

**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): July 26, 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 July 26, 2023, Employers Holdings, Inc. (the “Company”) issued a press release and financial supplement announcing results for the quarter ended June 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 July 26, 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 August 23, 2023 to stockholders of record as of August 9, 2023.

On July 26, 2023, the Board of Directors authorized a new stock repurchase program (the "2023 Program") for repurchases of up to \$50.0 million of our common stock from July 31, 2023 through December 31, 2024, unless otherwise extended, terminated or modified by the Board. The 2023 Program replaces a similar program that was scheduled to expire on December 31, 2023, but whose remaining repurchase authorization had been exhausted. The 2023 Program provides that shares may be purchased in the open market and/or in privately negotiated transactions from time to time, and that all purchases shall be made in compliance with all applicable provisions of the Nevada Revised Statutes and federal and state securities laws including, but not limited to, Rules 10b5-1 and 10b-18 of the Securities Exchange Act of 1934, as amended.

Section 9 – Financial Statements and Exhibits

Item 9.01. Financial Statements and Exhibits.

99.1 Employers Holdings, Inc. press release, dated July 26, 2023.

99.2 Employers Holdings, Inc. financial supplement, dated July 26, 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: July 26, 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	Employers Holdings, Inc. press release, dated	July 26, 2023
99.2	Employers Holdings, Inc. financial supplement, dated	July 26, 2023

**Employers Holdings, Inc. Reports Second Quarter 2023 Results;
Declares Regular Quarterly Dividend of \$0.28 per Share****Company to Host Conference Call on Thursday, July 27, 2023, at 11:00 a.m. Eastern Daylight Time**

Henderson, Nevada - July 26, 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 second quarter ended June 30, 2023.

Financial Highlights:

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

- Net income of \$34.9 million or \$1.30 per share versus a net loss of \$15.6 million or a loss of \$0.56 per share;
- Adjusted net income of \$31.4 million or \$1.17 per share versus net income of \$21.9 million or \$0.79 per share;
- Gross premiums written of \$198.4 million versus \$179.4 million, an increase of 11%;
- Net premiums earned of \$177.1 million versus \$165.2 million, an increase of 7%;
- Net investment income of \$26.8 million versus \$20.0 million, an increase of 34%;
- Net investment gains reflected on the income statement of \$11.3 million versus net losses of \$50.1 million;
- Other expenses of \$9.4 million representing a non-recurring charge in connection with an early lease termination;
- Record number of ending policies in-force of 124,848, up 6%; and
- Returned \$43.1 million to stockholders through a combination of stock repurchases and regular quarterly dividends.

Management Commentary

Chief Executive Officer Katherine Antonello commented: "Our excellent second quarter results are a testament to the transformational changes we are making at Employers. Wage increases, a strong labor market and our new sales and underwriting operating model contributed to higher new and renewal premiums and an increase in final audit premiums. Together with strong net investment income and continued net investment gains, revenue increased 59% year-over-year.

Our mid-year full reserve study led to the recognition of \$20.0 million of net favorable prior year loss reserve development from our voluntary business. Those actions, coupled with our continual focus on our underwriting expenses yielded a combined ratio of 87.2% for our Employers segment, which is a terrific result. In addition, our Cerity segment, which offers digital workers' compensation insurance solutions directly to consumers, contributed nicely to our growth in premiums and strong net investment income."

Ms. Antonello continued, "during the quarter we incurred a \$9.4 million non-recurring charge in connection with the early lease termination of our former corporate headquarters in Reno, Nevada. This previously announced action was undertaken as part of an ongoing review of our facility needs and will serve to continue our meaningful reduction in underwriting expenses.

Lastly, today we declared a regular quarterly dividend of \$0.28 per share and announced a new \$50.0 million share repurchase plan after exhausting the former plan prior to its scheduled expiration. These actions reflect our strong balance sheet, abundant underwriting capital and confidence in the Company's future operations."

Summary of Second Quarter 2023 Results

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

Gross premiums written were \$198.4 million, an increase of 11%. The increase was primarily due to higher new and renewal business writings and an increase in final audit premiums. Net premiums earned were \$177.1 million, an increase of 7%.

Losses and loss adjustment expenses were \$90.5 million, a decrease of 3%. The decrease was attributable to: (i) an increase in net favorable prior accident year loss reserve development recognized; partially offset by (ii) higher earned premiums. The Company recognized \$19.7 million of favorable development during the quarter versus \$10.0 million of favorable development recognized a year ago.

Commission expenses were \$23.6 million versus \$23.7 million a year ago.

Underwriting and general and administrative expenses were \$46.0 million, an increase of 17%. The increase resulted primarily from higher: (i) payroll-related expenses; and (ii) policyholder dividends and bad debt expenses resulting from the increase in earned premium.

Net investment income was \$26.8 million, an increase of 34%. The increase was due to higher bond yields and higher 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 \$11.3 million versus \$(50.1) million.

Other expenses of \$9.4 million consisted of a non-recurring charge in connection with the early lease termination of our former corporate headquarters in Reno, Nevada.

Income tax expense (benefit) was \$8.9 million (20.3% effective rate) versus \$(5.8) million (27.1% 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 \$40.41 increased by 5.9% during the first half of 2023, computed after taking into account dividends declared. This measure was favorably impacted by \$7.1 million of after-tax unrealized gains arising from fixed maturity securities (which are reflected on the balance sheet) and \$15.3 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 \$45.41 increased by 5.0% during the first half 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 second quarter of 2022, unless noted otherwise).

Employers Segment

The Employers segment reported net income before income taxes of \$46.6 million versus a net loss before taxes of \$11.6 million.

Highlights include the following:

- Underwriting income of \$22.4 million versus \$12.5 million;
- Combined ratio of 87.2% versus 92.4%;
- Earned premium of \$175.5 million versus \$164.6 million;
- Calendar year loss and LAE ratio of 63.4% versus 63.9%;
- Commission expense ratio of 13.4% versus 14.4%;
- Underwriting expense ratio of 21.7% versus 20.2%;
- Net investment income of \$24.1 million versus \$18.7 million; and
- Net realized and unrealized gains (losses) on investments reflected on the income statement of \$11.3 million versus \$(42.8) million.

Cerity Segment

The Cerity segment reported a net loss before income taxes of \$1.7 million versus a net loss of \$3.1 million.

Highlights include the following:

- Underwriting loss of \$3.4 million versus \$3.0 million;
- Earned premium of \$1.6 million versus \$0.6 million;
- Net investment income of \$1.7 million versus \$0.8 million; and
- Net realized and unrealized gains (losses) on investments reflected on the income statement of zero versus \$(0.9) million.

Corporate and Other

Corporate and Other activities reported a net loss before income taxes of \$1.1 million versus \$(6.7) million.

Highlights include the following:

- LPT amortization of \$2.0 million, which served to reduce losses and LAE, versus \$2.1 million;
- Net investment income of \$1.0 million versus \$0.5 million;
- Net realized and unrealized losses on investments reflected on the income statement of zero versus \$(6.4) million; and
- General and administrative expenses of \$4.0 million versus \$2.8 million.

Third Quarter 2023 Dividend Declaration

Today the Board of Directors declared a regular quarterly dividend of \$0.28 per share. The dividend is payable on August 23, 2023 to stockholders of record as of August 9, 2023.

Stock Repurchases and New Stock Repurchase Authorization

During the second quarter of 2023, the Company repurchased 935,250 shares of its common stock at an average price of \$37.90 per share.

Today the Board of Directors authorized a new stock repurchase program to allow for repurchases of up to \$50.0 million of our common stock from July 31, 2023 through December 31, 2024. The new program replaces a similar program that was scheduled to expire on December 31, 2023, but whose remaining repurchase authorization had been exhausted.

Earnings Conference Call and Webcast

The Company will review these financial results via a conference call and webcast on Thursday, July 27, 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. 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, labor market expectations, catastrophic events or geo-political conditions, legislative or regulatory actions or court decisions taken in response to the COVID-19 pandemic or otherwise, 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. 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).

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 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.

Contact Information

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Employers Holdings, Inc.
Second Quarter 2023
Financial Supplement

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America's small business insurance specialist[®]

EMPLOYERS HOLDINGS, INC.

Table of Contents

Page	
<u>1</u>	Consolidated Financial Highlights
<u>2</u>	Summary Consolidated Balance Sheets
<u>3</u>	Summary Consolidated Income Statements
<u>4</u>	Net Income (Loss) Before Income Taxes by Segment
<u>8</u>	Return on Equity
<u>9</u>	Roll-forward of Unpaid Losses and LAE
<u>10</u>	Consolidated Investment Portfolio
<u>11</u>	Book Value Per Share
<u>12</u>	Earnings Per Share
<u>13</u>	Non-GAAP Financial Measures
<u>14</u>	Description of Reportable Segments

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

	Three Months Ended			Six Months Ended		
	June 30,			June 30,		
	2023	2022	% change	2023	2022	% change
Selected financial highlights:						
Gross premiums written	\$ 198.4	\$ 179.4	11 %	\$ 393.3	\$ 351.8	12 %
Net premiums written	196.6	178.1	10	389.7	348.5	12
Net premiums earned	177.1	165.2	7	349.8	315.4	11
Net investment income	26.8	20.0	34	54.4	39.1	39
Net income (loss) before impact of the LPT ⁽¹⁾	32.9	(17.7)	286	54.5	(22.0)	348
Adjusted net income ⁽¹⁾	31.4	21.9	43	47.9	31.2	54
Net income (loss) before income taxes	43.8	(21.4)	305	72.8	(23.8)	406
Net income (loss)	34.9	(15.6)	324	58.5	(17.8)	429
Total Comprehensive income (loss)	19.5	(82.7)	124	66.9	(173.1)	139
Total assets				3,615.6	3,685.5	(2)
Stockholders' equity				951.7	977.5	(3)
Stockholders' equity including the Deferred Gain ⁽²⁾				1,053.8	1,087.7	(3)
Adjusted stockholders' equity ⁽²⁾				1,184.3	1,182.4	—
Annualized adjusted return on stockholders' equity ⁽³⁾	10.6 %	7.2 %	47 %	8.1 %	5.1 %	59 %
Amounts per share:						
Cash dividends declared per share	\$ 0.28	\$ 1.26	(78)%	\$ 0.54	\$ 1.51	(64)%
Earnings (loss) per diluted share ⁽⁴⁾	1.30	(0.56)	332	2.16	(0.65)	432
Earnings (loss) per diluted share before impact of the LPT ⁽⁴⁾	1.23	(0.64)	292	2.01	(0.80)	351
Adjusted earnings per diluted share ⁽⁴⁾	1.17	0.79	48	1.77	1.12	58
Book value per share ⁽²⁾				36.49	35.70	2
Book value per share including the Deferred Gain ⁽²⁾				40.41	39.72	2
Adjusted book value per share ⁽²⁾				45.41	43.18	5
Financial information by Segment⁽⁵⁾:						
Net income (loss) before income taxes						
Employers	\$ 46.6	\$ (11.6)	502 %	\$ 76.7	\$ (9.6)	899
Cerity	(1.7)	(3.1)	45	(3.9)	(5.7)	32
Corporate and Other	(1.1)	(6.7)	84	—	(8.5)	100

(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

	June 30, 2023	December 31, 2022
ASSETS		
Investments, cash and cash equivalents	\$ 2,538.2	\$ 2,658.2
Accrued investment income	18.5	19.0
Premiums receivable, net	352.3	305.9
Reinsurance recoverable, net of allowance, on paid and unpaid losses and LAE	442.1	451.3
Deferred policy acquisition costs	55.6	48.3
Deferred income tax asset, net	55.6	62.7
Contingent commission receivable—LPT Agreement	13.9	13.9
Other assets	139.4	157.4
Total assets	<u>\$ 3,615.6</u>	<u>\$ 3,716.7</u>
LIABILITIES		
Unpaid losses and LAE	\$ 1,927.2	\$ 1,960.7
Unearned premiums	378.5	339.5
Commissions and premium taxes payable	56.8	58.2
Deferred Gain	102.1	106.1
FHLB Advances ⁽¹⁾	105.7	182.5
Other liabilities	93.6	125.5
Total liabilities	<u>\$ 2,663.9</u>	<u>\$ 2,772.5</u>
STOCKHOLDERS' EQUITY		
Common stock and additional paid-in capital	\$ 417.7	\$ 415.2
Retained earnings	1,339.4	1,295.6
Accumulated other comprehensive loss	(130.5)	(138.9)
Treasury stock, at cost	(674.9)	(627.7)
Total stockholders' equity	<u>951.7</u>	<u>944.2</u>
Total liabilities and stockholders' equity	<u>\$ 3,615.6</u>	<u>\$ 3,716.7</u>
Stockholders' equity including the Deferred Gain ⁽²⁾	\$ 1,053.8	\$ 1,050.3
Adjusted stockholders' equity ⁽²⁾	1,184.3	1,189.2
Book value per share ⁽²⁾	\$ 36.49	\$ 34.76
Book value per share including the Deferred Gain ⁽²⁾	40.41	38.67
Adjusted book value per share ⁽²⁾	45.41	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

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2023	2022	2023	2022
Revenues:				
Net premiums earned	\$ 177.1	\$ 165.2	\$ 349.8	\$ 315.4
Net investment income	26.8	20.0	54.4	39.1
Net realized and unrealized gains (losses) on investments ⁽¹⁾	11.3	(50.1)	17.7	(67.4)
Other income (loss)	—	0.2	(0.2)	0.2
Total revenues	215.2	135.3	421.7	287.3
Expenses:				
Losses and LAE incurred	(90.5)	(93.3)	(197.9)	(187.5)
Commission expense	(23.6)	(23.7)	(47.1)	(44.6)
Underwriting and general and administrative expenses	(46.0)	(39.4)	(90.3)	(78.6)
Interest and financing expenses	(1.9)	(0.3)	(4.2)	(0.4)
Other expenses	(9.4)	—	(9.4)	—
Total expenses	(171.4)	(156.7)	(348.9)	(311.1)
Net income (loss) before income taxes	43.8	(21.4)	72.8	(23.8)
Income tax (expense) benefit	(8.9)	5.8	(14.3)	6.0
Net income (loss)	34.9	(15.6)	58.5	(17.8)
Unrealized AFS investment (losses) gains arising during the period, net of tax ⁽²⁾	(15.5)	(73.5)	7.1	(161.9)
Reclassification adjustment for net realized AFS investment losses in net income, net of tax ⁽²⁾	0.1	6.4	1.3	6.6
Total comprehensive income (loss)	\$ 19.5	\$ (82.7)	\$ 66.9	\$ (173.1)
Net income (loss)	\$ 34.9	\$ (15.6)	\$ 58.5	\$ (17.8)
Amortization of the Deferred Gain - losses	(1.6)	(1.7)	(3.2)	(3.4)
Amortization of the Deferred Gain - contingent commission	(0.4)	(0.4)	(0.8)	(0.8)
Net income (loss) before impact of the LPT Agreement ⁽³⁾	32.9	(17.7)	54.5	(22.0)
Net realized and unrealized (gains) losses on investments	(11.3)	50.1	(17.7)	67.4
Lease termination and asset impairment charges	9.4	—	9.4	—
Income tax expense (benefit) related to items excluded from Net income or loss	0.4	(10.5)	1.7	(14.2)
Adjusted net income	\$ 31.4	\$ 21.9	\$ 47.9	\$ 31.2

(1) Includes net realized and unrealized gains (losses) on equity securities and other investments of \$11.4 million and \$(42.0) million for the three months ended June 30, 2023 and 2022, respectively, and \$19.4 million and \$(59.0) million for the six months ended June 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 ⁽¹⁾ (unaudited)
\$ in millions

	<u>Employers</u>	<u>Cerity</u>	<u>Corporate and Other</u>	<u>Consolidated</u>
Three Months Ended June 30, 2023				
Gross premiums written	\$ 196.1	\$ 2.3	\$ —	\$ 198.4
Net premiums written	194.3	2.3	—	196.6
Net premiums earned	A 175.5	1.6	—	177.1
Net investment income	24.1	1.7	1.0	26.8
Net realized and unrealized gains on investments	11.3	—	—	11.3
Total revenues	210.9	3.3	1.0	215.2
Losses and LAE incurred ⁽²⁾	B (91.5)	(1.0)	2.0	(90.5)
Commission expense	C (23.6)	—	—	(23.6)
Underwriting and general and administrative expenses	D (38.0)	(4.0)	(4.0)	(46.0)
Interest and financing expenses	(1.8)	—	(0.1)	(1.9)
Other expenses	(9.4)	—	—	(9.4)
Total expenses	(164.3)	(5.0)	(2.1)	(171.4)
Net income (loss) before income taxes	\$ 46.6	\$ (1.7)	\$ (1.1)	\$ 43.8
Underwriting income (loss)	A+B+C+D 22.4	(3.4)		
Loss and LAE expense ratio:				
Current year	63.4 %	n/m		
Prior years	(11.3)	—		
Loss and LAE ratio	52.1	n/m		
Commission expense ratio	13.4	n/m		
Underwriting expense ratio	21.7	n/m		
Combined ratio	87.2 %	n/m		

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 ⁽¹⁾ (unaudited)
\$ in millions

	<u>Employers</u>	<u>Cerity</u>	<u>Corporate and Other</u>	<u>Consolidated</u>
Three Months Ended June 30, 2022				
Gross premiums written	\$ 178.5	\$ 0.9	\$ —	\$ 179.4
Net premiums written	177.2	0.9	—	178.1
Net premiums earned	A 164.6	0.6	—	165.2
Net investment income	18.7	0.8	0.5	20.0
Net realized and unrealized losses on investments	(42.8)	(0.9)	(6.4)	(50.1)
Other income	0.2	—	—	0.2
Total revenues	140.7	0.5	(5.9)	135.3
Losses and LAE incurred ⁽²⁾	B (95.1)	(0.3)	2.1	(93.3)
Commission expense	C (23.7)	—	—	(23.7)
Underwriting and general and administrative expenses	D (33.3)	(3.3)	(2.8)	(39.4)
Interest and financing expenses	(0.2)	—	(0.1)	(0.3)
Total expenses	(152.3)	(3.6)	(0.8)	(156.7)
Net loss before income taxes	\$ (11.6)	\$ (3.1)	\$ (6.7)	\$ (21.4)
Underwriting income (loss)	A+B+C+D \$ 12.5	\$ (3.0)		
Loss and LAE expense ratio:				
Current year	63.9 %	n/m		
Prior years	(6.1)	—		
Loss and LAE ratio	57.8	n/m		
Commission expense ratio	14.4	n/m		
Underwriting expense ratio	20.2	n/m		
Combined ratio	92.4 %	n/m		

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 ⁽¹⁾ (unaudited)
\$ in millions

	<u>Employers</u>	<u>Cerity</u>	<u>Corporate and Other</u>	<u>Consolidated</u>
Six Months Ended June 30, 2023				
Gross premiums written	\$ 390.3	\$ 3.0	\$ —	\$ 393.3
Net premiums written	386.7	3.0	—	389.7
Net premiums earned	A 346.8	3.0	—	349.8
Net investment income	48.9	3.4	2.1	54.4
Net realized and unrealized gains on investments	16.9	0.2	0.6	17.7
Other (loss) income	(0.2)	—	—	(0.2)
Total revenues	412.4	6.6	2.7	421.7
Losses and LAE incurred ⁽²⁾	B (200.0)	(1.9)	4.0	(197.9)
Commission expense	C (47.0)	(0.1)	—	(47.1)
Underwriting and general and administrative expenses	D (75.3)	(8.5)	(6.5)	(90.3)
Interest and financing expenses	(4.0)	—	(0.2)	(4.2)
Other expenses	(9.4)	—	—	(9.4)
Total expenses	(335.7)	(10.5)	(2.7)	(348.9)
Net income (loss) before income taxes	\$ 76.7	\$ (3.9)	\$ —	\$ 72.8
Underwriting income (loss)	A+B+C+D 24.5	(7.5)		
Loss and LAE expense ratio:				
Current year	63.4 %	n/m		
Prior years	(5.7)	—		
Loss and LAE ratio	57.7	n/m		
Commission expense ratio	13.6	n/m		
Underwriting expense ratio	21.7	n/m		
Combined ratio	93.0 %	n/m		

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 ⁽¹⁾ (unaudited)
\$ in millions

	<u>Employers</u>	<u>Cerity</u>	<u>Corporate and Other</u>	<u>Consolidated</u>
Six Months Ended June 30, 2022				
Gross premiums written	\$ 349.7	\$ 2.1	\$ —	\$ 351.8
Net premiums written	346.4	2.1	—	348.5
Net premiums earned	A 314.2	1.2	—	315.4
Net investment income	36.3	1.6	1.2	39.1
Net realized and unrealized losses on investments	(58.4)	(1.3)	(7.7)	(67.4)
Other income	0.2	—	—	0.2
Total revenues	292.3	1.5	(6.5)	287.3
Losses and LAE incurred ⁽²⁾	B (191.0)	(0.7)	4.2	(187.5)
Commission expense	C (44.6)	—	—	(44.6)
Underwriting and general and administrative expenses	D (66.1)	(6.5)	(6.0)	(78.6)
Interest and financing expenses	(0.2)	—	(0.2)	(0.4)
Total expenses	(301.9)	(7.2)	(2.0)	(311.1)
Net loss before income taxes	\$ (9.6)	\$ (5.7)	\$ (8.5)	\$ (23.8)
Underwriting income (loss)	A+B+C+D \$ 12.5	\$ (6.0)		
Loss and LAE expense ratio:				
Current year	64.0 %	n/m		
Prior years	(3.2)	—		
Loss and LAE ratio	60.8	n/m		
Commission expense ratio	14.2	n/m		
Underwriting expense ratio	21.0	n/m		
Combined ratio	96.0 %	n/m		

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		Six Months Ended		
	June 30,		June 30,		
	2023	2022	2023	2022	
Net income (loss)	A	\$ 34.9	\$ (15.6)	\$ 58.5	\$ (17.8)
Impact of the LPT Agreement		(2.0)	(2.1)	(4.0)	(4.2)
Net realized and unrealized (gains) losses on investments		(11.3)	50.1	(17.7)	67.4
Lease termination and asset impairment charges		9.4	—	9.4	—
Income tax expense (benefit) related to items excluded from Net income		0.4	(10.5)	1.7	(14.2)
Adjusted net income ⁽¹⁾	B	31.4	21.9	47.9	31.2
Stockholders' equity - end of period		\$ 951.7	\$ 977.5	\$ 951.7	\$ 977.5
Stockholders' equity - beginning of period		974.1	1,109.3	944.2	1,213.1
Average stockholders' equity	C	962.9	1,043.4	948.0	1,095.3
Stockholders' equity - end of period		\$ 951.7	\$ 977.5	\$ 951.7	\$ 977.5
Deferred Gain - end of period		102.1	110.2	102.1	110.2
Accumulated other comprehensive loss - end of period		165.2	119.8	165.2	119.8
Income taxes related to accumulated other comprehensive loss - end of period		(34.7)	(25.1)	(34.7)	(25.1)
Adjusted stockholders' equity - end of period		1,184.3	1,182.4	1,184.3	1,182.4
Adjusted stockholders' equity - beginning of period		1,193.3	1,249.2	1,189.2	1,266.9
Average adjusted stockholders' equity ⁽¹⁾	D	1,188.8	1,215.8	1,186.8	1,224.7
Return on stockholders' equity	A / C	3.6 %	(1.5)%	6.2 %	(1.6)%
Annualized return on stockholders' equity		14.5	(6.0)	12.3	(3.3)
Adjusted return on stockholders' equity ⁽¹⁾	B / D	2.6 %	1.8 %	4.0 %	2.5 %
Annualized adjusted return on stockholders' equity ⁽¹⁾		10.6	7.2	8.1	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

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2023	2022	2023	2022
Unpaid losses and LAE at beginning of period	\$ 1,953.7	\$ 1,981.9	\$ 1,960.7	\$ 1,981.2
Reinsurance recoverable, excluding CECL allowance, on unpaid losses and LAE	440.3	471.7	445.4	476.9
Net unpaid losses and LAE at beginning of period	1,513.4	1,510.2	1,515.3	1,504.3
Losses and LAE incurred:				
Current year losses	112.2	105.4	221.8	201.7
Prior year losses on voluntary business	(20.0)	(9.6)	(20.0)	(9.6)
Prior year losses on involuntary business	0.3	(0.4)	0.1	(0.4)
Total losses incurred	92.5	95.4	201.9	191.7
Losses and LAE paid:				
Current year losses	26.5	18.5	32.1	23.1
Prior year losses	88.4	76.7	194.1	162.5
Total paid losses	114.9	95.2	226.2	185.6
Net unpaid losses and LAE at end of period	1,491.0	1,510.4	1,491.0	1,510.4
Reinsurance recoverable, excluding CECL allowance, on unpaid losses and LAE	436.2	462.4	436.2	462.4
Unpaid losses and LAE at end of period	\$ 1,927.2	\$ 1,972.8	\$ 1,927.2	\$ 1,972.8

Total losses and LAE shown in the above table exclude amortization of the Deferred Gain, which totaled \$2.0 million and \$2.1 million for the three months ended June 30, 2023 and 2022, respectively, and \$4.0 million and \$4.2 million for the six months ended June 30, 2023 and 2022, respectively.

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

	June 30, 2023				December 31, 2022	
	Cost or Amortized Cost ⁽¹⁾	Net Unrealized Gain (Loss)	Fair Value	%	Fair Value	%
Investment Positions:						
Fixed maturity securities	\$ 2,331.4	\$ (165.2)	\$ 2,161.9	85 %	\$ 2,186.3	82 %
Equity securities	137.7	72.5	210.2	8	203.7	8
Short-term investments	16.3	—	16.3	1	119.1	4
Other invested assets	75.0	8.4	83.4	3	59.7	2
Cash and cash equivalents	66.2	—	66.2	3	89.2	3
Restricted cash and cash equivalents	0.2	—	0.2	—	0.2	—
Total investments and cash	<u>\$ 2,626.8</u>	<u>\$ (84.3)</u>	<u>\$ 2,538.2</u>	<u>100 %</u>	<u>\$ 2,658.2</u>	<u>100 %</u>
Breakout of Fixed Maturity Securities:						
U.S. Treasuries and agencies	\$ 95.5	\$ (4.6)	\$ 90.9	4 %	\$ 92.9	4 %
States and municipalities	325.5	(8.0)	317.5	15	317.6	15
Corporate securities	1,019.3	(89.0)	926.5	43	868.1	40
Mortgage-backed securities	453.6	(49.5)	404.1	19	415.3	19
Asset-backed securities	102.6	(6.3)	96.3	4	66.1	3
Collateralized loan obligations	210.9	(4.6)	206.3	10	260.9	12
Bank loans and other	124.0	(3.2)	120.3	6	165.4	8
Total fixed maturity securities	<u>\$ 2,331.4</u>	<u>\$ (165.2)</u>	<u>\$ 2,161.9</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			3.9		3.9	

(1) Amortized cost excludes allowance for current expected credit losses (CECL) of \$4.3 million.

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

		<u>June 30, 2023</u>	<u>March 31, 2023</u>	<u>December 31, 2022</u>	<u>June 30, 2022</u>
Numerators:					
Stockholders' equity	A	\$ 951.7	\$ 974.1	\$ 944.2	\$ 977.5
Plus: Deferred Gain		102.1	104.1	106.1	110.2
Stockholders' equity including the Deferred Gain⁽¹⁾	B	1,053.8	1,078.2	1,050.3	1,087.7
Accumulated other comprehensive loss		165.2	145.7	175.8	119.8
Income taxes related to accumulated other comprehensive loss		(34.7)	(30.6)	(36.9)	(25.1)
Adjusted stockholders' equity⁽¹⁾	C	<u>\$ 1,184.3</u>	<u>\$ 1,193.3</u>	<u>\$ 1,189.2</u>	<u>\$ 1,182.4</u>
Denominator (shares outstanding)	D	26,078,813	27,001,967	27,160,748	27,383,132
Book value per share ⁽¹⁾	A / D	\$ 36.49	\$ 36.08	\$ 34.76	\$ 35.70
Book value per share including the Deferred Gain ⁽¹⁾	B / D	40.41	39.93	38.67	39.72
Adjusted book value per share ⁽¹⁾	C / D	45.41	44.19	43.78	43.18
YTD Change in:⁽²⁾					
Book value per share		6.5 %			(14.9)%
Book value per share including the Deferred Gain		5.9			(13.8)
Adjusted book value per share		5.0			(2.1)

(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 \$0.54 and \$1.51 for the six months ended June 30, 2023 and 2022, respectively.

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

		Three Months Ended June 30,		Six Months Ended June 30,	
		2023	2022	2023	2022
Numerators:					
Net income (loss)	A	\$ 34.9	\$ (15.6)	\$ 58.5	\$ (17.8)
Impact of the LPT Agreement		(2.0)	(2.1)	(4.0)	(4.2)
Net income (loss) before impact of the LPT ⁽¹⁾	B	32.9	(17.7)	54.5	(22.0)
Net realized and unrealized (gains) losses on investments		(11.3)	50.1	(17.7)	67.4
Lease termination and asset impairment charges		9.4	—	9.4	—
Income tax expense (benefit) related to items excluded from Net income		0.4	(10.5)	1.7	(14.2)
Adjusted net income ⁽¹⁾	C	\$ 31.4	\$ 21.9	\$ 47.9	\$ 31.2
Denominators:					
Average common shares outstanding (basic)	D	26,691,652	27,650,277	26,932,897	27,585,447
Average common shares outstanding (diluted)	E	26,803,340	27,782,921	27,096,669	27,789,087
Earnings (loss) per share:					
Basic	A / D	\$ 1.31	\$ (0.56)	\$ 2.17	\$ (0.65)
Diluted ⁽²⁾	A / E	1.30	(0.56)	2.16	(0.65)
Earnings (loss) per share before impact of the LPT: ⁽¹⁾					
Basic	B / D	\$ 1.23	\$ (0.64)	\$ 2.02	\$ (0.80)
Diluted ⁽²⁾	B / E	1.23	(0.64)	2.01	(0.80)
Adjusted earnings per share: ⁽¹⁾					
Basic	C / D	\$ 1.18	\$ 0.79	\$ 1.78	\$ 1.13
Diluted	C / E	1.17	0.79	1.77	1.12

(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.