

A smiling man with a mustache, wearing a light-colored polo shirt and a dark blue apron, is holding a clipboard and a pen. He is standing in a retail environment, possibly a clothing store, with racks of clothes and a computer monitor visible in the background. The scene is brightly lit, suggesting a window or large door in the background. The overall tone is positive and professional.

EMPLOYERS[®]

America's small business insurance specialist.[®]

**INVESTOR
PRESENTATION**

MARCH 2022

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).

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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.

Coronavirus (COVID-19) Impacts *(excerpt from the Company's Form 10-K)*

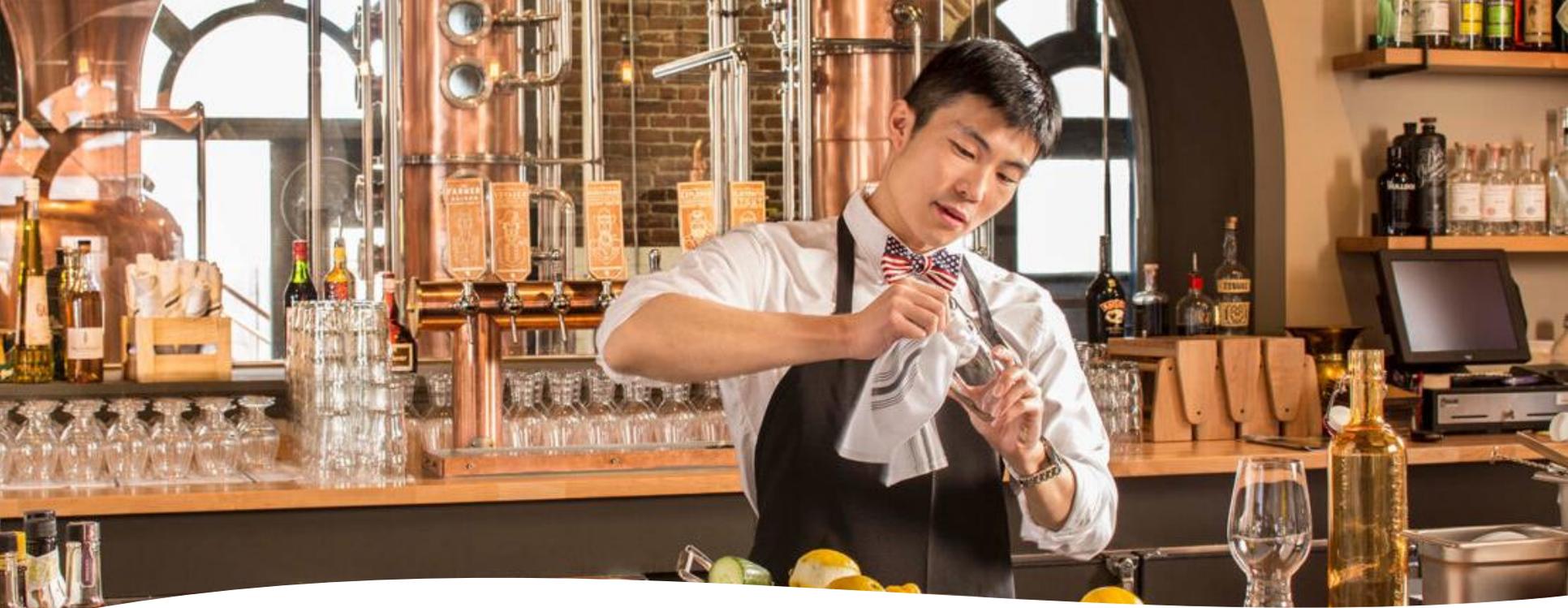
The COVID-19 pandemic has caused a reduction in business activity, widespread unemployment, supply chain interruptions, and overall economic instability. All states, including California, where we generated 45% of our in-force premiums as of December 31, 2021, have, in recent times, imposed various restrictions on business operations and social gatherings. Certain classes of business that we insure, especially those related to the restaurant and hospitality industries, continue to be affected by these restrictions related to the COVID-19 pandemic. Further, employee shortages and inflationary pressures may exacerbate and prolong the negative impact of the COVID-19 pandemic on these businesses. The impact of these disruptions and the extent of their potential impacts on our future results of operations will be dictated by the length of time that such disruptions continue, which will depend on the currently unknown duration and severity of the impacts caused by the COVID-19 pandemic and its variants.

While new business premium production did not meet our expectations during the first half of 2021, our renewal business remained strong throughout 2021. However, we remain encouraged by the consistent rebound we have experienced since then. We ended the year 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 vaccination efforts 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 and are made periodically through mid-term endorsements and/or premium audits. We increased our final audit premium accruals by \$12.3 million, for the year ended December 31, 2021, as our payroll exposure improved with the labor market strengthening.

We have largely remained in work-from-home mode since we closed our buildings to employees and the general public in March 2020, and we remain fully functional while working in this manner.

Despite widespread reopening of businesses and ongoing vaccination efforts, 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 at this time. Additional information regarding risks and uncertainties related to the COVID-19 pandemic to our business, financial condition, and results of operations are set forth in Part I, Item 1A on our Form 10-K for the year ended December 31, 2021.



EMPLOYERS®

Overview

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

MARKETS AND DISTRIBUTION

\$590 Million Gross Written Premium 2021

Low Hazard Focus

Shown as a percentage of in-force premium

97%

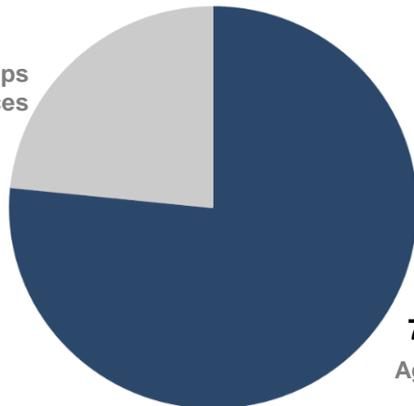
NCCI low to medium (hazard groups A-D)

3%

in NCCI higher (hazard groups E-G)

Premium Contribution

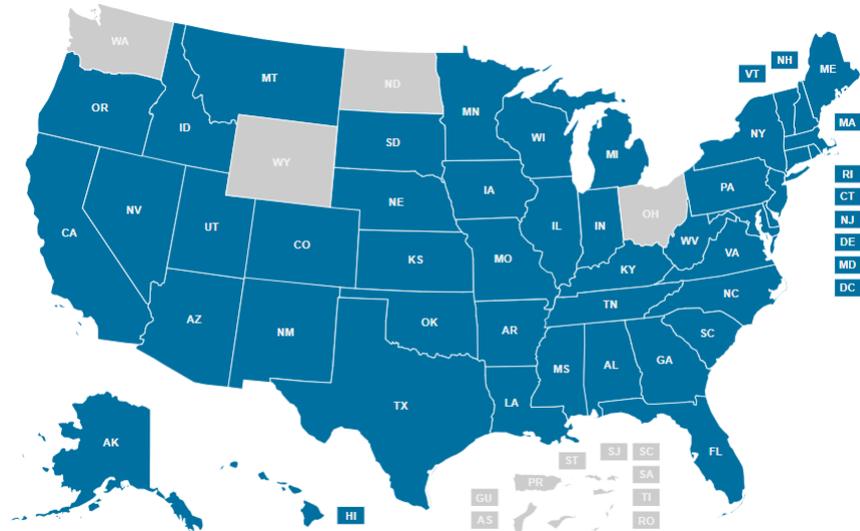
28%
Partnerships and Alliances



72%
Agents

111,350 in-force policies at 12/31/2021
\$5,131 average policy size

Nationwide Platform



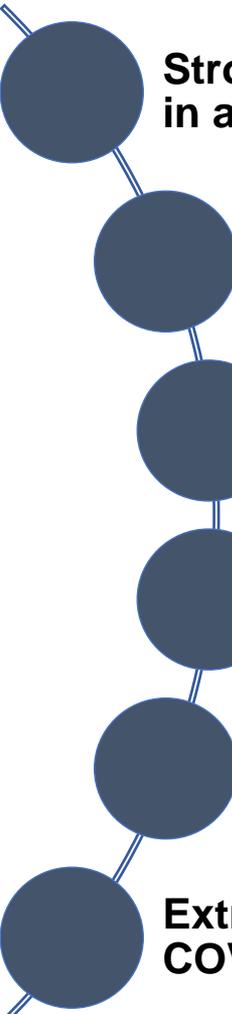


America's small business insurance specialist.®



Top Ten Employer Classifications		% of Premium	Classes of Business	
Restaurants & Other Eating Places	21.1%	✓ Food & Beverage	✓ Clothing retail	
Traveler Accommodation	7.3%	✓ Tech and Scientific services	✓ Personal product retail	
Automobile Dealers	4.5%	✓ Legal and Financial services	✓ Medical professions	
Automotive Repair and Maintenance	4.2%	✓ Hospitality	✓ Architecture and Engineering services	
Offices of Physicians	3.7%	✓ Printing and Publishing	✓ Office, Home and Garden	
Real Estate Management	3.3%	✓ Retail	✓ Therapeutic Services	
Services to Buildings and Dwellings	3.1%	✓ Educational	✓ Low-risk contractors	
Schools	3.0%	✓ Personal Services	✓ Commercial janitorial	
Other Store Retailers	2.6%			
Wholesale Stores	2.6%			

Employers and Cerity each plan to expand into other low hazard group classes of business in the future



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 to further capitalize on post COVID-19 economic recovery

UNIQUE GROWTH OPPORUTUNITIES 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) developing digital insurance solutions, including direct-to-customer workers' compensation coverage.

The Workers' Compensation Market

Workers' compensation provides insurance coverage for the statutorily prescribed benefits that employers are required to provide to their employees who may be injured or suffer illness in the course of employment. The level of benefits varies by state, the nature and severity of the injury or disease, and the wages of the injured worker.

2020 Rank	Company	2020 Direct Premiums Written (ALL LINES)	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%	
22	CopperPoint Insurance Companies	668,784	569,547	85%	
23	Pinnacle 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%	

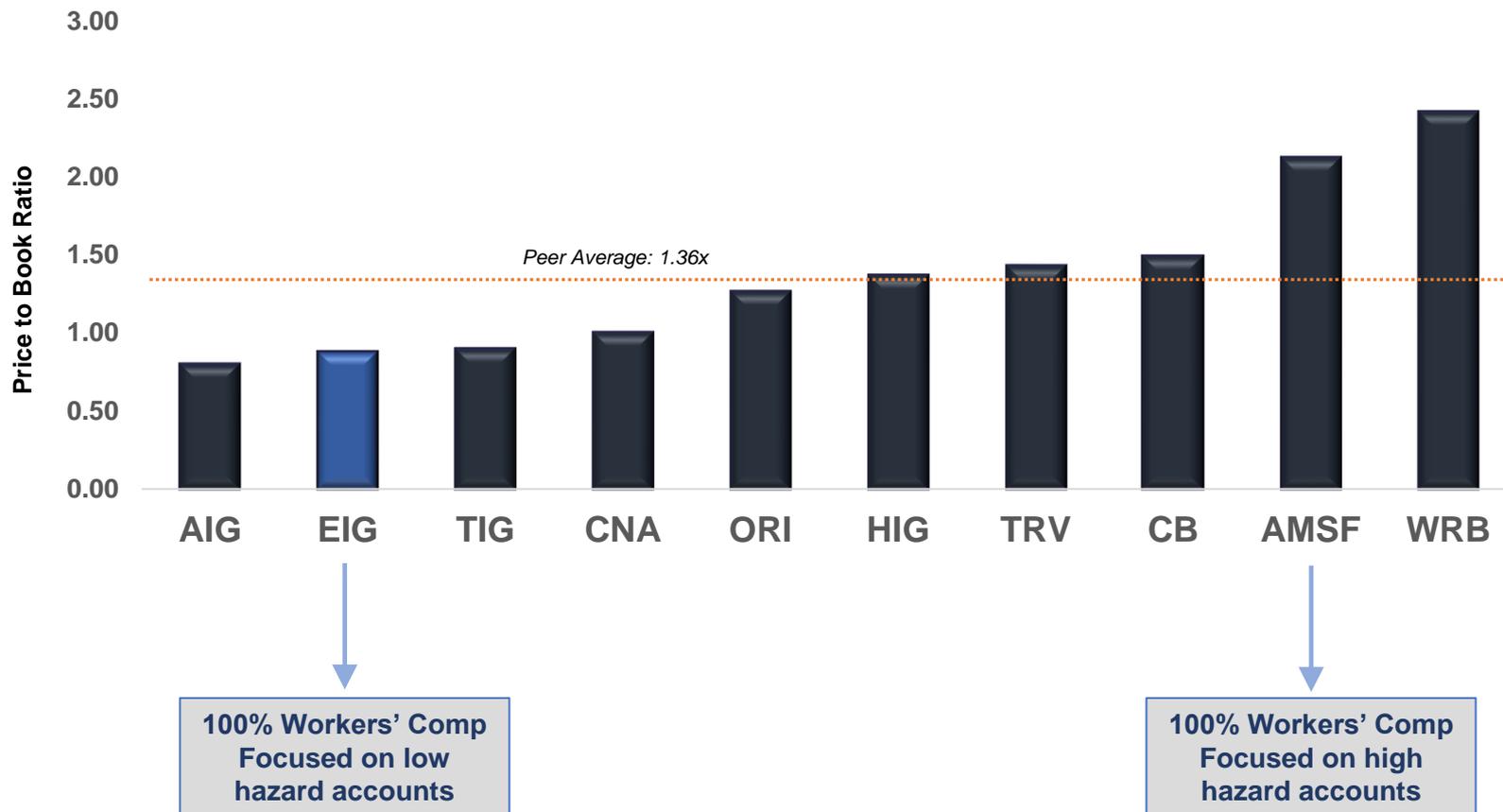
We are well-positioned to continually pursue growth opportunities across the +\$50B market that meet our pricing and risk standards

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

Valuation and Comparing Public Comps

Top Ten Publicly-held Workers' Compensation Writers

(EIG and AMSF are the only pure play publicly traded workers' compensation writers)

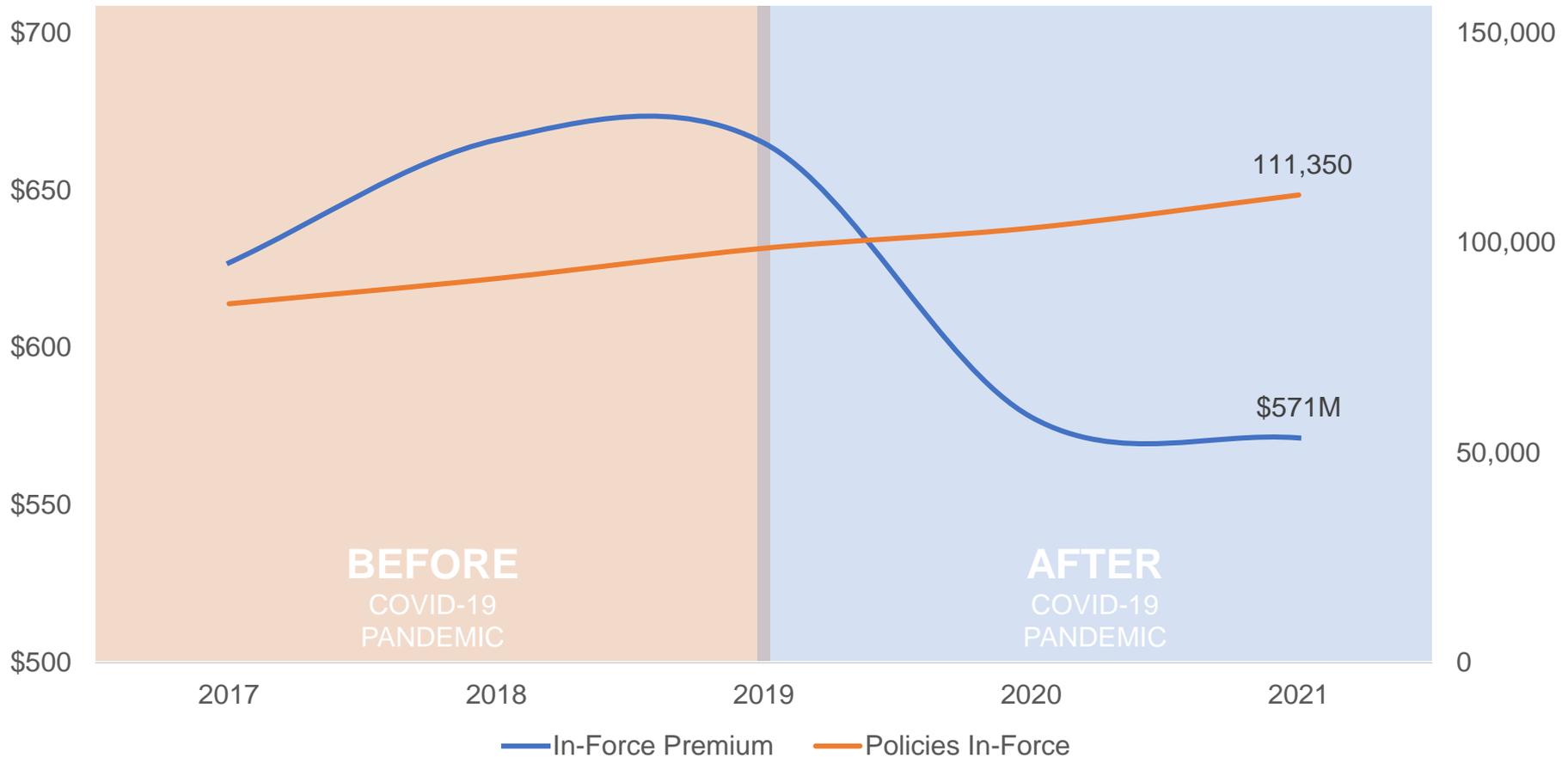


Price-to-Book ratios as of 2/7/2022; Based on latest available book value (EIG as of 12/31/2021)

Source: FactSet

Market Conditions: Last 5 Years

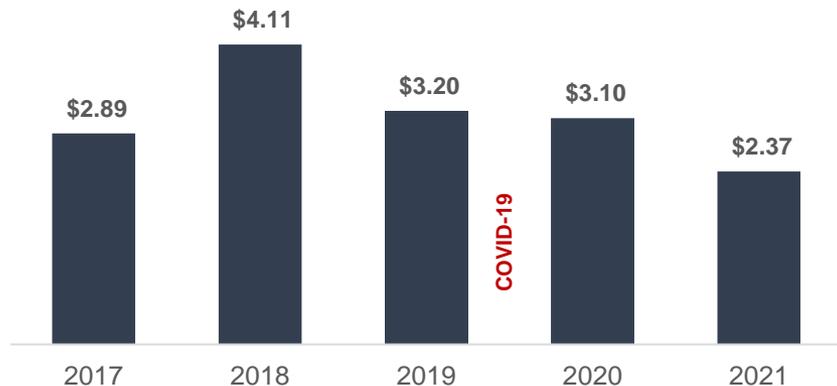
Record Level In-Force Policies in 2021



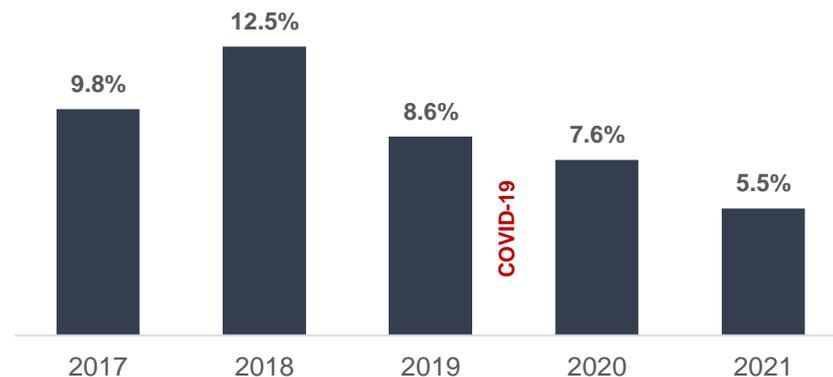
Employers' primary goal for 2022 is to regain the in-force premium it lost to COVID-19 while maintaining the underwriting and expense discipline it achieved in 2021.

Five-Year Financial Performance

Adjusted EPS (Diluted)



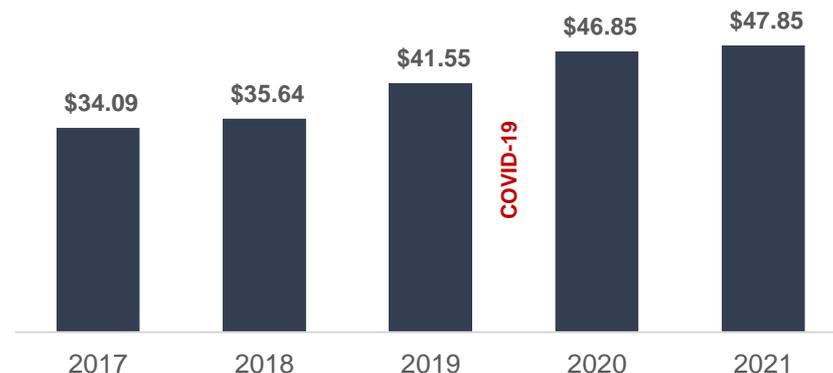
Adjusted ROE



Combined Ratio – Employers Segment



Book Value per Share including Deferred Gain





EMPLOYERS®

Strategy, Innovation and Capital Strength

Strategic Diversification: 2021 vs 2019

OVERALL

As of December 31, 2021
vs. December 31, 2019

- In-Force Premiums decreased 14%
- In-Force Policies increased 12%

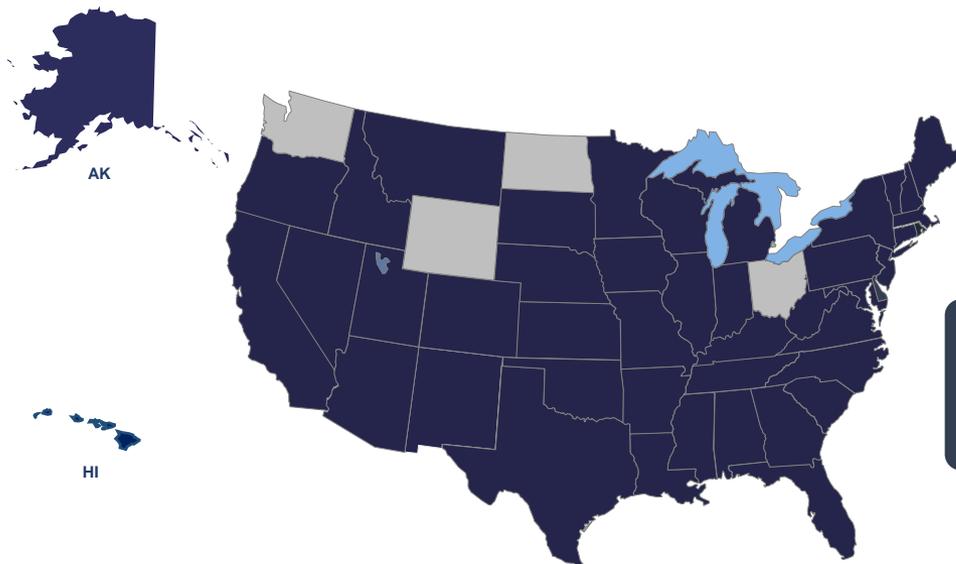
CALIFORNIA

45%
of total
in-force premiums

Premium
decreased
-22%

37%
of total
in-force policies

Policies
decreased
-6%



ALL OTHER STATES

55%
of total
in-force premiums

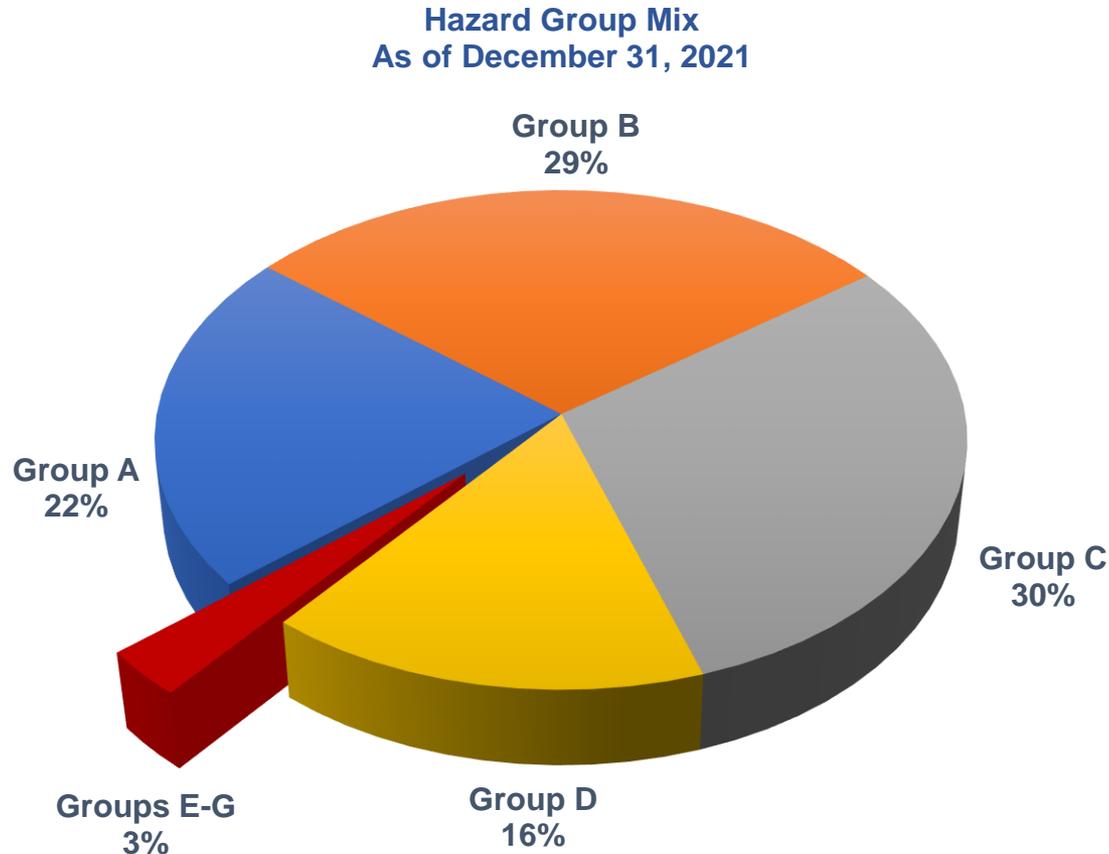
Premium
decreased
-7%

63%
of total
in-force policies

Policies
increased
+27%

Focusing on Low-to-Medium Hazard Groups

Our underwriters use their local market expertise and disciplined underwriting to select specific types of businesses and risks within the classes of business we underwrite that allow us to generate loss ratios that are better than the industry average.



Data shown as a % of in-force premium



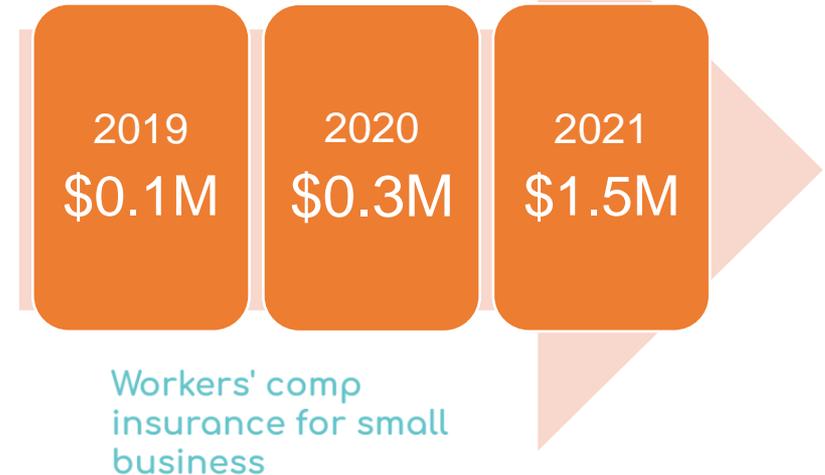
Changing Customer Buying Behaviors

76% of small business owners within Cerity's target market indicate they would like to purchase commercial insurance online

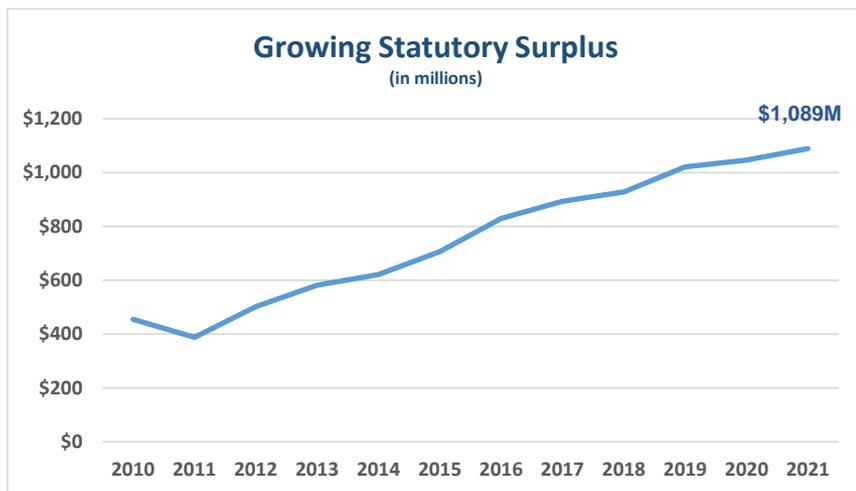
Approx. 30 million small businesses in the U.S.

Cerity believes this number will continue to grow.

Net Premiums Written



Strong Capital Position and Capital Management



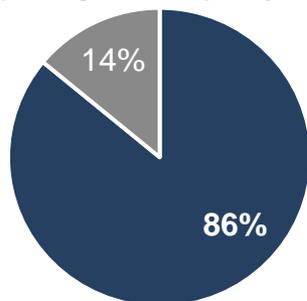
A- (Excellent) rating from A.M. Best

\$936M
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 Share Repurchases and Dividends

\$42.2M
Aggregate share
repurchases in 2021, at an
average price of \$38.36
per share

\$1.00
Cash dividends paid in
2021 (representing a 2.4%
dividend yield on the
12/31/2021 share price of
\$41.38)

Strong History of Favorable Reserve Development

Reserve Review

Reserves are reviewed internally each quarter, with more formal reviews occurring in 2Q and 4Q

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)





EMPLOYERS®

Q4 and FY2021 Financial Update

Solid Financial Results

- Net income of \$119.3 million, the fifth highest reported result since the Company's 2007 IPO.
- Adjusted net income per diluted share of \$2.37, which compared favorably to analysts' expectations of \$2.25 per share.
- Book value per share including the Deferred Gain of \$47.85, the highest in the Company's history.

Insurance Operations

Operations

- After a slow first half, premium writings increased by 15% during the second half of 2021.
- Calendar year combined ratio of 93.1% at our largest operating segment (Employers).
- The Company offers insurance through the Employers brand (its traditional business) and the Cerity brand (its direct-to-customer business).
- The Company operates through five multi-state insurance companies.

Geographic

- The Employers and Cerity platforms now operate throughout the United States with the exception of the four states that are served exclusively by their state funds.
- As a result of our nationwide platform, California business now represents only 37% of our policies in-force and 45% of our premium in-force, each down significantly from the Company's 2007 IPO.

Extremely Strong Balance Sheet

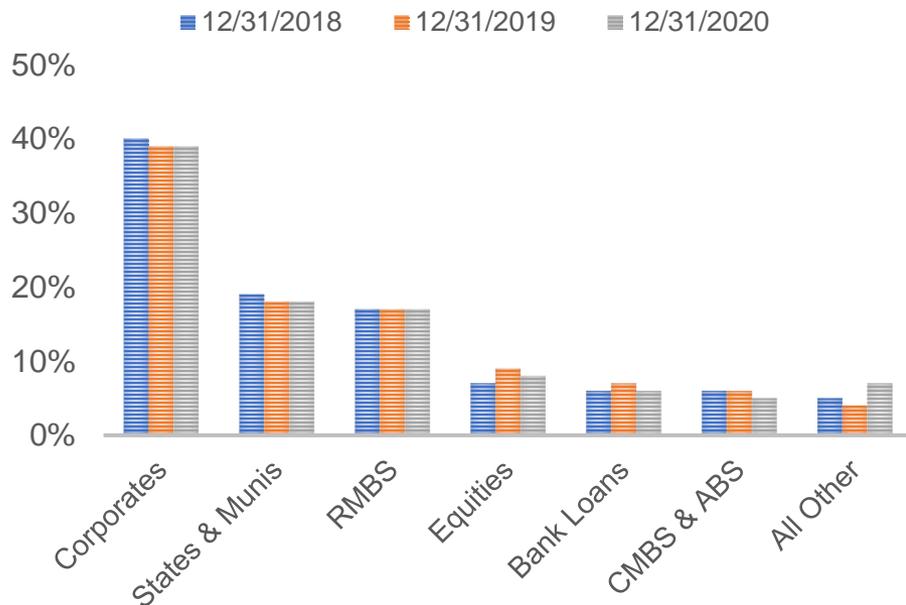
- Total investments and cash at December 31, 2021 of greater than \$2.8 billion.
- Ending Shareholders' equity including Deferred Gain of \$1.3 billion, tied with 2020 for the highest in the Company's history.
- Ending Statutory Surplus of \$1.1 billion, the highest in the Company's history.
- Common shares outstanding of 27.7 million at December 31, 2021, down 29.7 million shares from the Company's 2007 IPO.

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

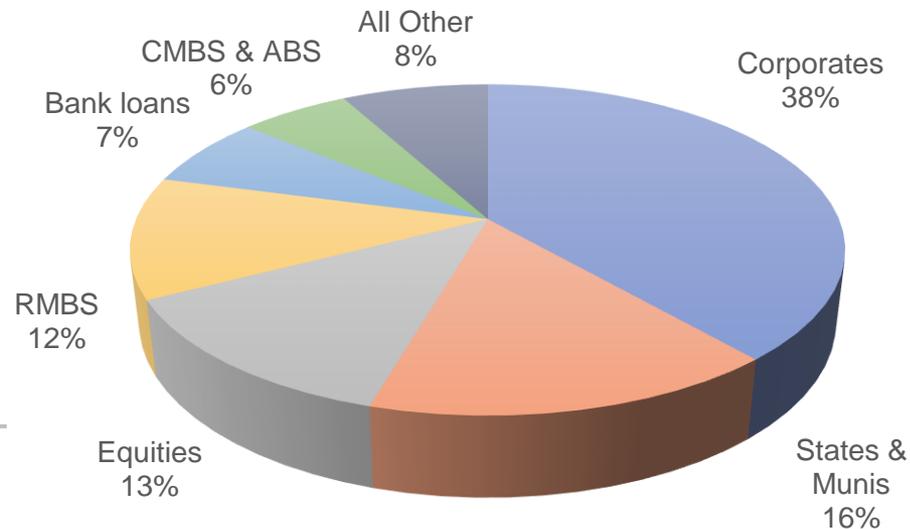
- High quality (average credit quality of A+)
- Highly liquid (\$1.3 billion is unencumbered and available within 3 business days)
- Duration of 3.4
- 2021 total investment return of 2.3%, 2020 total investment return of 6.2%
- 3.0% average ending pre-tax book yield

Investment Portfolio Allocation

Last Three Years



At 12/31/2021





America's small business insurance specialist.®

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Katherine H. Antonello
President and
Chief Executive Officer



Michael S. Paquette
Executive Vice President,
Chief Financial Officer



EMPLOYERS®

Supplemental Information

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

\$337M
remaining liabilities

1,567
open claims

THE LPT AGREEMENT	(\$ million)
Total coverage	\$2,000
Original LPT reserves (liabilities) transferred	1,525
Consideration	775
STAT LPT gain recognized at June 30, 1999	750
Subsequent LPT reserve adjustments	(357)
Subsequent LPT contingent commission adjustments (profit sharing)	70
Cumulative LPT amortization to-date	(349)
GAAP LPT gain remaining at December 31, 2021	\$ 114

Adjusted Net Income

\$ in millions	Quarter ended Dec. 31,		Year ended Dec. 31,	
	2021	2020	2021	2020
Net investment income	\$ 17.7	\$ 18.0	\$ 72.7	\$ 76.3
Underwriting income (CAY ex LPT)	1.3	2.1	(10.5)	(25.5)
Underwriting income (PAY devel. on vol. business)	23.0	38.5	38.0	80.0
Other operating items	<u>(3.9)</u>	<u>(3.8)</u>	<u>(15.2)</u>	<u>(13.2)</u>
Adjusted income (pretax)	38.1	54.8	85.0	117.6
Income taxes	<u>(8.3)</u>	<u>(12.0)</u>	<u>(17.1)</u>	<u>(24.1)</u>
Adjusted net income	<u>\$ 29.8</u>	<u>\$ 42.8</u>	<u>\$ 67.9</u>	<u>\$ 93.5</u>

CAY = Current Accident Year

PAY = Prior Accident Year

LPT – see pages 23-24

Click on Links for Full Documents

[Fourth Quarter 2021 and Year End Financial Results](#)

Employers Holdings, Inc. Reports Fourth Quarter 2021 and Year End Financial Results; Declares Quarterly Cash Dividend of \$0.25 per Share

February 16, 2022 at 4:15 PM EST

Company to Host Conference Call on Thursday, February 17, 2022, at 11:00 a.m. Eastern Standard Time

RENO, Nev.--(BUSINESS WIRE)--Feb. 16, 2022-- 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 fourth quarter and year ended December 31, 2021.

2021 Highlights

- Record number of ending policies in-force 111,350, up 8% year-over-year;
- Net income of \$119.9 million, or \$4.17 per diluted share;
- Adjusted net income of \$679 million, or \$2.37 per diluted share;
- Net investment income of \$72.7 million, down 5% year-over-year;
- Net realized and unrealized gains on investments recorded through the income statement of \$54.6 million;
- Gross premiums written of \$589.7 million, up 2% year-over-year;
- Net premiums earned of \$574.4 million, down 7% year-over-year;
- Favorable prior year loss reserve development of \$39.8 million, versus \$81.6 million a year ago;
- The Company repurchased 1,099,846 shares of its common stock at an average price of \$38.36 per share;
- Book value per share including the Deferred Gain of \$478.5, up 4.3% year-over-year including dividends declared.

Fourth Quarter 2021 Highlights

- Net income of \$54.8 million, or \$1.94 per diluted share;
- Adjusted net income of \$29.8 million, or \$1.06 per diluted share;
- Net investment income of \$17.7 million, down 2% year-over-year;
- Net realized and unrealized gains on investments recorded through the income statement of \$25.0 million;
- Gross premiums written of \$142.0 million, up 15% year-over-year;
- Net premiums earned of \$156.4 million, up 3% year-over-year;
- Favorable prior year loss reserve development of \$24.2 million, versus \$39.7 million a year ago;
- The Company repurchased 223,562 shares of its common stock at an average price of \$39.63 per share.

[Annual Report Form 10-K](#)

UNITED STATES SECURITIES AND EXCHANGE COMMISSION WASHINGTON, DC 20549 FORM 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 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. (Each issuer of registrant as specified in its charters)

Nevada 04-3856965
(State or other jurisdiction of incorporation or organization) (I.R.S. Employer Identification Number)

10375 Professional Circle
Reno, Nevada 89521
(Address of principal executive offices and zip code)
(800) 882-6671
(Registrant's telephone number, including area code)

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

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No
Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Exchange Act. Yes No

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to submit such files); Yes No
Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files); Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company, see definitions of "large accelerated filer," "accelerated filer," "non-accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer Accelerated filer Non-accelerated filer Smaller reporting company
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.

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

The aggregate market value of the voting and non-voting common equity held by non-affiliates of the registrant as of June 30, 2021 was \$856,824,115.

As of February 17, 2022, there were 27,728,463 shares of the registrant's common stock outstanding.

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.