Employers Holdings, Inc.

Investor Presentation

Third Quarter Results, 2013

EMPLOYERS℠

CELEBRATING 100 YEARS 1913 - 2013

Regulation FD

This slide presentation is for informational purposes only. It should be read in conjunction with our Form 10-K for the year 2012, our Form 10-Qs and our Form 8-Ks filed with the Securities and Exchange Commission (SEC), all of which are available on the "Investor Relations" section of our website at www.employers.com.

Non-GAAP Financial Measures

In presenting Employers Holdings, Inc.'s (EMPLOYERS) results, management has included and discussed certain non-GAAP financial measures, as defined in Regulation G. Management believes these non-GAAP measures better explain EMPLOYERS results allowing for a more complete understanding of underlying trends in our business. These measures should not be viewed as a substitute for those determined in accordance with GAAP. The reconciliation of these measures to their most comparable GAAP financial measures may be included in this presentation or in our Form 10-K for the year 2012, our Form 10-Qs and our Form 8-Ks filed with the Securities and Exchange Commission (SEC) and available in the "Investor Relations" section of our website at www.employers.com.

Forward-looking Statements

This presentation may contain certain forward looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward looking statements include statements regarding anticipated future results and can be identified by the fact that they do not relate strictly to historical or current facts. They often include words like "believe", "expect", "anticipate", "estimate" and "intend" or future or conditional verbs such as "will", "would", "should", "could" or "may". All subsequent written and oral forward-looking statements attributable to us or individuals acting on our behalf are expressly qualified in their entirety by these cautionary statements.

All forward looking statements made in this presentation reflect EMPLOYERS' current views with respect to future events, business transactions and business performance and are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Such statements involve risks and uncertainties, which may cause actual results to differ materially from those set forth in these statements. The business of EHI and those engaged in similar lines of business could be affected by, among other things, competition, pricing and policy term trends, the levels of new and renewal business achieved, market acceptance, changes in demand, the frequency and severity of catastrophic events, actual loss experience including observed levels of increased indemnity claims frequency and severity in California, uncertainties in the loss reserving and claims settlement process, new theories of liability, judicial, legislative, regulatory and other governmental developments, litigation tactics and developments, investigation developments, the amount and timing of reinsurance recoverables, credit developments among reinsurers, changes in the cost or availability of reinsurance, market developments (including adverse developments in financial markets as a result of, among other things, changes in local, regional or national economic conditions and volatility and deterioration of financial markets), credit and other risks associated with EHI's investment activities, significant changes in investment yield rates, rating agency action, possible terrorism or the outbreak and effects of war and economic, political, regulatory, insurance and reinsurance business conditions, relations with and performance of employees and agents, and other factors identified in EHI's filings with the SEC. Accordingly, readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date on which they are made.

We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

 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, through its subsidiaries, operates in 31 states and the District of Columbia. Insurance subsidiaries include Employers Insurance Company of Nevada, Employers Compensation Insurance Company, Employers Preferred Insurance Company, and Employers Assurance Company, all rated A- (Excellent) by A.M. Best Company. Additional information can be found at: http://www.employers.com.

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Overview

- Workers' compensation mono-line writer
- 18th largest overall writer in 2012
- Focus on small, low to medium hazard risks

- Distribution through agents and strategic partners
  - 3,475 agents
  - Strategic partners = 22.6% in-force premium (including ADP, Paychex and Anthem Blue Cross of California)

- Writing in 31 states and the District of Columbia
  - Expanded into New Jersey in 2011
  - Operate in 75% of total market (2012 A.M. Best)

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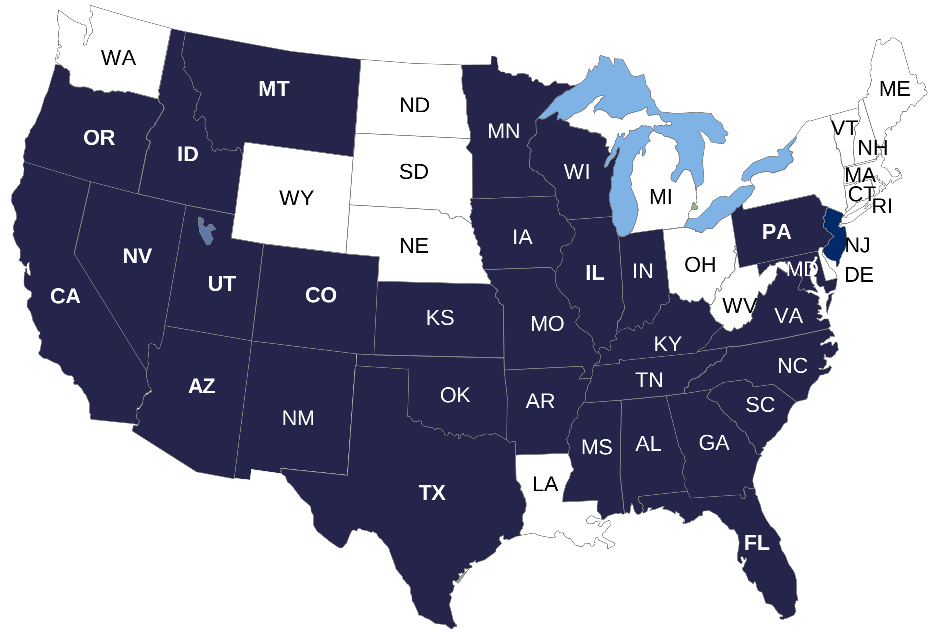
CELEBRATING 100 YEARS 1913 - 2013



At September 30, 2013

Average policy size: $7,112

In-force Premium	***Policy Count***
$590 million	***82,932 Policies***
CA = 59%	CA = 48,086
IL = 5%	IL = 3,739
GA = 4%	GA = 3,713
FL = 3%	FL = 3,252
NV = 3%	NV = 3,209

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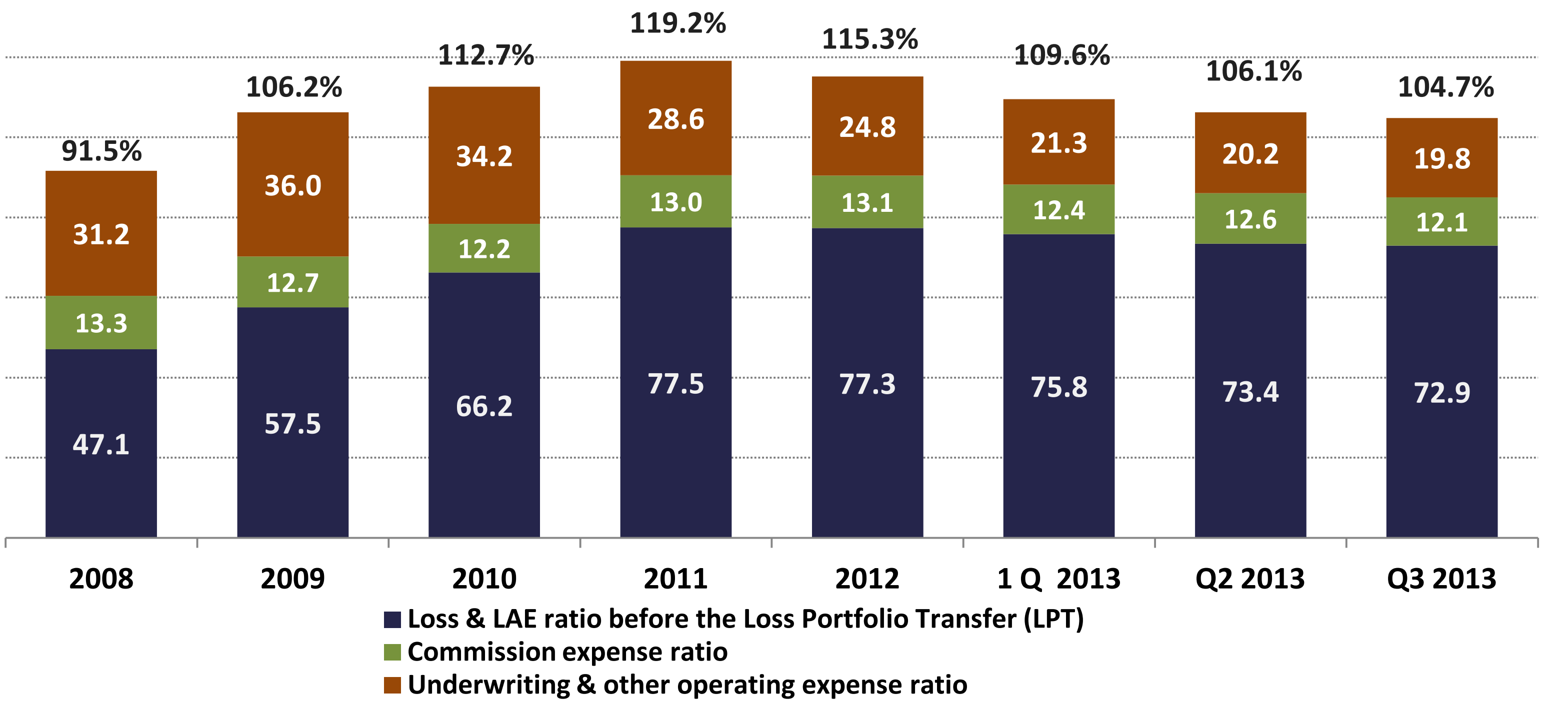
Improving Calendar Year Combined Ratio

- Combined and underwriting expense ratios trended down with implementation of cost controls and increasing earned premiums
- Rate trends continued to exceed loss cost trends; we reduced the loss provision rate by 4.4 points in Q3, 2013 YOY



- *Loss and LAE ratio includes LPT Agreement adjustments for favorable prior period development of ceded reserves and the LPT contingent profit commission*
- *Policyholder dividends are included in underwriting and other operating expense*

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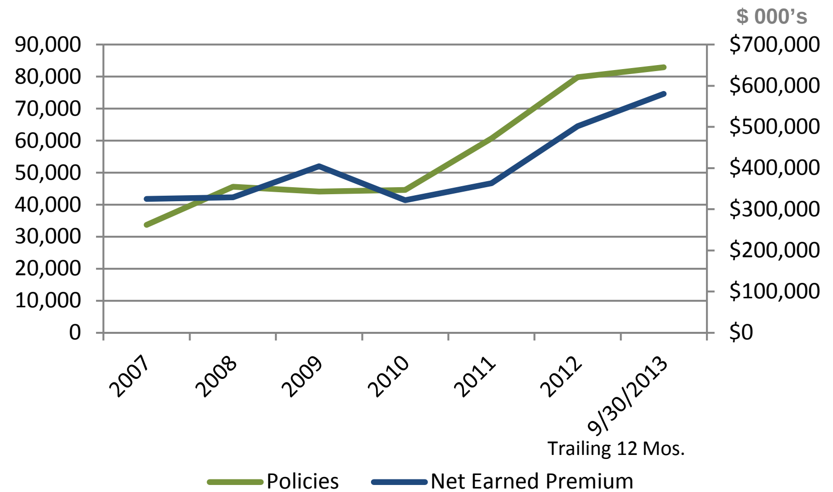
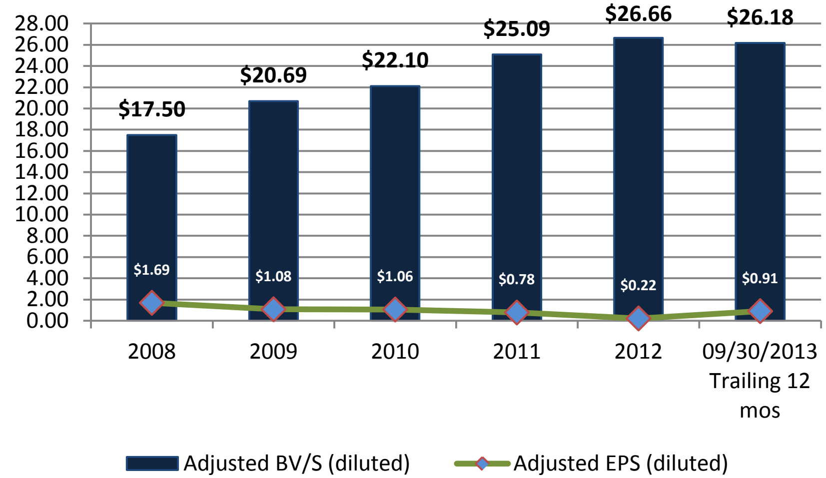
Growth

- Increased net earned premium
  - Policy count increase of 10.2% YOY at 09/30/2013
  - Increase of 9.3% in net rate YOY at 09/30/2013
- Increased EPS, impacted by historically low yields and high loss provisions in recent years

Substantial growth in recent years



Adjusted book value and adjusted EPS

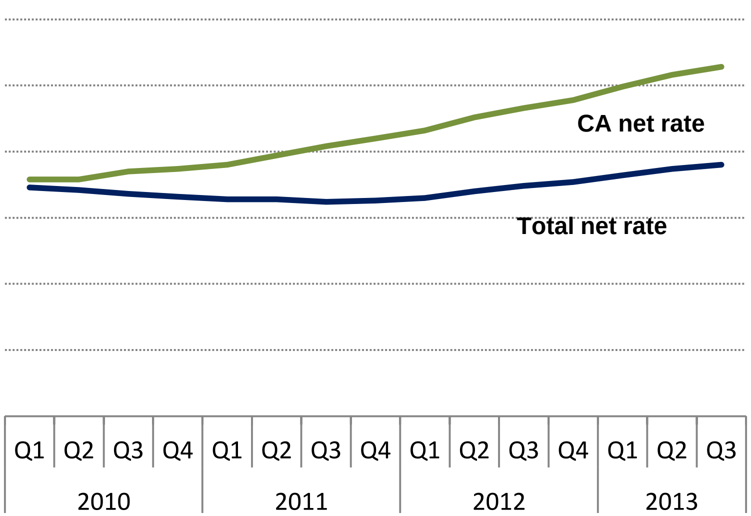


- *Adjusted and restated for impacts of the LPT*
- *Adjusted book value includes unrealized gains*

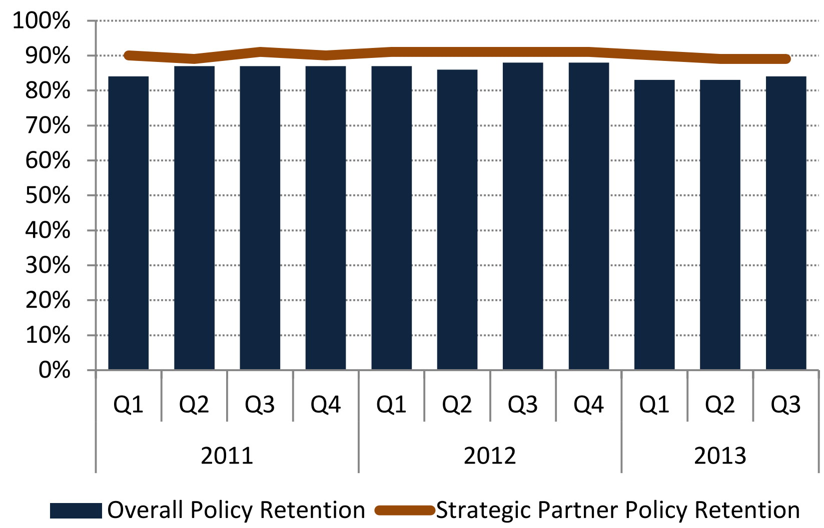
Improving Rate and Stable Retention

- Overall change in net rate up 9.3% at 09/30/2013 YOY
  - Variables impacting net rate include rate changes, underwriting risk profiles, pricing, changes in business mix
- Double digit net rate change in three of the top five states (California, Illinois, and Nevada)
  - Top five states represent approximately ¾ of total in-force premium
- Policy retention stable in Q3, but impacted in Q1 2013 by price competition

Increasing net rate (in-force premium per $100 of payroll)



High retention



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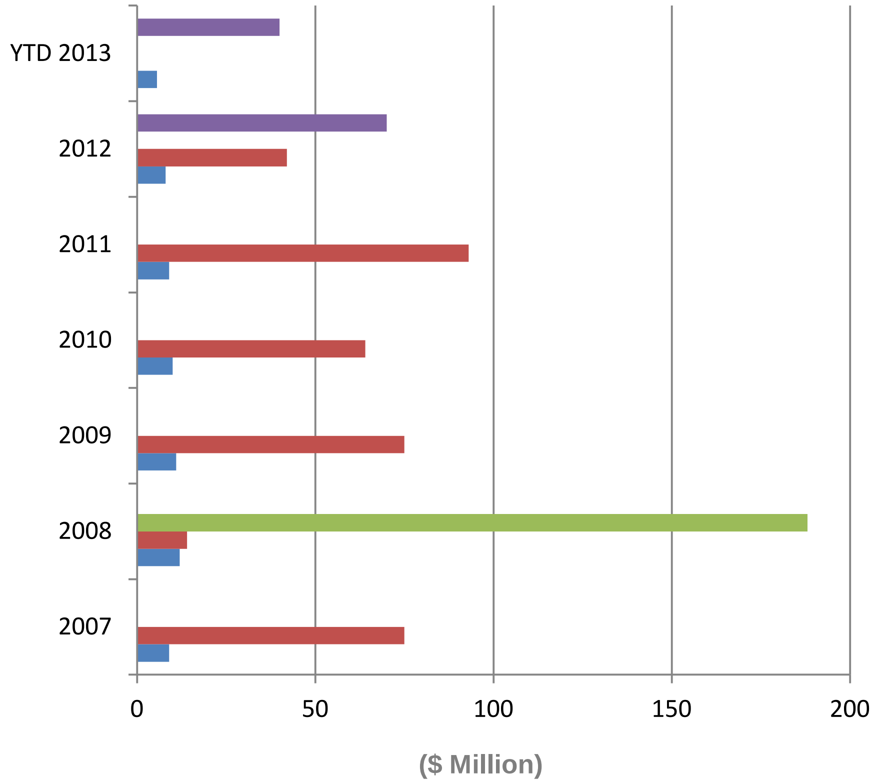
Capital Deployment

- Three uses of capital - $180 million at 09/30/2013 in cash and securities at holding company
- $725 million deployed 2007 through Q3 2013
    1. Deploy into the business
    2. Opportunistic acquisitions/mergers
    3. Return to shareholders



Deploy in business

$40 million to operating subsidiaries in September, 2013 $70 million to operating subsidiaries in September, 2012 to support growth and financial ratings

Strategic acquisitions

$188 million purchase of AmCOMP Inc. in 2008 expanded footprint, increased scale

Share repurchases

$363 million returned to shareholders, 23.4 million common shares at an average price of $15.51, 2007 through 2013

Dividends

$65 million in dividends, historically stable quarterly dividend of 6 cents per share, 2007 through 2013

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Unique Distribution Network

Independent agents and brokers

- 3,475 agencies
- Strong relationships with agents

Strategic partnerships

- Key partners

ADP
Automatic Data Processing, Inc.

PAYCHEX

Anthem

Industry focused

- California Restaurant Associations' provider of choice
- National Federation of Independent Business

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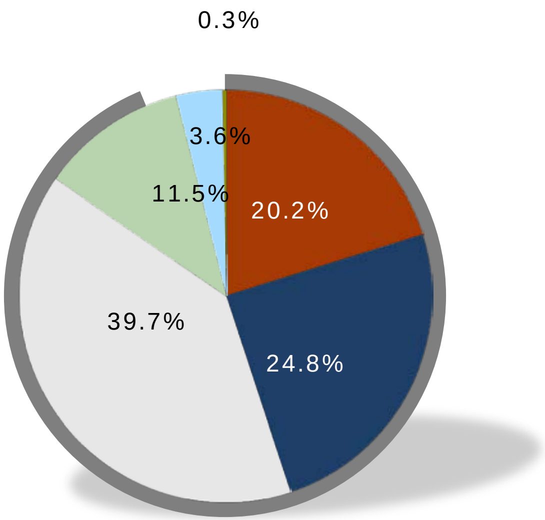
Low Risk Focus

Underwriting focus on select low hazard groups A - D



Hazard Group % at September 30, 2012
96.2% in Hazard Groups A – D

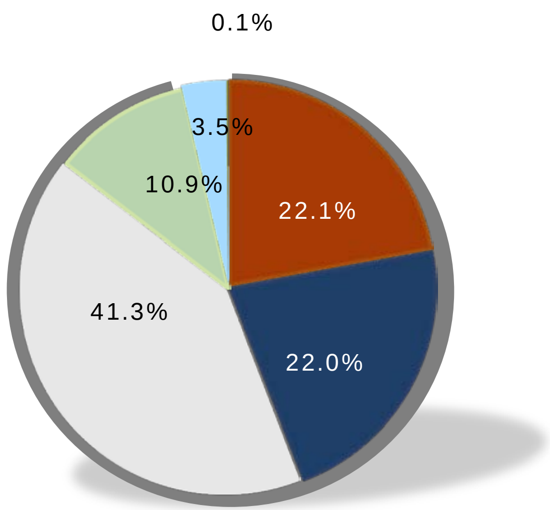
NCCI Hazard Groups

Hazard Group A
Hazard Group B
Hazard Group C
Hazard Group D
Hazard Group E
Hazard Group F
Hazard Group G

Lower Risk

Higher Risk

Data shown as a % of in force premiums



Hazard Group % at September 30, 2013
96.3% in Hazard Groups A – D

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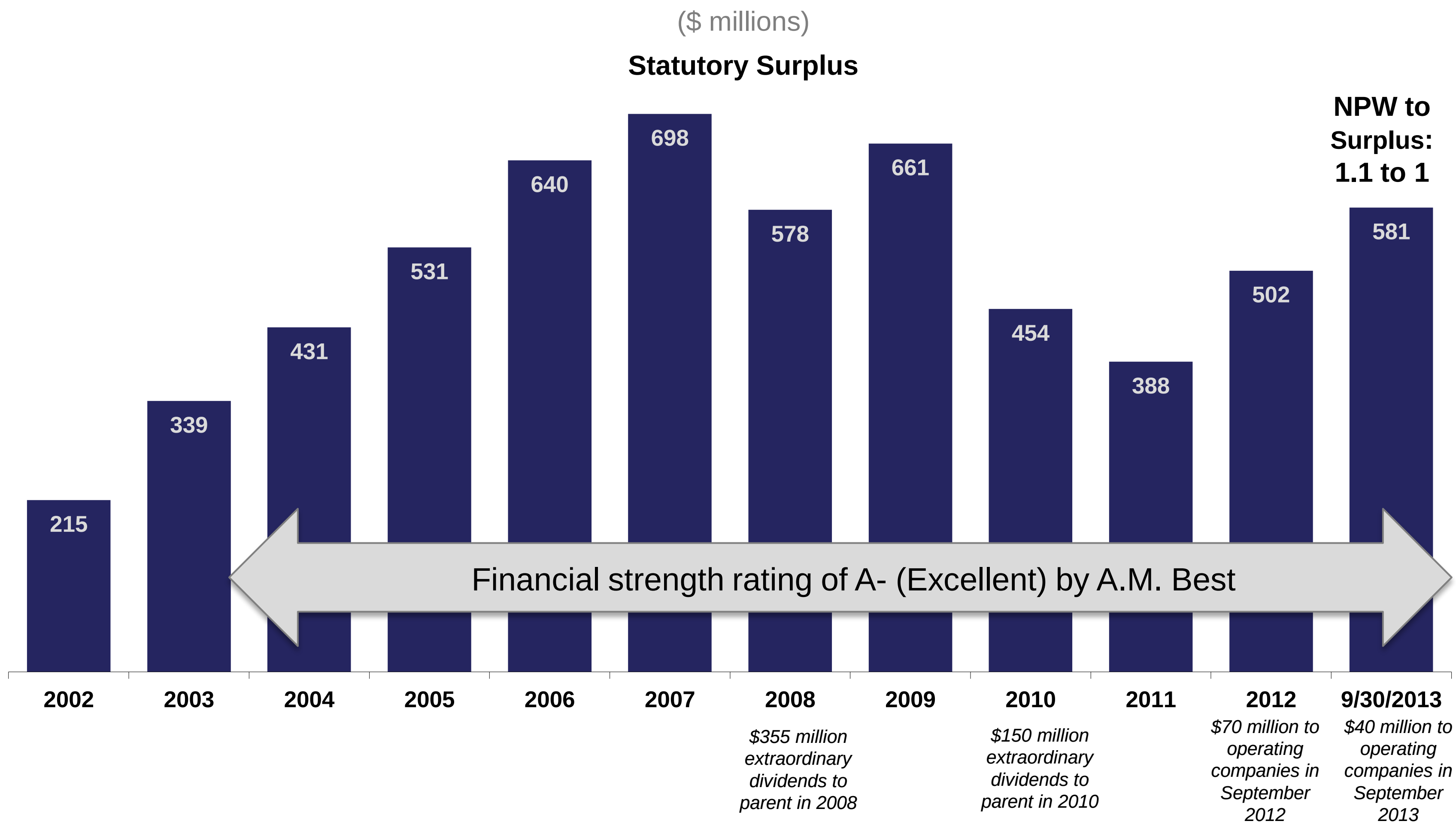
Strong Capital Position

Statutory surplus provides a solid basis for underwriting



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History of Reserve Strength

Reserve review

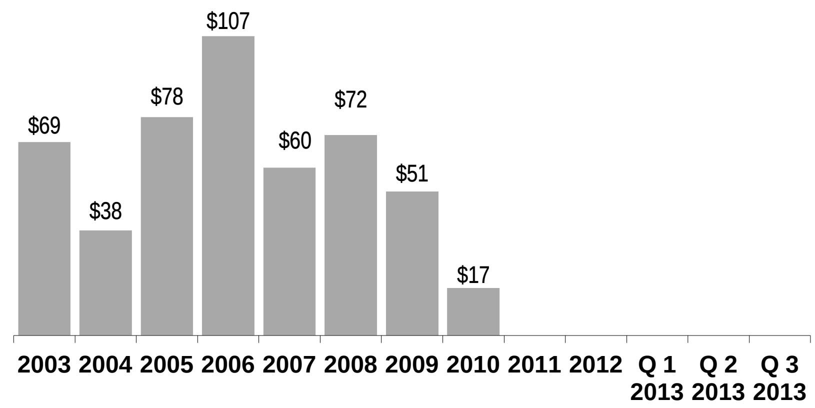
Quarterly evaluation of prior year reserves and current year loss picks

Consider point estimate of independent consulting actuary at June and December

Results from senior management to Board Audit Committee

Reserve development

Net Calendar Year Reserve Releases for Prior Accident Years ($ million)



- ***Carried reserves are our best estimate of outstanding unpaid losses and LAE***
- ***Overall reserves have remained adequate***

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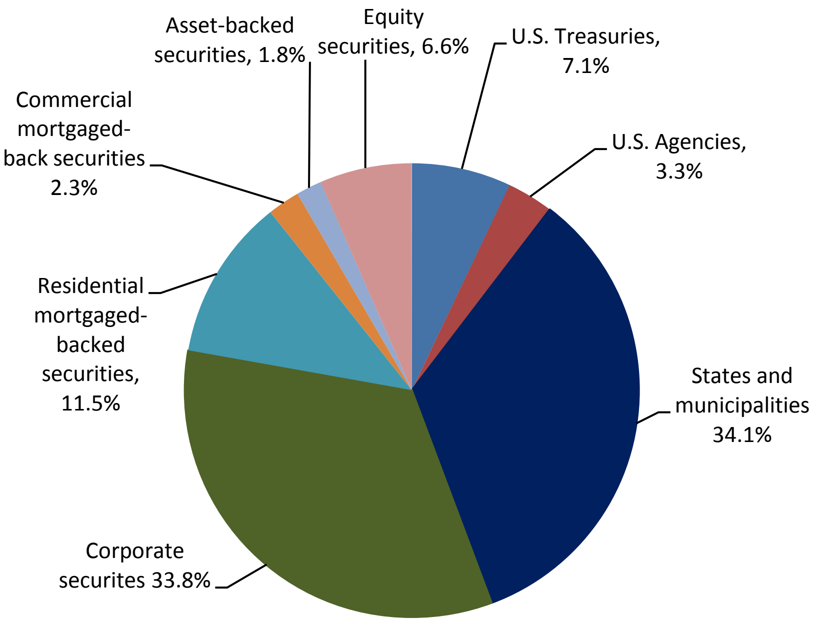
High Quality Investment Portfolio



09/30/13: $2.2 billion fair market value

- **Fixed maturities have an average weighted rating of AA**
- **3.4% average pre-tax book yield**
- **4.2% tax equivalent book yield**
- **Effective duration of 4.2**

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High Quality Reinsurance

Reinsurance management

Maintain a high quality reinsurance program

Long-term relationships with lead reinsurers

Rated A or better

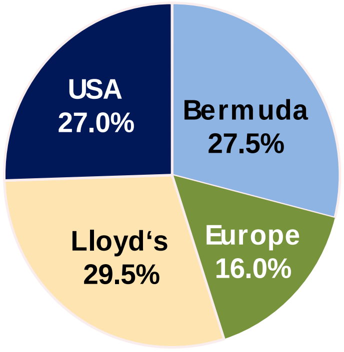
Focus on select small business provides a natural dispersion of exposure across markets

Program structure, effective 7/1/13

Limits of $200M

Retention of $5M plus $2M annual aggregate deductible

Reinsurers by Market



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Key Strengths

- **100 YEAR OPERATING HISTORY**
- Strong underwriting franchise with established presence in attractive markets
- Realized growth; expense management; improving operating ratios
- Unique, long-standing strategic distribution relationships
- Conservative risk profile and prudent capital management
- Strong financial position and strong balance sheet
- Experienced management team with deep knowledge of workers' compensation
- Demonstrated ability to manage through challenging operating conditions

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Appendix

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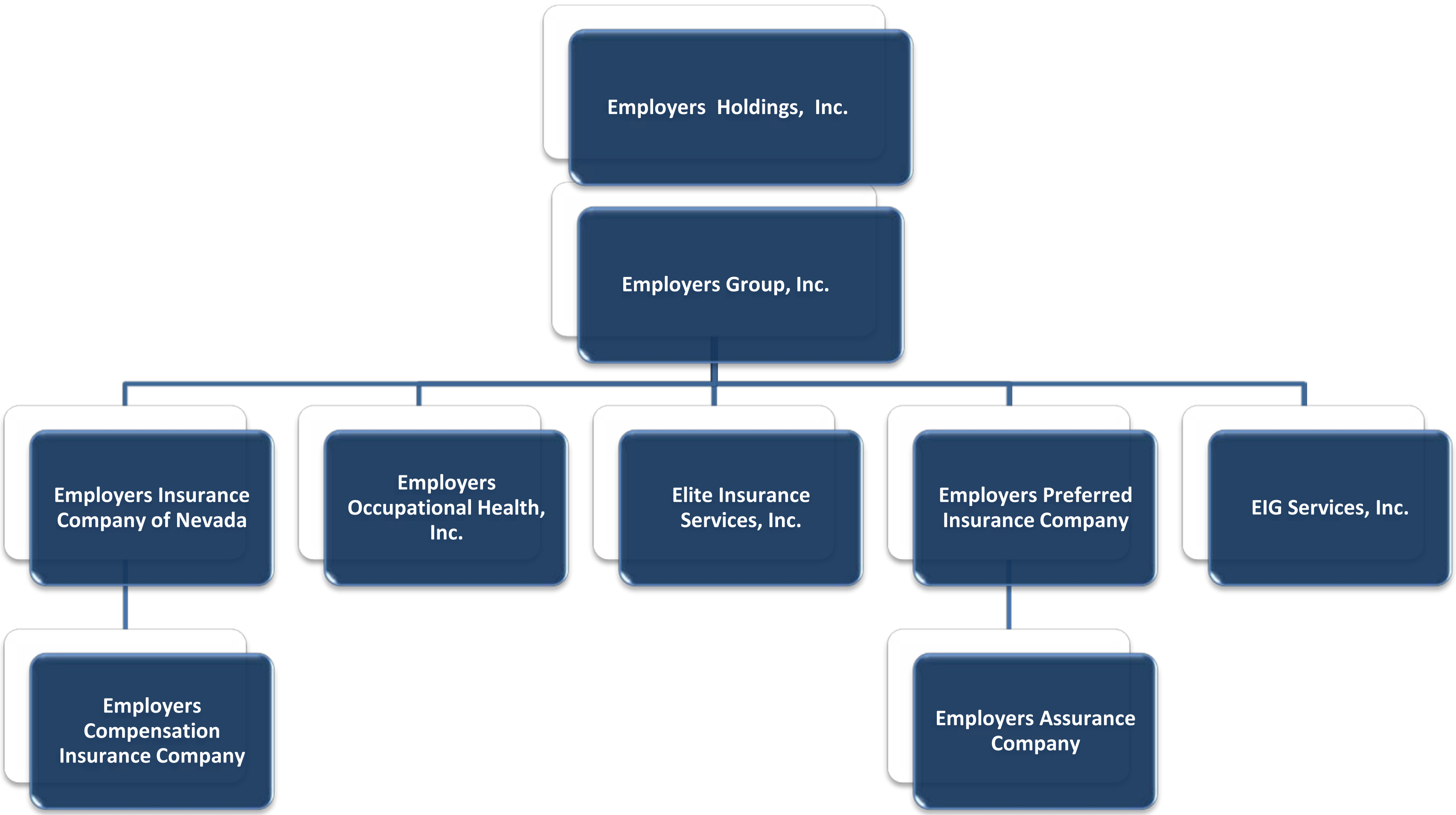
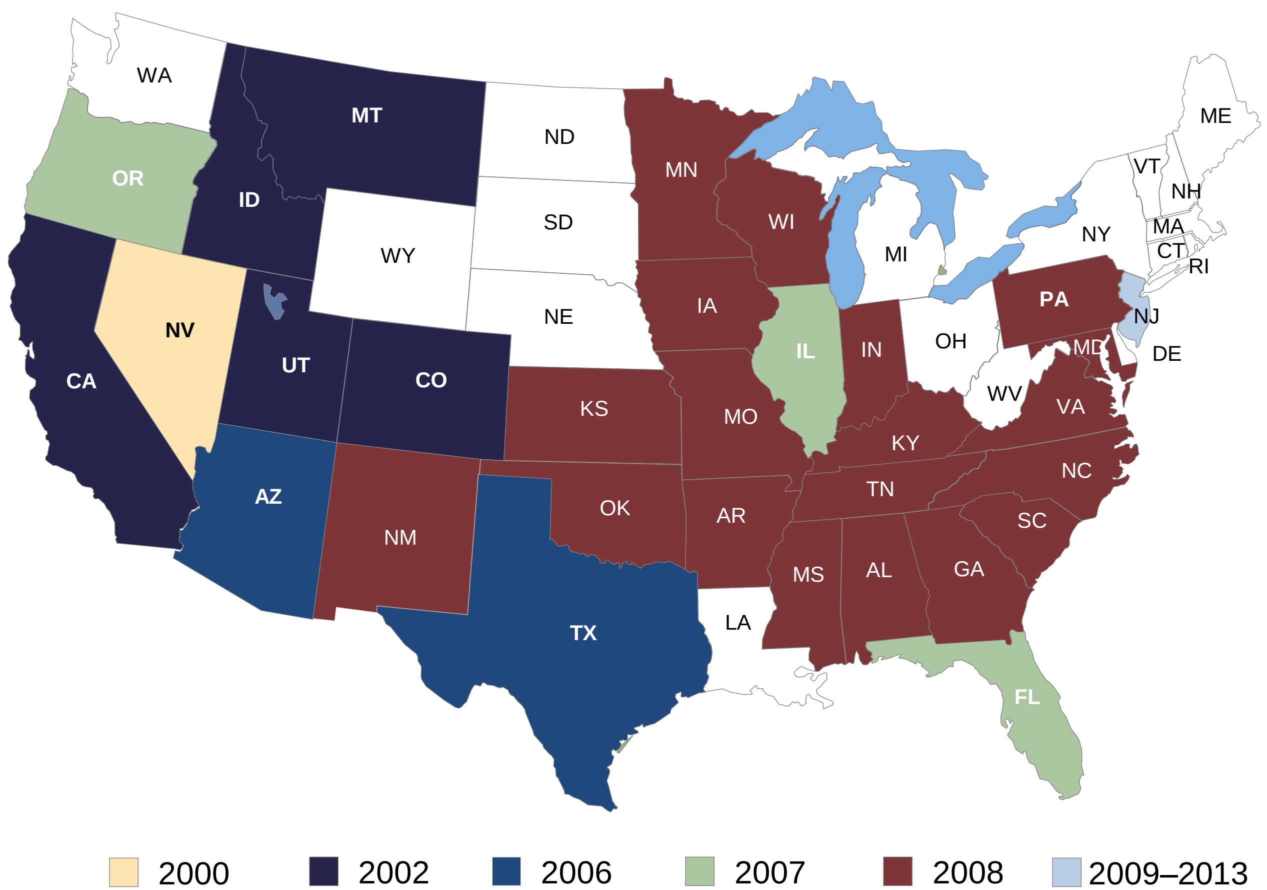
Corporate Structure



Selectively Expanding Footprint



HISTORY

1913 – 1999 State WC fund in NV 2000 Privatization	2002 Acquisition, book of business in CA, UT, ID, MT, CO	2005 Formation of mutual hold co 2006 Entry into TX, AZ	2007 Demutualization and IPO – entry into FL, IL and OR	2008 Acquisition of AmCOMP Incorporated, entry into IA	2009 – 2013 Focus on growth in existing states; entry into New Jersey

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Ongoing Distribution Network

Partnerships

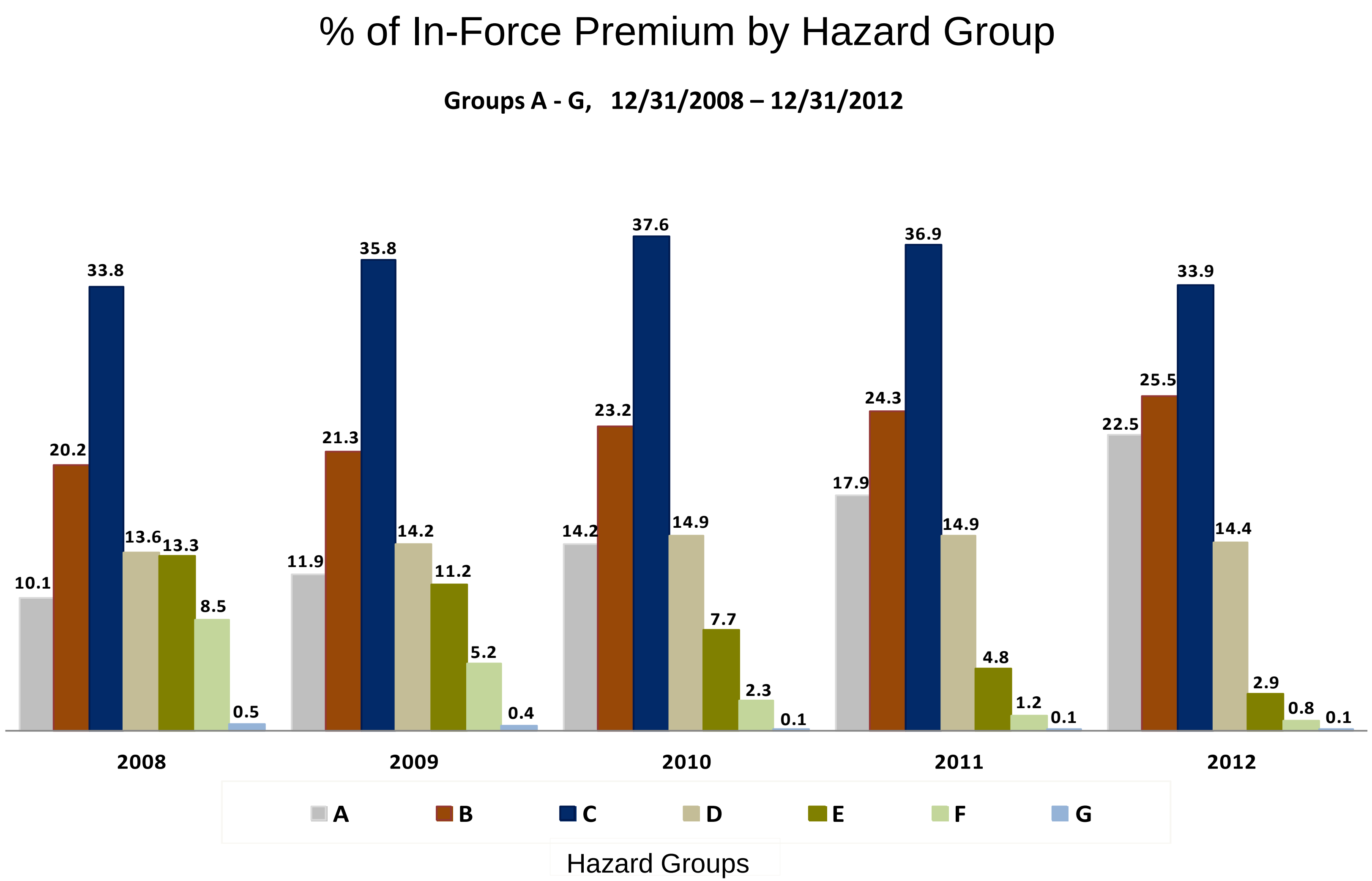
Provide … a distribution advantage by expanding market reach and providing local knowledge

Result … in high persistency

Contribute … about one quarter of in-force premiums historically

ADP Automatic Data Processing, Inc.	*Largest payroll services company in the U.S.* *Partner since 2002 – business originates with ADP's field sales staff and insurance agency with "Pay-by-Pay®" premium collection*
Anthem	*Largest group health carrier in CA – exclusive relationship – use medical provider network - Partner since 2002 – business is originated by health or casualty agents with a single bill to customers*
PAYCHEX	*Specialty provider of payroll and human resource services, 2nd largest payroll provider in U.S.* *Partner since Q 4 2012*
Granite Insurance Brokers / E-chx, Inc. Payroll Solutions	*Specialty provider of payroll services / insurance broker* *Partner since Q4 2006, expanded alliance in 2008*
INTEGO	*Provider of insurance software services – partner since Q4 2007*
WELLS FARGO	*Small business payroll services – partner since Q2 2008*
Telepayroll.com, Inc.	*Online payroll services and payment processing* *One of the largest independent payroll processors in Southern CA* *Partner since Q1 2009*

Business Mix



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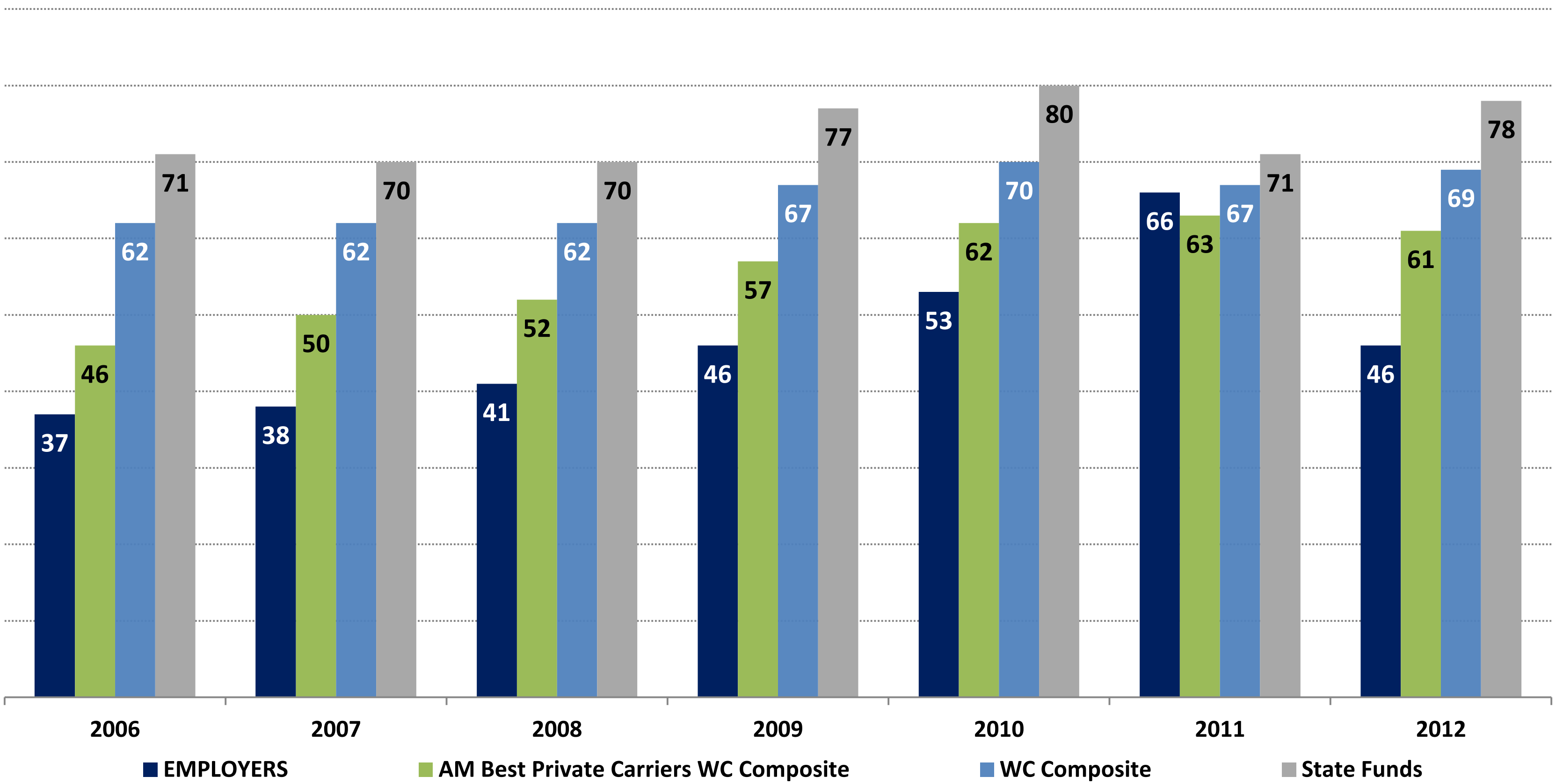
Statutory Loss Ratios

EMPLOYERS: Historically low loss ratios (%)



A.M. Best data, or derived from A.M. Best data

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Loss Portfolio Transfer (LPT)

Retroactive 100% quota share reinsurance coverage for all losses 6/30/95 and prior

Gain on transaction booked as statutory surplus; deferred and amortized under GAAP

Non-recurring transaction with no ongoing cash benefits or charges to current operations

3 Reinsurers: ACE, Berkshire (NICO), XL
Collateralized under agreement: largely cash/short-term securities, US Treasuries, and Wells Fargo stock

Recent favorable adjustments to LPT ceded reserves made in Q4 2012 and Q 3, 2013; contingent commission adjustment included in deferred gain*

Contract	
	($ million)
Total Coverage	$2,000
Original Reserves (Liabilities) Transferred	$1,525
Consideration	775
Gain at 6/30/1999	$ 750
Subsequent adjustments to the gain*	$ (218.5)
Gain at 09/30/13	$ 531.5

Accounting at 09/30/13	
	($ million)
Statutory Surplus Created	$531.5
Cumulative Amortization To Date	$ (270.9)
GAAP: Deferred Reinsurance Gain – LPT Agreement	**$260.6**

Claims 6/30/1995 and prior – approximately 3,000 claims open as of 09/30/13 with 4.5% closing each year

Remaining liabilities at 09/30/13: $633 million

***Any adjustment to the estimated reserves ceded under the LPT Agreement or any adjustment to the contingent profit commission under the LPT Agreement results in cumulative adjustments to the Deferred Gain, which are also included in losses and LAE incurred in the consolidated statement of income and comprehensive income, such that the Deferred Gain reflects the balance that would have existed had the revised reserves and/or the revised contingent profit commission been recognized at the inception of the LPT Agreement.**

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Selected Results

	12 Months Ended December 31,	
Income Statement ($ million)	**2011* (As Restated)**	**2012***
Gross written premium	418.5	580.3
Net written premium	410.0	569.7
Net earned premium	363.4	501.5
Net investment income	80.1	72.4
Net income	48.6	106.9
Net income before LPT	**29.3**	**7.0**
Balance Sheet ($ million except per share data)	**2011**	**2012**
Total investments	1,950.7	2,149.5
Cash and cash equivalents	258.6	146.0
Total assets	3,482.3	3,511.3
Reserves for losses and LAE	2,272.4	2,231.5
Shareholders' equity	462.0	539.4
Equity including LPT deferred gain	827.9	820.4
Book value (equity plus LPT deferred gain) per share	**25.09**	**26.66**

- ***Includes adjustments to the LPT Agreement for favorable prior period development of ceded reserves (2012) and the LPT contingent profit commission (see Forms 8-K dated February 27, 2013 and Form 10-K for the period ending December 31, 2012)***

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Superior Claims Management

In-house medical management staff

- Coordinate care and manage medical costs

Comprehensive fraud program

- $2.9 million savings in 2012

Rigorous quality assurance processes

- Compliance with best practices and regulatory requirements

Dedicated subrogation unit

- Recoveries over $2.0 million in 2012

Pharmacy benefit management program

- $3.4 million savings in 2012

Claims professionals average over a decade of experience

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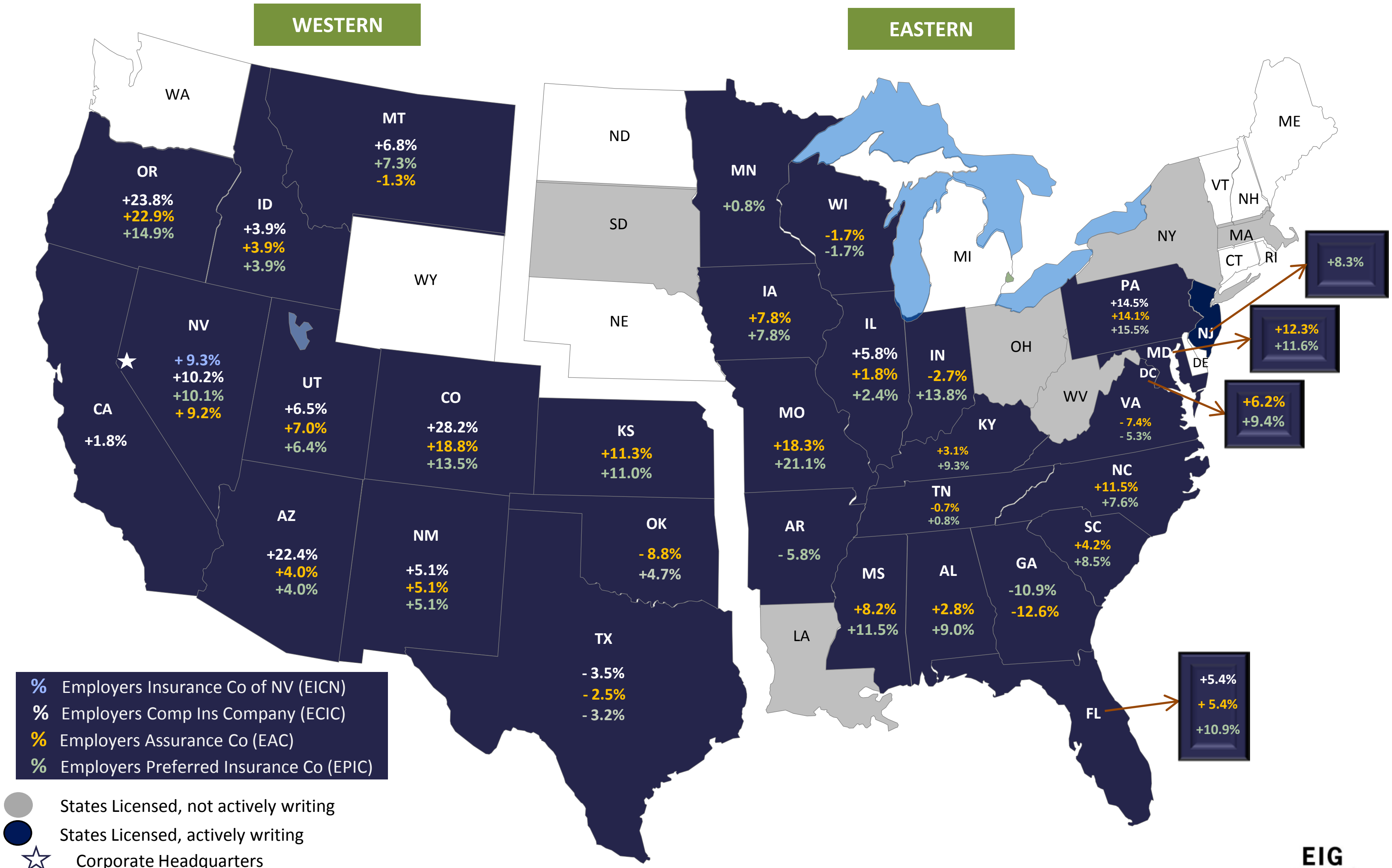
Filed Rate Changes: 01/01/13 thru 12/31/13



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