

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

**FORM 8-K**

**CURRENT REPORT**

**Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

**Date of report (Date of earliest event reported): October 25, 2023**

**EMPLOYERS HOLDINGS, INC.**

(Exact Name of Registrant as Specified in its Charter)

**Nevada**

(State or Other Jurisdiction of Incorporation)

**001-33245**

(Commission File Number)

**04-3850065**

(I.R.S. Employer Identification No.)

**2340 Corporate Circle, Suite 200**

**Henderson, Nevada**

(Address of Principal Executive Offices)

**89074**

(Zip Code)

Registrant's telephone number including area code: **(888) 682-6671**

**No change since last report**

(Former Name or Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, \$0.01 par value per share	EIG	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

## Section 2 – Financial Information

### Item 2.02. Results of Operations and Financial Condition.

On October 25, 2023, Employers Holdings, Inc. (the “Company”) issued a press release and financial supplement announcing results for the quarter ended September 30, 2023. The press release and financial supplement are attached hereto as Exhibits 99.1 and 99.2, respectively, and are incorporated herein by reference, and are being furnished, not filed, under Item 2.02 to this Current Report on Form 8-K.

## Section 8 – Other Information

### Item 8.01. Other Events.

On October 25, 2023, the Company’s Board of Directors declared a regular quarterly dividend of \$0.28 per share on the Company’s common stock. The dividend is payable on November 22, 2023 to stockholders of record as of November 8, 2023.

## Section 9 – Financial Statements and Exhibits

### Item 9.01. Financial Statements and Exhibits.

99.1 Employers Holdings, Inc. press release, dated October 25, 2023.

99.2 Employers Holdings, Inc. financial supplement, dated October 25, 2023.

104 Cover Page Interactive Data File - the cover page XBRL tags are embedded within the Inline XBRL document

## SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

EMPLOYERS HOLDINGS, INC.

Dated: October 25, 2023

/s/ Michael S. Paquette

Michael S. Paquette  
Executive Vice President,  
Chief Financial Officer

## Exhibit Index

<u>Exhibit No.</u>	<u>Exhibit</u>	
99.1	<a href="#">Employers Holdings, Inc. press release, dated</a>	October 25, 2023
99.2	<a href="#">Employers Holdings, Inc. financial supplement, dated</a>	October 25, 2023

**Employers Holdings, Inc. Reports Third Quarter 2023 Results;  
Declares Regular Quarterly Dividend of \$0.28 per Share****Company to Host Conference Call on Thursday, October 26, 2023, at 11:00 a.m. Eastern Daylight Time**

**Henderson, Nevada - October 25, 2023 - 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 third quarter ended September 30, 2023.

**Financial Highlights:**

(All comparisons vs. the third quarter of 2022, unless noted otherwise).

- Net income of \$14.0 million or \$0.54 per share versus \$19.1 million or \$0.70 per share;
- Adjusted net income of \$17.7 million or \$0.68 per share versus \$15.5 million or \$0.56 per share, an increase of 21% per share;
- Gross premiums written of \$196.2 million versus \$188.6 million, an increase of 4%;
- Net premiums earned of \$184.6 million versus \$178.7 million, an increase of 3%;
- Net investment income of \$25.9 million versus \$23.7 million, an increase of 9%;
- Net investment losses reflected on the income statement of \$7.1 million versus net gains of \$1.9 million;
- Ending policies in-force of 126,120, up 5%; and
- Returned \$21.7 million to stockholders through a combination of stock repurchases and regular quarterly dividends.

**Management Commentary**

Chief Executive Officer Katherine Antonello commented: "Our third quarter results are a testament to the transformational changes we are making at Employers. Wage increases, a continued strong labor market for our target businesses and our disciplined appetite expansion each contributed to higher new and renewal premiums. As a result, we ended the quarter with more than 126,000 policies in-force, a record level representing increases in each of the last thirteen consecutive quarters.

We have maintained our current accident year loss and LAE ratio on voluntary business throughout the year at 63.3%, below the 64.0% we maintained throughout 2022. As was the case in the third quarter of 2022, we did not recognize any prior year loss reserve development this quarter because: (i) a full actuarial study was not performed; and (ii) the amount of indicated net prior year loss reserve development was consistent with our expectations. We will evaluate our prior year reserves in more detail at year-end when we routinely perform a full reserve study.

Our total underwriting expenses (consisting of our commissions, underwriting and general and administrative expenses) of \$70.2 million this quarter were up \$3.0 million, or 4% from a year ago. The increase was largely driven by an increase in our variable expenses (those that fluctuate with our premium volume) and higher 2023 agency incentive accruals, which are specific to individual contracts and vary with agency growth and profitability. We remain confident that we can further reduce our total underwriting expenses, as a percentage of our earned premiums, in 2024.

We continue to actively return capital to our stockholders. Our capital management efforts this quarter consisted of \$14.4 million of share repurchases and \$7.3 million of regular quarterly dividends, and our efforts year-to-date consisted of \$61.6 million of share repurchases and \$22.0 million of regular quarterly dividends. These actions reflect our strong balance sheet, abundant underwriting capital and confidence in the Company's future operations."

## Summary of Third Quarter 2023 Results

(All comparisons vs. the third quarter of 2022, unless noted otherwise).

Gross premiums written were \$196.2 million, an increase of 4%. The increase was primarily due to higher new and renewal business writings. Net premiums earned were \$184.6 million, an increase of 3%.

Losses and loss adjustment expenses were \$114.9 million, an increase of 2%. The increase was primarily due to higher earned premiums.

Commission expenses were \$26.7 million versus \$25.3 million, an increase of 6%. The increase was primarily due to higher earned premiums and higher 2023 agency incentive accruals.

Underwriting and general and administrative expenses were \$43.5 million, an increase of 4%. The increase was primarily due to higher: (i) payroll-related expenses; and (ii) policyholder dividends and bad debt expenses, with each resulting from the increase in earned premiums.

Net investment income was \$25.9 million, an increase of 9%. The increase was due to higher bond yields, partially offset by lower invested balances of fixed maturity securities and short-term investments, as measured by amortized cost.

Net realized and unrealized gains (losses) on investments reflected on the income statement were \$(7.1) million versus \$1.9 million.

Income tax expense was \$3.4 million (19.5% effective rate) versus \$4.7 million (19.7% effective rate). The effective rates during each of the periods presented included income tax benefits and exclusions associated with tax-advantaged investment income, LPT adjustments, and deferred gain amortization.

The Company's book value per share including the deferred gain of \$39.63 increased by 4.6% during the first nine months of 2023, computed after taking into account dividends declared. This measure was unfavorably impacted by \$20.0 million of after tax unrealized losses arising from fixed maturity securities (which are reflected on the balance sheet) and was favorably impacted by \$11.0 million of net after tax unrealized gains arising from equity securities and other investments (which are reflected on the income statement). The Company's adjusted book value per share of \$45.72 increased by 6.3% during the first nine months of 2023, computed after taking into account dividends declared. This measure was favorably impacted by the net after tax unrealized gains arising from equity securities and other investments previously described.

## Summary of Results by Segment

(see page 14 of the Financial Supplement for a description of our reportable segments. All comparisons vs. the third quarter of 2022, unless noted otherwise).

### Employers Segment

Our Employers segment reported net income before income taxes of \$20.8 million versus \$26.1 million.

Highlights include the following:

- Earned premium of \$182.7 million versus \$177.9 million;
- Underwriting income of \$4.1 million versus \$3.2 million;
- Combined ratio of 97.8% versus 98.3%;
- Calendar year loss and LAE ratio of 63.2% versus 64.0%;
- Commission expense ratio of 14.6% versus 14.2%;
- Underwriting expense ratio of 20.0% versus 20.1%;
- Net investment income of \$23.4 million versus \$21.4 million; and
- Net realized and unrealized gains (losses) on investments reflected on the income statement of \$(5.9) million versus \$2.4 million.

### Cerity Segment

Our Cerity segment reported a net loss before income taxes of \$1.9 million versus \$2.4 million.

Highlights include the following:

- Earned premium of \$1.9 million versus \$0.8 million;
- Underwriting loss of \$3.1 million versus \$3.3 million;
- Net investment income of \$1.6 million versus \$1.2 million; and
- Net realized and unrealized losses on investments reflected on the income statement of \$0.4 million versus \$0.3 million.

## Corporate and Other

Corporate and Other activities reported net income (loss) before income taxes of \$(1.5) million versus \$0.1 million.

Highlights include the following:

- LPT amortization of \$1.9 million, which served to reduce losses and LAE, versus \$2.1 million;
- General and administrative expenses of \$3.4 million versus \$2.8 million.
- Net investment income of \$0.9 million versus \$1.1 million; and
- Net realized and unrealized losses on investments reflected on the income statement of \$0.8 million versus \$0.2 million.

## Fourth Quarter 2023 Dividend Declaration

Today the Board of Directors declared a regular quarterly dividend of \$0.28 per share. The dividend is payable on November 22, 2023 to stockholders of record as of November 8, 2023.

## Stock Repurchases

During the third quarter of 2023, the Company repurchased 367,209 shares of its common stock at an average price of \$38.95 per share. The Company currently has a remaining share repurchase authorization of \$36.4 million.

## Earnings Conference Call and Webcast

The Company will review these financial results via a conference call and webcast on Thursday, October 26, 2023, at 11:00 a.m. Eastern Daylight Time / 8:00 a.m. Pacific Daylight Time.

To participate in the live conference call by telephone, dial 1-877-423-9820 or 1-201-493-6749.

A live audio-only broadcast will be accessible via webcast in the [Investors](#) section of the Company's website at [www.employers.com](http://www.employers.com). An archived version of the webcast will also be accessible on the Company's website following the live call.

## Reconciliation of Non-GAAP Financial Measures to GAAP

The information in this press release should be read in conjunction with the Financial Supplement that is attached to this press release and is available on our website.

Within this earnings release 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.

## Forward-Looking Statements

In this press release, 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 the evolving nature of the COVID-19 pandemic, current levels of inflation, changes in interest rates, labor market expectations, catastrophic events or geopolitical 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 U.S. Securities and Exchange Commission (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 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® 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 Certy Insurance Company, all rated A- (Excellent) by the A.M. Best Company. Not all companies do business in all jurisdictions. See [www.employers.com](http://www.employers.com) and [www.certy.com](http://www.certy.com) for coverage availability.

## **Contact Information**

Company contact:

Mike Paquette (775) 327-2562 or [mpaquette@employers.com](mailto:mpaquette@employers.com)

Investor relations contact:

Karin Daly, The Equity Group Inc. (212) 836-9623 or [kdaly@equityny.com](mailto:kdaly@equityny.com)

**Employers Holdings, Inc.**  
Third Quarter 2023  
Financial Supplement

***EMPLOYERS***<sup>®</sup>

*America's small business insurance specialist*<sup>®</sup>

# EMPLOYERS HOLDINGS, INC.

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**EMPLOYERS HOLDINGS, INC.**  
**Consolidated Financial Highlights (unaudited)**  
**\$ in millions, except per share amounts**

	Three Months Ended			Nine Months Ended		
	September 30,			September 30,		
	2023	2022	% change	2023	2022	% change
<b>Selected financial highlights:</b>						
Gross premiums written	\$ 196.2	\$ 188.6	4 %	\$ 589.5	\$ 540.4	9 %
Net premiums written	194.5	186.8	4	584.2	535.3	9
Net premiums earned	184.6	178.7	3	534.4	494.1	8
Net investment income	25.9	23.7	9	80.3	62.8	28
Net income (loss) before impact of the LPT <sup>(1)</sup>	12.1	17.0	(29)	66.6	(5.0)	n/m
Adjusted net income <sup>(1)</sup>	17.7	15.5	14	65.6	46.7	40
Net income (loss) before income taxes	17.4	23.8	(27)	90.3	(0.1)	n/m
Net Income	14.0	19.1	(27)	72.5	1.3	n/m
Total Comprehensive (loss) income	(12.1)	(45.1)	73	54.8	(218.2)	125
Total assets				3,527.0	3,708.7	(5)
Stockholders' equity				919.0	919.0	—
Stockholders' equity including the Deferred Gain <sup>(2)</sup>				1,019.2	1,027.1	(1)
Adjusted stockholders' equity <sup>(2)</sup>				1,175.8	1,186.0	(1)
Annualized adjusted return on stockholders' equity <sup>(3)</sup>	6.0 %	5.2 %	15 %	7.4 %	5.1 %	45 %
<b>Amounts per share:</b>						
Cash dividends declared per share	\$ 0.28	\$ 0.26	8 %	\$ 0.82	\$ 1.77	(54)%
Earnings per diluted share <sup>(4)</sup>	0.54	0.70	(23)	2.71	0.05	n/m
Earnings (loss) per diluted share before impact of the LPT <sup>(4)</sup>	0.46	0.62	(26)	2.49	(0.18)	n/m
Adjusted earnings per diluted share <sup>(4)</sup>	0.68	0.56	21	2.45	1.69	45
Book value per share <sup>(2)</sup>				35.73	33.79	6
Book value per share including the Deferred Gain <sup>(2)</sup>				39.63	37.77	5
Adjusted book value per share <sup>(2)</sup>				45.72	43.61	5
<b>Financial information by Segment<sup>(5)</sup>:</b>						
Net income (loss) before income taxes						
Employers	\$ 20.8	\$ 26.1	(20)%	\$ 97.5	\$ 16.5	491
Cerity	(1.9)	(2.4)	21	(5.7)	(8.2)	30
Corporate and Other	(1.5)	0.1	n/m	(1.5)	(8.4)	82

n/m - not meaningful

(1) See Page 3 for calculations and Page 13 for information regarding our use of Non-GAAP Financial Measures.

(2) See Page 11 for calculations and Page 13 for information regarding our use of Non-GAAP Financial Measures.

(3) See Page 8 for calculations and Page 13 for information regarding our use of Non-GAAP Financial Measures.

(4) See Page 12 for description and calculations and Page 13 for information regarding our use of Non-GAAP Financial Measures.

(5) See Pages 4-7 for details and Page 14 for a description of our reportable segments.

**EMPLOYERS HOLDINGS, INC.**  
**Summary Consolidated Balance Sheets (unaudited)**  
**\$ in millions, except per share amounts**

	September 30, 2023	December 31, 2022
<b>ASSETS</b>		
Investments, cash and cash equivalents	\$ 2,442.9	\$ 2,658.2
Accrued investment income	18.5	19.0
Premiums receivable, net	363.3	305.9
Reinsurance recoverable, net of allowance, on paid and unpaid losses and LAE	437.2	451.3
Deferred policy acquisition costs	57.1	48.3
Deferred income tax asset, net	64.2	62.7
Contingent commission receivable—LPT Agreement	13.9	13.9
Other assets	129.9	157.4
Total assets	<u>\$ 3,527.0</u>	<u>\$ 3,716.7</u>
<b>LIABILITIES</b>		
Unpaid losses and LAE	\$ 1,913.4	\$ 1,960.7
Unearned premiums	387.0	339.5
Commissions and premium taxes payable	62.8	58.2
Deferred Gain	100.2	106.1
FHLB Advances <sup>(1)</sup>	40.4	182.5
Other liabilities	104.2	125.5
Total liabilities	<u>\$ 2,608.0</u>	<u>\$ 2,772.5</u>
<b>STOCKHOLDERS' EQUITY</b>		
Common stock and additional paid-in capital	\$ 418.8	\$ 415.2
Retained earnings	1,346.1	1,295.6
Accumulated other comprehensive loss	(156.6)	(138.9)
Treasury stock, at cost	(689.3)	(627.7)
Total stockholders' equity	<u>919.0</u>	<u>944.2</u>
Total liabilities and stockholders' equity	<u>\$ 3,527.0</u>	<u>\$ 3,716.7</u>
Stockholders' equity including the Deferred Gain <sup>(2)</sup>	\$ 1,019.2	\$ 1,050.3
Adjusted stockholders' equity <sup>(2)</sup>	1,175.8	1,189.2
Book value per share <sup>(2)</sup>	\$ 35.73	\$ 34.76
Book value per share including the Deferred Gain <sup>(2)</sup>	39.63	38.67
Adjusted book value per share <sup>(2)</sup>	45.72	43.78

(1) FHLB=Federal Home Loan Bank

(2) See Page 11 for calculations and Page 13 for information regarding our use of Non-GAAP Financial Measures.

**EMPLOYERS HOLDINGS, INC.**  
**Summary Consolidated Income Statements (unaudited)**  
**\$ in millions**

	<b>Three Months Ended</b>		<b>Nine Months Ended</b>	
	<b>September 30,</b>		<b>September 30,</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
<b>Revenues:</b>				
Net premiums earned	\$ 184.6	\$ 178.7	\$ 534.4	\$ 494.1
Net investment income	25.9	23.7	80.3	62.8
Net realized and unrealized gains (losses) on investments <sup>(1)</sup>	(7.1)	1.9	10.7	(65.5)
Other income (loss)	0.1	0.1	(0.2)	0.3
<b>Total revenues</b>	<b>203.5</b>	<b>204.4</b>	<b>625.2</b>	<b>491.7</b>
<b>Expenses:</b>				
Losses and LAE incurred	(114.9)	(112.3)	(312.8)	(299.7)
Commission expense	(26.7)	(25.3)	(73.8)	(69.9)
Underwriting and general and administrative expenses	(43.5)	(41.9)	(133.7)	(120.6)
Interest and financing expenses	(1.0)	(1.1)	(5.2)	(1.6)
Other expenses	—	—	(9.4)	—
<b>Total expenses</b>	<b>(186.1)</b>	<b>(180.6)</b>	<b>(534.9)</b>	<b>(491.8)</b>
Net income (loss) before income taxes	17.4	23.8	90.3	(0.1)
Income tax (expense) benefit	(3.4)	(4.7)	(17.8)	1.4
<b>Net Income</b>	<b>14.0</b>	<b>19.1</b>	<b>72.5</b>	<b>1.3</b>
Unrealized AFS investment losses arising during the period, net of tax <sup>(2)</sup>	(27.0)	(60.3)	(20.0)	(222.2)
Reclassification adjustment for net realized AFS investment losses (gains) in net income, net of tax <sup>(2)</sup>	0.9	(3.9)	2.3	2.7
<b>Total comprehensive (loss) income</b>	<b>\$ (12.1)</b>	<b>\$ (45.1)</b>	<b>\$ 54.8</b>	<b>\$ (218.2)</b>
<b>Net Income</b>	<b>\$ 14.0</b>	<b>\$ 19.1</b>	<b>\$ 72.5</b>	<b>\$ 1.3</b>
Amortization of the Deferred Gain - losses	(1.5)	(1.7)	(4.7)	(5.1)
Amortization of the Deferred Gain - contingent commission	(0.4)	(0.4)	(1.2)	(1.2)
<b>Net income (loss) before impact of the LPT Agreement<sup>(3)</sup></b>	<b>12.1</b>	<b>17.0</b>	<b>66.6</b>	<b>(5.0)</b>
Net realized and unrealized losses (gains) on investments	7.1	(1.9)	(10.7)	65.5
Lease termination and asset impairment charges	—	—	9.4	—
Income tax expense (benefit) related to items excluded from Net income or loss	(1.5)	0.4	0.3	(13.8)
<b>Adjusted net income</b>	<b>\$ 17.7</b>	<b>\$ 15.5</b>	<b>\$ 65.6</b>	<b>\$ 46.7</b>

(1) Includes net realized and unrealized (losses) gains on equity securities and other investments of \$(5.9) million and \$(3.1) million for the three months ended September 30, 2023 and 2022, respectively, and \$13.6 million and \$(62.1) million for the nine months ended September 30, 2023 and 2022, respectively.

(2) AFS = Available for Sale securities.

(3) See Page 13 regarding our use of Non-GAAP Financial Measures.

**EMPLOYERS HOLDINGS, INC.**  
**Net Income (Loss) Before Income Taxes by Segment <sup>(1)</sup> (unaudited)**  
**\$ in millions**

	<u>Employers</u>	<u>Cerity</u>	<u>Corporate and Other</u>	<u>Consolidated</u>
<b>Three Months Ended September 30, 2023</b>				
Gross premiums written	\$ 194.0	\$ 2.2	\$ —	\$ 196.2
Net premiums written	192.3	2.2	—	194.5
Net premiums earned	<b>A</b> 182.7	1.9	—	184.6
Net investment income	23.4	1.6	0.9	25.9
Net realized and unrealized losses on investments	(5.9)	(0.4)	(0.8)	(7.1)
Other income	0.1	—	—	0.1
Total revenues	<u>200.3</u>	<u>3.1</u>	<u>0.1</u>	<u>203.5</u>
Losses and LAE incurred <sup>(2)</sup>	<b>B</b> (115.5)	(1.3)	1.9	(114.9)
Commission expense	<b>C</b> (26.6)	(0.1)	—	(26.7)
Underwriting and general and administrative expenses	<b>D</b> (36.5)	(3.6)	(3.4)	(43.5)
Interest and financing expenses	(0.9)	—	(0.1)	(1.0)
Other expenses	—	—	—	—
Total expenses	<u>(179.5)</u>	<u>(5.0)</u>	<u>(1.6)</u>	<u>(186.1)</u>
<b>Net income (loss) before income taxes</b>	<u>\$ 20.8</u>	<u>\$ (1.9)</u>	<u>\$ (1.5)</u>	<u>\$ 17.4</u>
<b>Underwriting income (loss)</b>	<b>A+B+C+D</b> 4.1	(3.1)		
Loss and LAE expense ratio:				
Current year	63.3 %	n/m		
Prior years	(0.1)	—		
Loss and LAE ratio	<u>63.2</u>	<u>n/m</u>		
Commission expense ratio	14.6	n/m		
Underwriting expense ratio	<u>20.0</u>	<u>n/m</u>		
<b>Combined ratio</b>	<u>97.8 %</u>	<u>n/m</u>		

n/m - not meaningful

(1) See Page 14 for a description of our reportable segments

(2) Losses and LAE in Corporate and Other represent the impact of the LPT Agreement

**EMPLOYERS HOLDINGS, INC.**  
**Net Income (Loss) Before Income Taxes by Segment <sup>(1)</sup> (unaudited)**  
**\$ in millions**

	<u>Employers</u>	<u>Cerity</u>	<u>Corporate and Other</u>	<u>Consolidated</u>
<b>Three Months Ended September 30, 2022</b>				
Gross premiums written	\$ 187.1	\$ 1.5	\$ —	\$ 188.6
Net premiums written	185.3	1.5	—	186.8
Net premiums earned	<b>A</b> 177.9	0.8	—	178.7
Net investment income	21.4	1.2	1.1	23.7
Net realized and unrealized gains (losses) on investments	2.4	(0.3)	(0.2)	1.9
Other income	0.1	—	—	0.1
Total revenues	<u>201.8</u>	<u>1.7</u>	<u>0.9</u>	<u>204.4</u>
Losses and LAE incurred <sup>(2)</sup>	<b>B</b> (113.8)	(0.6)	2.1	(112.3)
Commission expense	<b>C</b> (25.2)	(0.1)	—	(25.3)
Underwriting and general and administrative expenses	<b>D</b> (35.7)	(3.4)	(2.8)	(41.9)
Interest and financing expenses	(1.0)	—	(0.1)	(1.1)
Total expenses	<u>(175.7)</u>	<u>(4.1)</u>	<u>(0.8)</u>	<u>(180.6)</u>
<b>Net income (loss) before income taxes</b>	<b>\$ 26.1</b>	<b>\$ (2.4)</b>	<b>\$ 0.1</b>	<b>\$ 23.8</b>
<b>Underwriting income (loss)</b>	<b>A+B+C+D \$ 3.2</b>	<b>\$ (3.3)</b>		
Loss and LAE expense ratio:				
Current year	64.1 %	n/m		
Prior years	<u>(0.1)</u>	<u>—</u>		
Loss and LAE ratio	64.0	n/m		
Commission expense ratio	14.2	n/m		
Underwriting expense ratio	20.1	n/m		
<b>Combined ratio</b>	<u>98.3 %</u>	<u>n/m</u>		

n/m - not meaningful

(1) See Page 14 for a description of our reportable segments

(2) Losses and LAE in Corporate and Other represent the impact of the LPT Agreement

**EMPLOYERS HOLDINGS, INC.**  
**Net Income (Loss) Before Income Taxes by Segment <sup>(1)</sup> (unaudited)**  
**\$ in millions**

	<u>Employers</u>	<u>Cerity</u>	<u>Corporate and Other</u>	<u>Consolidated</u>
<b>Nine Months Ended September 30, 2023</b>				
Gross premiums written	\$ 584.4	\$ 5.1	\$ —	\$ 589.5
Net premiums written	579.1	5.1	—	584.2
Net premiums earned	<b>A</b> 529.5	4.9	—	534.4
Net investment income	72.3	5.0	3.0	80.3
Net realized and unrealized gains (losses) on investments	11.1	(0.2)	(0.2)	10.7
Other (loss) income	(0.2)	—	—	(0.2)
Total revenues	<u>612.7</u>	<u>9.7</u>	<u>2.8</u>	<u>625.2</u>
Losses and LAE incurred <sup>(2)</sup>	<b>B</b> (315.5)	(3.2)	5.9	(312.8)
Commission expense	<b>C</b> (73.6)	(0.2)	—	(73.8)
Underwriting and general and administrative expenses	<b>D</b> (111.8)	(12.0)	(9.9)	(133.7)
Interest and financing expenses	(4.9)	—	(0.3)	(5.2)
Other expenses	(9.4)	—	—	(9.4)
Total expenses	<u>(515.2)</u>	<u>(15.4)</u>	<u>(4.3)</u>	<u>(534.9)</u>
<b>Net income (loss) before income taxes</b>	<u>\$ 97.5</u>	<u>\$ (5.7)</u>	<u>\$ (1.5)</u>	<u>\$ 90.3</u>
<b>Underwriting income (loss)</b>	<b>A+B+C+D</b> 28.6	(10.5)		
Loss and LAE expense ratio:				
Current year	63.4 %	n/m		
Prior years	(3.8)	—		
Loss and LAE ratio	<u>59.6</u>	<u>n/m</u>		
Commission expense ratio	13.9	n/m		
Underwriting expense ratio	<u>21.1</u>	<u>n/m</u>		
<b>Combined ratio</b>	<u>94.6 %</u>	<u>n/m</u>		

n/m - not meaningful

(1) See Page 14 for a description of our reportable segments

(2) Losses and LAE in Corporate and Other represent the impact of the LPT Agreement

**EMPLOYERS HOLDINGS, INC.**  
**Net Income Before Income Taxes by Segment <sup>(1)</sup> (unaudited)**  
**\$ in millions**

	<u>Employers</u>	<u>Cerity</u>	<u>Corporate and Other</u>	<u>Consolidated</u>
<b>Nine Months Ended September 30, 2022</b>				
Gross premiums written	\$ 536.8	\$ 3.6	\$ —	\$ 540.4
Net premiums written	531.7	3.6	—	535.3
Net premiums earned	<b>A</b> 492.1	2.0	—	494.1
Net investment income	57.7	2.7	2.4	62.8
Net realized and unrealized losses on investments	(56.0)	(1.6)	(7.9)	(65.5)
Other income	0.3	—	—	0.3
<b>Total revenues</b>	<b>494.1</b>	<b>3.1</b>	<b>(5.5)</b>	<b>491.7</b>
Losses and LAE incurred <sup>(2)</sup>	<b>B</b> (304.7)	(1.3)	6.3	(299.7)
Commission expense	<b>C</b> (69.8)	(0.1)	—	(69.9)
Underwriting and general and administrative expenses	<b>D</b> (101.8)	(9.9)	(8.9)	(120.6)
Interest and financing expenses	(1.3)	—	(0.3)	(1.6)
<b>Total expenses</b>	<b>(477.6)</b>	<b>(11.3)</b>	<b>(2.9)</b>	<b>(491.8)</b>
<b>Net income (loss) before income taxes</b>	<b>\$ 16.5</b>	<b>\$ (8.2)</b>	<b>\$ (8.4)</b>	<b>\$ (0.1)</b>
<b>Underwriting income (loss)</b>	<b>A+B+C+D</b> \$ 15.8	<b>\$ (9.3)</b>		
Loss and LAE expense ratio:				
Current year	64.0 %	n/m		
Prior years	(2.1)	—		
Loss and LAE ratio	61.9	n/m		
Commission expense ratio	14.2	n/m		
Underwriting expense ratio	20.7	n/m		
<b>Combined ratio</b>	<b>96.8 %</b>	<b>n/m</b>		

n/m - not meaningful

(1) See Page 14 for a description of our reportable segments

(2) Losses and LAE in Corporate and Other represent the impact of the LPT Agreement

**EMPLOYERS HOLDINGS, INC.**  
**Return on Equity (unaudited)**  
**\$ in millions**

		Three Months Ended September 30,		Nine Months Ended September 30,	
		2023	2022	2023	2022
<b>Net income</b>	<b>A</b>	\$ 14.0	\$ 19.1	\$ 72.5	\$ 1.3
Impact of the LPT Agreement		(1.9)	(2.1)	(5.9)	(6.3)
Net realized and unrealized (gains) losses on investments		7.1	(1.9)	(10.7)	65.5
Lease termination and asset impairment charges		—	—	9.4	—
Income tax expense (benefit) related to items excluded from Net income		(1.5)	0.4	0.3	(13.8)
<b>Adjusted net income <sup>(1)</sup></b>	<b>B</b>	17.7	15.5	65.6	46.7
Stockholders' equity - end of period		\$ 919.0	\$ 919.0	\$ 919.0	\$ 919.0
Stockholders' equity - beginning of period		951.7	977.5	944.2	1,213.1
<b>Average stockholders' equity</b>	<b>C</b>	935.4	948.3	931.6	1,066.1
Stockholders' equity - end of period		\$ 919.0	\$ 919.0	\$ 919.0	\$ 919.0
Deferred Gain - end of period		100.2	108.1	100.2	108.1
Accumulated other comprehensive loss - end of period		198.2	201.1	198.2	201.1
Income taxes related to accumulated other comprehensive loss - end of period		(41.6)	(42.2)	(41.6)	(42.2)
Adjusted stockholders' equity - end of period		1,175.8	1,186.0	1,175.8	1,186.0
Adjusted stockholders' equity - beginning of period		1,184.3	1,182.4	1,189.2	1,266.9
<b>Average adjusted stockholders' equity <sup>(1)</sup></b>	<b>D</b>	1,180.1	1,184.2	1,182.5	1,226.5
Return on stockholders' equity	<b>A / C</b>	1.5 %	2.0 %	7.8 %	0.1 %
<b>Annualized return on stockholders' equity</b>		6.0	8.1	10.4	0.2
Adjusted return on stockholders' equity <sup>(1)</sup>	<b>B / D</b>	1.5 %	1.3 %	5.5 %	3.8 %
<b>Annualized adjusted return on stockholders' equity <sup>(1)</sup></b>		6.0	5.2	7.4	5.1

(1) See Page 13 for information regarding our use of Non-GAAP Financial Measures.



**EMPLOYERS HOLDINGS, INC.**  
**Roll-forward of Unpaid Losses and LAE (unaudited)**  
**\$ in millions**

	<b>Three Months Ended</b>		<b>Nine Months Ended</b>	
	<b>September 30,</b>		<b>September 30,</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
Unpaid losses and LAE at beginning of period	\$ 1,927.2	\$ 1,972.8	\$ 1,960.7	\$ 1,981.2
Reinsurance recoverable, excluding CECL allowance, on unpaid losses and LAE	436.2	462.4	445.4	476.9
Net unpaid losses and LAE at beginning of period	<u>1,491.0</u>	<u>1,510.4</u>	<u>1,515.3</u>	<u>1,504.3</u>
Losses and LAE incurred:				
Current year losses	116.9	114.6	338.7	316.3
Prior year losses on voluntary business	—	—	(20.0)	(9.6)
Prior year losses on involuntary business	(0.1)	(0.3)	—	(0.7)
Total losses incurred	<u>116.8</u>	<u>114.3</u>	<u>318.7</u>	<u>306.0</u>
Losses and LAE paid:				
Current year losses	32.0	27.3	64.1	50.4
Prior year losses	89.0	73.9	283.1	236.4
Total paid losses	<u>121.0</u>	<u>101.2</u>	<u>347.2</u>	<u>286.8</u>
Net unpaid losses and LAE at end of period	<u>1,486.8</u>	<u>1,523.5</u>	<u>1,486.8</u>	<u>1,523.5</u>
Reinsurance recoverable, excluding CECL allowance, on unpaid losses and LAE	426.6	456.4	426.6	456.4
Unpaid losses and LAE at end of period	<u>\$ 1,913.4</u>	<u>\$ 1,979.9</u>	<u>\$ 1,913.4</u>	<u>\$ 1,979.9</u>

Total losses and LAE shown in the above table exclude amortization of the Deferred Gain, which totaled \$1.9 million and \$2.1 million for the three months ended September 30, 2023 and 2022, respectively, and \$5.9 million and \$6.3 million for the nine months ended September 30, 2023 and 2022, respectively.

**EMPLOYERS HOLDINGS, INC.**  
**Consolidated Investment Portfolio (unaudited)**  
**\$ in millions**

	September 30, 2023				December 31, 2022	
	Cost or Amortized Cost <sup>(1)</sup>	Net Unrealized Gain (Loss)	Fair Value	%	Fair Value	%
<b>Investment Positions:</b>						
Fixed maturity securities	\$ 2,198.6	\$ (198.2)	\$ 1,997.2	82 %	\$ 2,186.3	82 %
Equity securities	132.3	66.7	199.0	8	203.7	8
Short-term investments	46.8	—	46.8	2	119.1	4
Other invested assets	81.1	9.8	90.9	4	59.7	2
Cash and cash equivalents	108.8	—	108.8	4	89.2	3
Restricted cash and cash equivalents	0.2	—	0.2	—	0.2	—
Total investments and cash	<u>\$ 2,567.8</u>	<u>\$ (121.7)</u>	<u>\$ 2,442.9</u>	<u>100 %</u>	<u>\$ 2,658.2</u>	<u>100 %</u>
<b>Breakout of Fixed Maturity Securities:</b>						
U.S. Treasuries and agencies	\$ 101.1	\$ (4.9)	\$ 96.2	5 %	\$ 92.9	4 %
States and municipalities	240.8	(12.6)	228.2	11	317.6	15
Corporate securities	1,023.9	(103.4)	917.9	46	868.1	40
Mortgage-backed securities	465.8	(65.7)	400.1	20	415.3	19
Asset-backed securities	113.6	(6.8)	106.8	5	66.1	3
Collateralized loan obligations	127.8	(1.2)	126.6	6	260.9	12
Bank loans and other	125.6	(3.6)	121.4	6	165.4	8
Total fixed maturity securities	<u>\$ 2,198.6</u>	<u>\$ (198.2)</u>	<u>\$ 1,997.2</u>	<u>100 %</u>	<u>\$ 2,186.3</u>	<u>100 %</u>
Weighted average book yield			4.1%		3.9%	
Average credit quality (S&P)			A+		A	
Duration			4.4		3.9	

(1) Amortized cost excludes allowance for current expected credit losses (CECL) of \$3.2 million.

**EMPLOYERS HOLDINGS, INC.**  
**Book Value Per Share (unaudited)**  
**\$ in millions, except per share amounts**

		September 30, 2023	June 30, 2023	December 31, 2022	September 30, 2022
<b>Numerators:</b>					
<b>Stockholders' equity</b>	<b>A</b>	\$ 919.0	\$ 951.7	\$ 944.2	\$ 919.0
Plus: Deferred Gain		100.2	102.1	106.1	108.1
<b>Stockholders' equity including the Deferred Gain <sup>(1)</sup></b>	<b>B</b>	1,019.2	1,053.8	1,050.3	1,027.1
Accumulated other comprehensive loss		198.2	165.2	175.8	201.1
Income taxes related to accumulated other comprehensive loss		(41.6)	(34.7)	(36.9)	(42.2)
<b>Adjusted stockholders' equity <sup>(1)</sup></b>	<b>C</b>	<u>\$ 1,175.8</u>	<u>\$ 1,184.3</u>	<u>\$ 1,189.2</u>	<u>\$ 1,186.0</u>
<b>Denominator (shares outstanding)</b>	<b>D</b>	25,719,074	26,078,813	27,160,748	27,196,333
Book value per share <sup>(1)</sup>	<b>A / D</b>	\$ 35.73	\$ 36.49	\$ 34.76	\$ 33.79
Book value per share including the Deferred Gain <sup>(1)</sup>	<b>B / D</b>	39.63	40.41	38.67	37.77
Adjusted book value per share <sup>(1)</sup>	<b>C / D</b>	45.72	45.41	43.78	43.61
<b>YTD Change in: <sup>(2)</sup></b>					
Book value per share		5.1 %			(18.7)%
Book value per share including the Deferred Gain		4.6			(17.4)
Adjusted book value per share		6.3			(0.6)

(1) See Page 13 for information regarding our use of Non-GAAP Financial Measures.

(2) Reflects the change in book value per share after taking into account dividends declared of \$0.82 and \$1.77 for the nine months ended September 30, 2023 and 2022, respectively.

**EMPLOYERS HOLDINGS, INC.**  
**Earnings Per Share (unaudited)**  
**\$ in millions, except per share amounts**

		Three Months Ended September 30,		Nine Months Ended September 30,	
		2023	2022	2023	2022
<b>Numerators:</b>					
<b>Net income</b>	<b>A</b>	\$ 14.0	\$ 19.1	\$ 72.5	\$ 1.3
Impact of the LPT Agreement		(1.9)	(2.1)	(5.9)	(6.3)
<b>Net income (loss) before impact of the LPT <sup>(1)</sup></b>	<b>B</b>	12.1	17.0	66.6	(5.0)
Net realized and unrealized (gains) losses on investments		7.1	(1.9)	(10.7)	65.5
Lease termination and asset impairment charges		—	—	9.4	—
Income tax expense (benefit) related to items excluded from Net income		(1.5)	0.4	0.3	(13.8)
<b>Adjusted net income <sup>(1)</sup></b>	<b>C</b>	\$ 17.7	\$ 15.5	\$ 65.6	\$ 46.7
<b>Denominators:</b>					
Average common shares outstanding (basic)	<b>D</b>	25,981,984	27,312,409	26,612,443	27,504,566
Average common shares outstanding (diluted)	<b>E</b>	26,118,280	27,436,428	26,767,056	27,681,666
<b>Earnings per share:</b>					
Basic	<b>A / D</b>	\$ 0.54	\$ 0.70	\$ 2.72	\$ 0.05
Diluted	<b>A / E</b>	0.54	0.70	2.71	0.05
<b>Earnings (loss) per share before impact of the LPT: <sup>(1)</sup></b>					
Basic	<b>B / D</b>	\$ 0.47	\$ 0.62	\$ 2.50	\$ (0.18)
Diluted <sup>(2)</sup>	<b>B / E</b>	0.46	0.62	2.49	(0.18)
<b>Adjusted earnings per share: <sup>(1)</sup></b>					
Basic	<b>C / D</b>	\$ 0.68	\$ 0.57	\$ 2.47	\$ 1.70
Diluted	<b>C / E</b>	0.68	0.56	2.45	1.69

(1) See Page 13 for information regarding our use of Non-GAAP Financial Measures.

(2) Outstanding common share equivalents are not considered in the Company's diluted earnings (loss) per share computations in any period that involves a net loss.

## **Non-GAAP Financial Measures**

Within this earnings release we present the following measures, each of which are "non-GAAP financial measures." A reconciliation of these measures to the Company's most directly comparable GAAP financial measures is included herein. 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.

**The LPT Agreement** is a non-recurring transaction that does not result in ongoing cash benefits to the Company. Management believes that providing non-GAAP measures that exclude the effects of the LPT Agreement (amortization of deferred reinsurance gain, adjustments to LPT Agreement ceded reserves and adjustments to contingent commission receivable) is useful in providing investors, analysts and other interested parties a meaningful understanding of the Company's ongoing underwriting performance.

**Deferred reinsurance gain (Deferred Gain)** reflects the unamortized gain from the LPT Agreement. This gain has been deferred and is being amortized using the recovery method, whereby the amortization is determined by the proportion of actual reinsurance recoveries to total estimated recoveries, except for the contingent profit commission, which is being amortized through June 30, 2024. Amortization is reflected in losses and LAE incurred.

**Adjusted net income** (see Page 3 for calculations) is net income excluding the effects of the LPT Agreement, and net realized and unrealized gains and losses on investments (net of tax), and any miscellaneous non-recurring transactions (net of tax). Management believes that providing this non-GAAP measure is helpful to investors, analysts and other interested parties in identifying trends in the Company's operating performance because such items have limited significance to its ongoing operations or can be impacted by both discretionary and other economic factors and may not represent operating trends.

**Stockholders' equity including the Deferred Gain** (see Page 11 for calculations) is stockholders' equity including the Deferred Gain. Management believes that providing this non-GAAP measure is useful in providing investors, analysts and other interested parties a meaningful measure of the Company's total underwriting capital.

**Adjusted stockholders' equity** (see Page 11 for calculations) is stockholders' equity including the Deferred Gain, less accumulated other comprehensive income (net of tax). Management believes that providing this non-GAAP measure is useful to investors, analysts and other interested parties since it serves as the denominator to the Company's adjusted return on stockholders' equity metric.

**Return on stockholders' equity and Adjusted return on stockholders' equity** (see Page 8 for calculations). Management believes that these profitability measures are widely used by our investors, analysts and other interested parties.

**Book value per share, Book value per share including the Deferred Gain, and Adjusted book value per share** (see Page 11 for calculations). Management believes that these valuation measures are widely used by our investors, analysts and other interested parties.

**Net income before impact of the LPT** (see Page 3 for calculations). Management believes that these performance and underwriting measures are widely used by our investors, analysts and other interested parties.

### **Description of Reportable Segments**

The Company has determined that it has two reportable segments: Employers and Cerity. Each of these segments represents a separate and distinct distribution channel through which the Company conducts insurance business.

The nature and composition of each reportable segment and its Corporate and Other activities are as follows:

- The Employers segment represents the traditional business offered through the EMPLOYERS brand name (Employers) through its agents, including business originated from its strategic partnerships and alliances;
- The Cerity segment represents the as business offered under the Cerity brand name, which includes the Company's direct-to-customer business; and
- Corporate and Other activities consist of those holding company expenses that are not considered to be underwriting in nature, the financial impact of the LPT Agreement and legacy (pre-acquisition) business assumed and ceded by Cerity Insurance Company. These expenses are not considered to be part of a reportable segment and are not otherwise allocated to a reportable segment.