zip code)

(888) 682-6671

(Registrant's telephone number, including area code)