



**EMPLOYERS**<sup>®</sup>

# INVESTOR PRESENTATION

February 2023

# 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 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).

© 2023 EMPLOYERS. All rights reserved.

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](http://www.employers.com) and [www.cerity.com](http://www.cerity.com) for coverage availability.



# EMPLOYERS®

## Business Overview



# Who We Are (the Numbers)

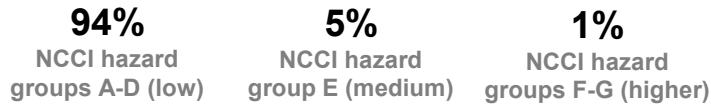
**EMPLOYERS®** is a mono-line writer of workers' compensation (WC) insurance focused on **low-to-medium hazard risk** small businesses.

## MARKETS AND DISTRIBUTION

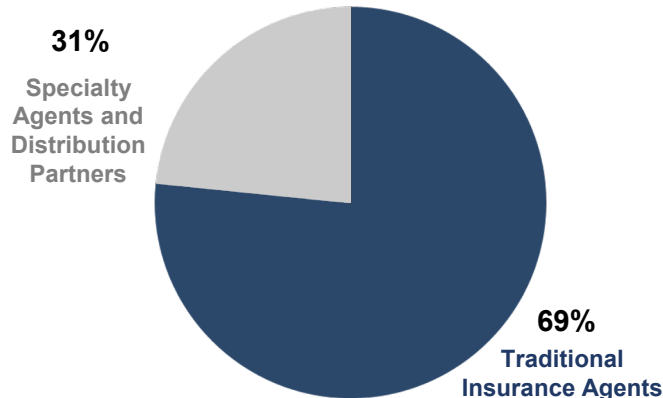
**\$714 Million**  
2022 Gross Written Premiums

### Low Hazard Focus

*Shown as a percentage of in-force premium*

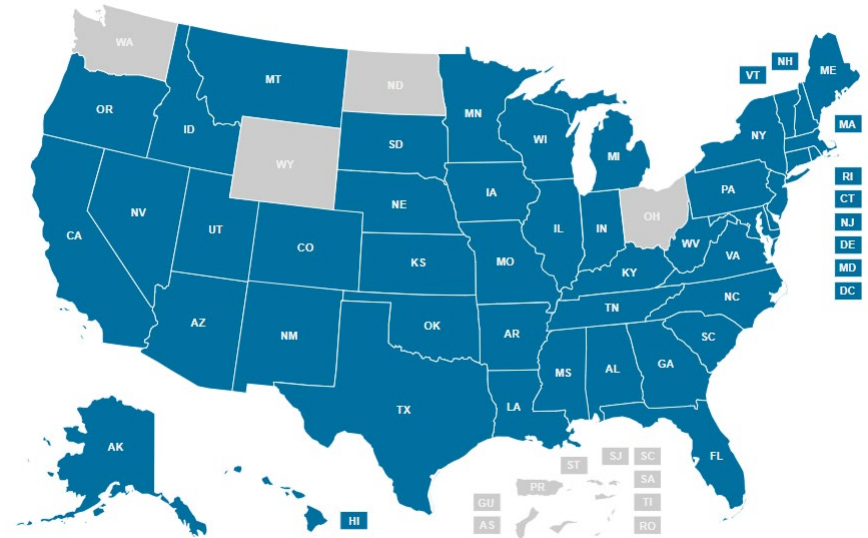


### Premium Contribution



**\$665 Million** 2022 in-force premium (incl. est. audit premium)  
**121,356** in-force policies  
**\$5,480** average policy size

### Nationwide Platform



# Who We Are (the Words)



## UNIQUE GROWTH DRIVERS SPECIFIC TO EMPLOYERS

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

- (i) enhancing the agent experience and agent efficiency;
- (ii) providing direct-to-customer workers' compensation insurance policies through Cerity, a subsidiary separate from Employers' other insurance businesses.



Top Ten Employer Classifications		% of Premium	Classes of Business	
Restaurants & Other Eating Places	19%	Food & Beverage	Personal Services	
Traveler Accommodation	7%	Tech and Scientific services	Clothing retail	
Automobile Dealers	4%	Legal and Financial services	Personal product retail	
Automotive Repair and Maintenance	4%	Hospitality	Medical professions	
Services to Buildings and Dwellings	4%	Landscaping services	Architecture and Engineering services	
Offices of Physicians	3%	Printing and Publishing	Office, Home and Garden	
Real Estate Management	3%	Retail	Therapeutic Services	
Schools	3%	Educational	Commercial janitorial	
Other Store Retailers	3%	Plumbing and HVAC	Flooring Installation	
Wholesale Stores	2%	Electricians	Painting and Wallpaper	

EMPLOYERS® and Cerity® each plan to further expand into other low-to-medium hazard group classes of business in the future

# 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.

2021 RANK	COMPANY NAME	2021 DIRECT PREMIUMS WRITTEN (\$)	MARKET SHARE (%)	
1	Travelers Group	3,547,060,248	6.79	
2	Hartford Fire & Cas. Group	3,293,688,775	6.31	
3	AmTrust Financial Serv. Group	2,449,895,718	4.69	
4	Zurich Ins. Group	2,354,376,108	4.51	
5	Chubb Ltd. Group	2,203,568,412	4.22	
6	Liberty Mutual Group	1,984,360,401	3.8	
7	Berkshire Hathaway Group	1,927,849,125	3.69	
8	State Ins. Fund	1,733,103,535	3.32	New York State Fund
9	BCBS of MI Group	1,667,442,495	3.19	
10	Old Republic Group	1,292,040,490	2.47	
11	State Compensation Ins. Fund	1,235,450,577	2.37	California State Fund
12	American Financial Group	1,179,981,665	2.26	
13	WR Berkley Corp Group	1,139,400,982	2.18	
14	American Intl. Group	1,103,210,300	2.11	
15	Texas Mutual Ins. Co.	923,449,372	1.77	Texas State Fund
16	CNA Ins. Group	842,969,839	1.61	
17	ICW Group Assets Inc. Group	835,665,426	1.6	
18	Fairfax Fin. Group	752,800,608	1.44	
19	Arch Ins. Group	655,835,115	1.26	
20	Starr Group	589,005,202	1.13	
21	Markel Corp Group	585,006,210	1.12	
<b>22</b>	<b>Employers Holdings Group</b>	<b>582,607,681</b>	<b>1.12</b>	
23	Pinnacol Assur.	539,423,615	1.03	Colorado State Fund
24	SAIF Corp.	521,964,312	1	
25	Copperpoint Group	478,236,901	0.92	
	<b>INDUSTRY TOTALS</b>	<b>52,237,806,087</b>	<b>100</b>	

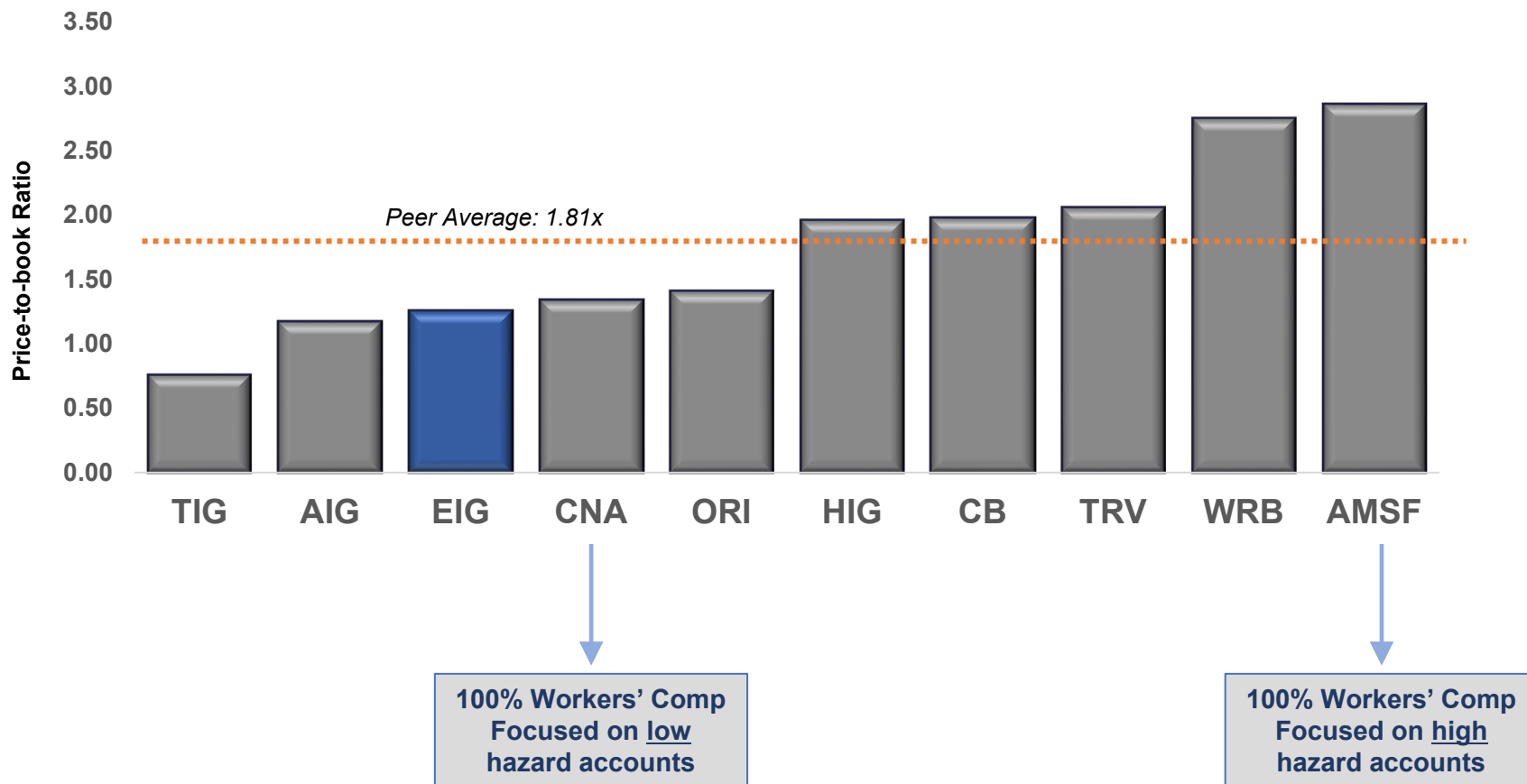
Source: NAIC

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

# 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)

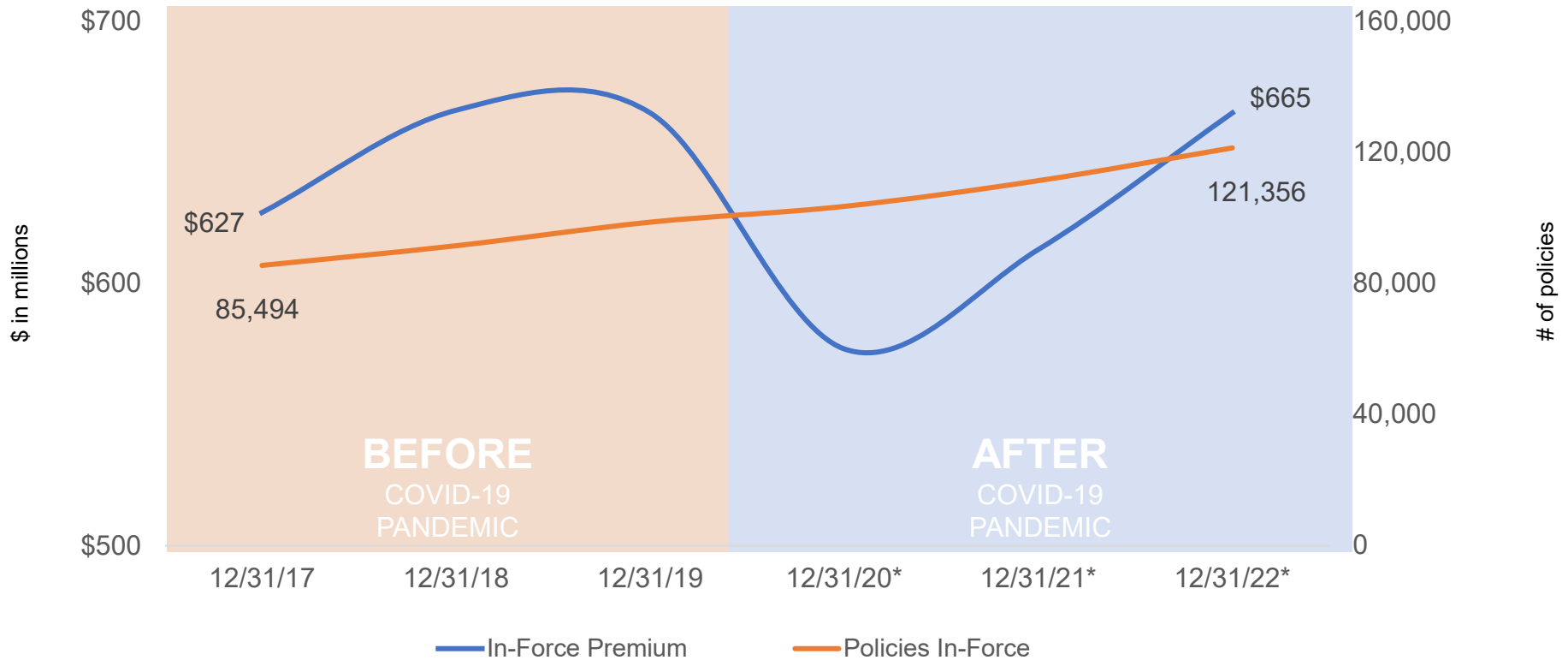


Calculations of Price-to-Book use prices as of the close on 1/31/2023 and book value as of December 31, 2022 (except AMSF, CB, HIG, ORI, TIG as of 9/30/22)

Source: FactSet



## In-Force Policies and Premium



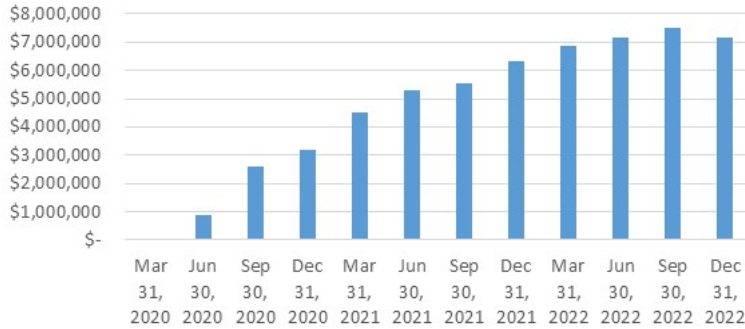
\* 2020 - 2022 in-force premiums include an estimate of audit premium

### Fourth Quarter 2022 Highlight

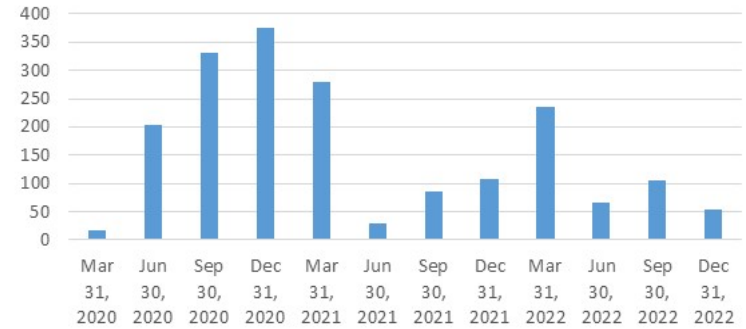
Record number of ending policies in-force of 121,356, +9% year-over-year

# COVID-19 Claims To-Date

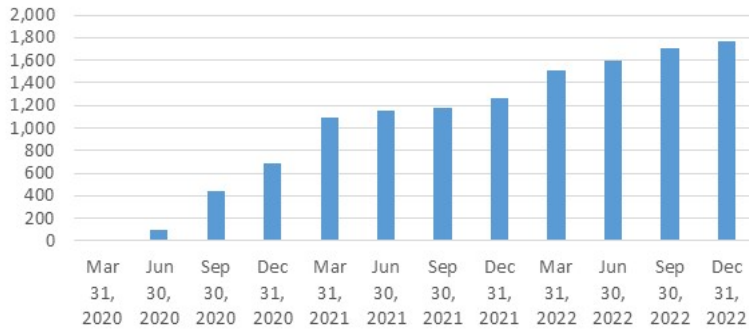
Covid-19 Claims - Total Incurred



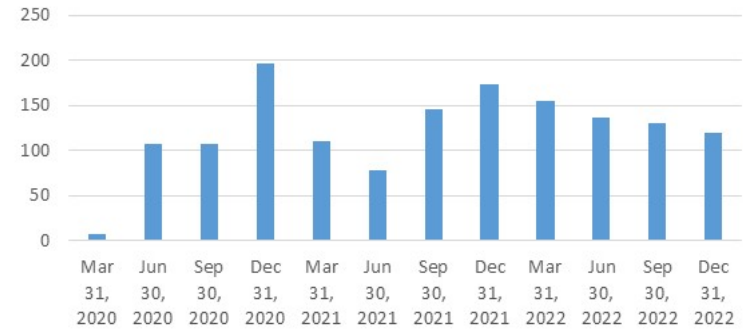
Covid-19 Claims - Setup per Quarter



Covid-19 Claims - Closed Status per Quarter



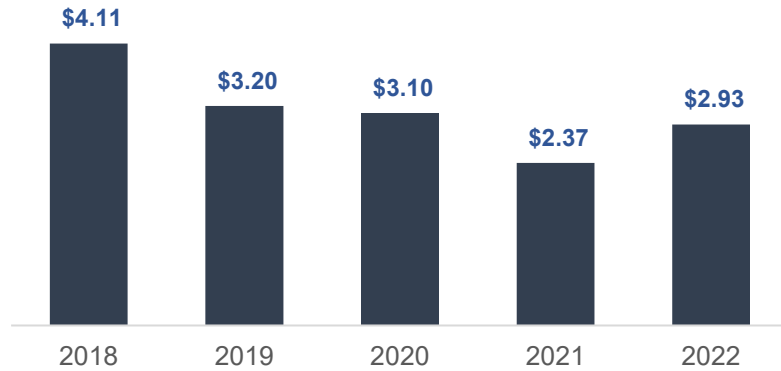
Covid-19 Claims - Open Status per Quarter



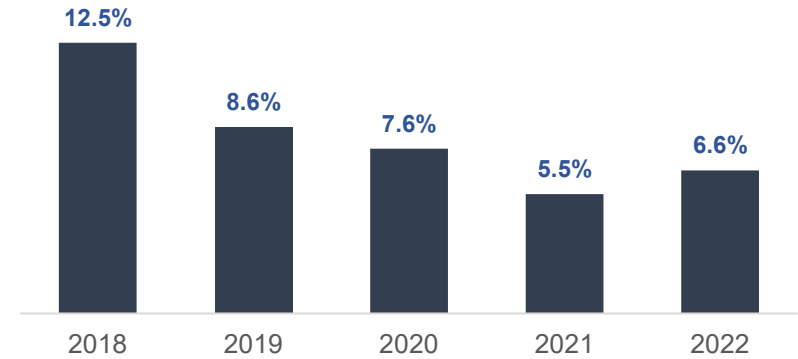
**Total Incurred \$7.1 Million, Low Average Incurred for Closed, Majority of Open are California**

# Five-Year Financial Performance

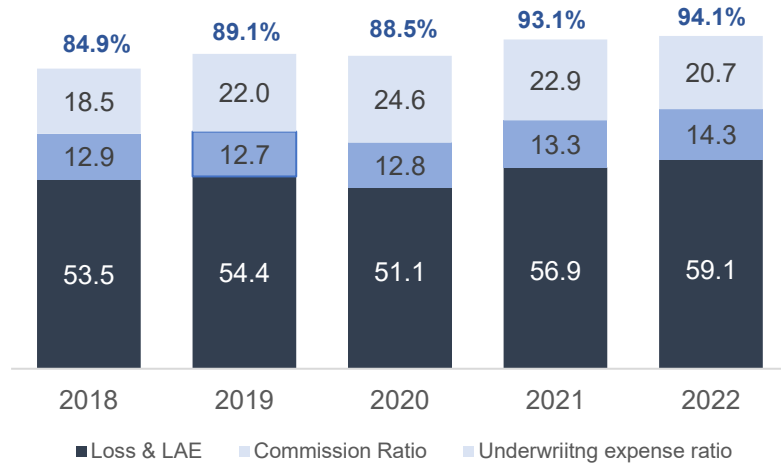
### Adjusted EPS (Diluted)



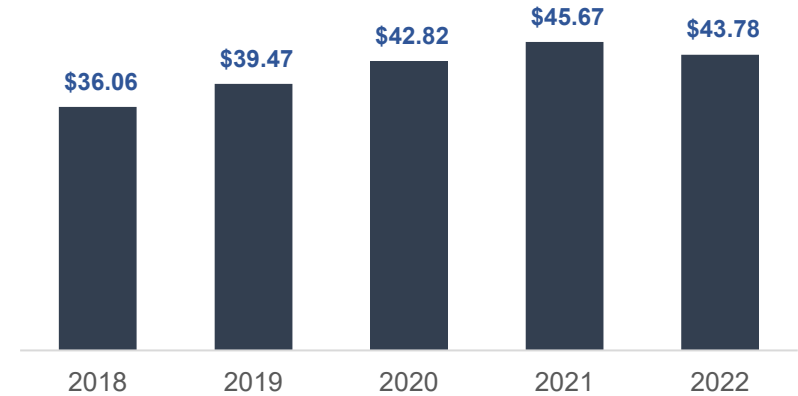
### Adjusted ROE



### Combined Ratio – Employers Segment



### Adjusted Book Value per Share





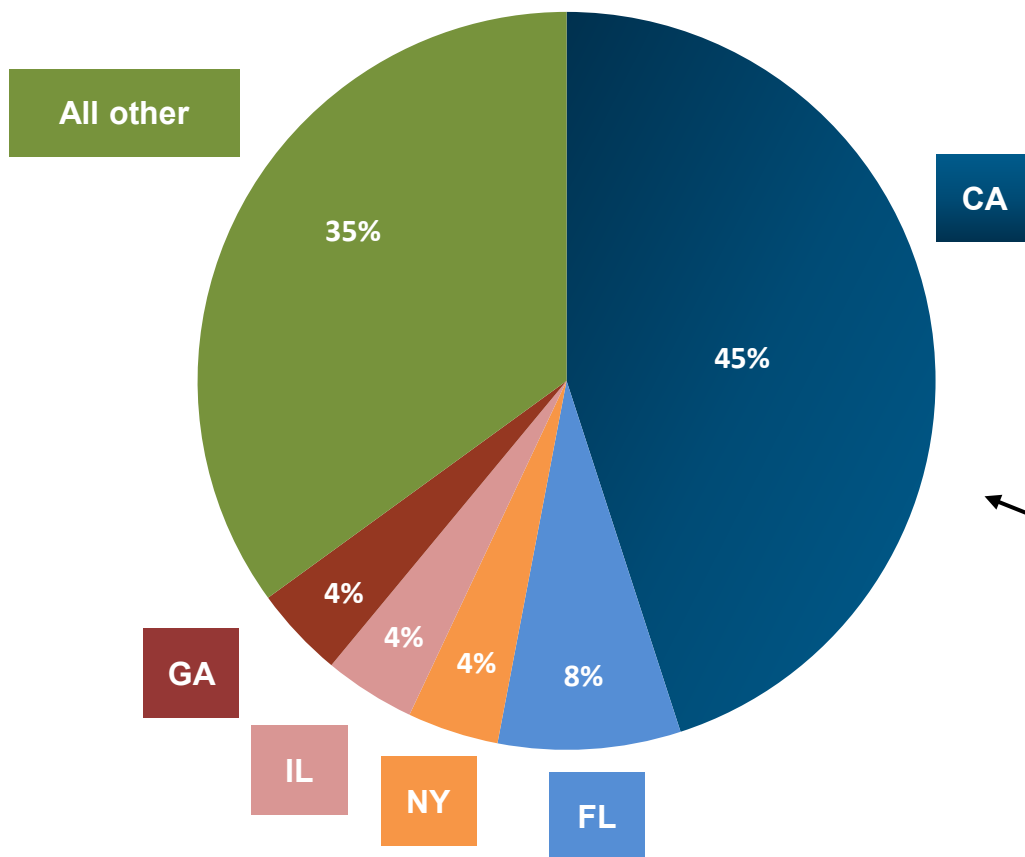
# EMPLOYERS®

## Strategy, Innovation and Capital Strength

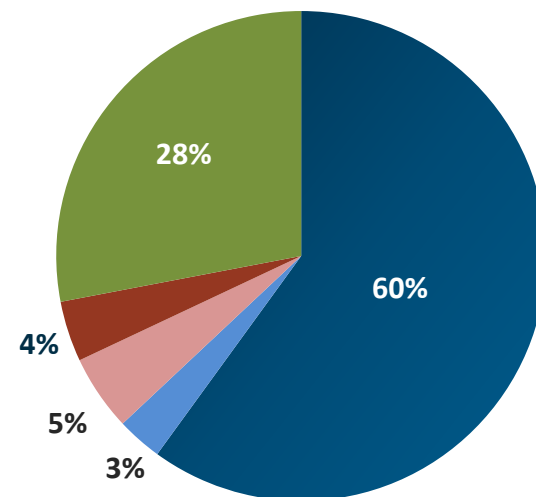
# Strategic Diversification

(by in-force premium)

December 31, 2022

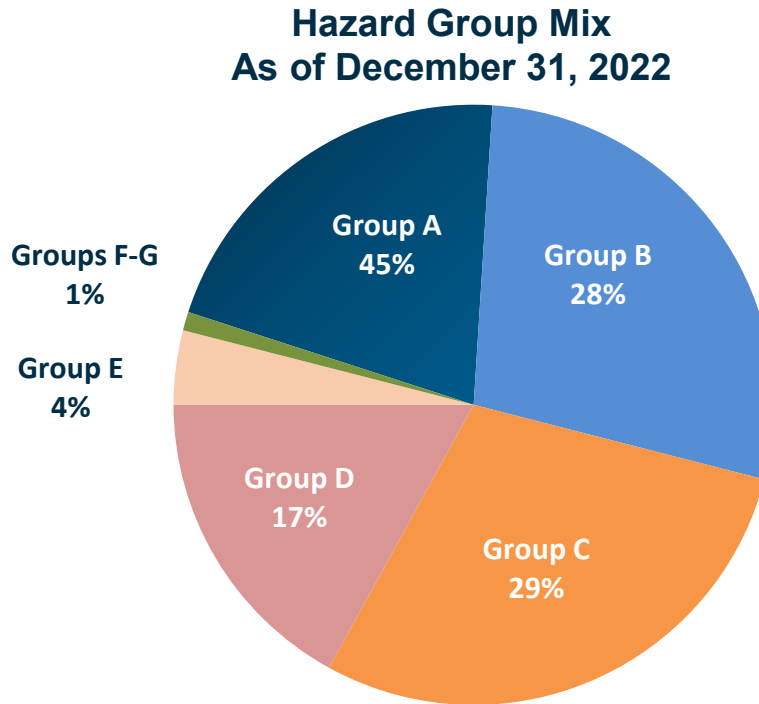


December 31, 2013



Growth outside of CA is providing further diversification

# Focus on Low-to-Medium Hazard Groups



We employ a thoughtful and conservative underwriting approach designed to individually select specific types of businesses that we believe will have fewer and less costly claims relative to other businesses in the same hazard groups.

*Data shown as a % of in-force premium*



In 2021, we announced our strategic north star of ease to serve as a guide to making our internal operations more seamless and scalable and our external systems more customer friendly.

With this vision, we shaped our near-term Corporate Goals to include three key elements: (i) the development of a Transformation Management Office (TMO) to assist with quarterly project prioritization and improve how we measure and allocate resources to these projects; (ii) the creation of three new functional strategies focused on improving data and analytics (D&A), workforce experience (WX), and customer experience (CX); and (iii) the formation of a Test and Learn Center to understand the impacts of our projects prior to full-scale implementation.

In developing our D&A, WX, and CX strategies, we followed two guiding principles. First, all initiatives should incorporate end-to-end thinking to highlight how decisions and ideas impact EMPLOYERS as a whole and not just one functional area. Second, we considered whether the change brought ease to our internal and/or external customers. These principles led us to define four key investment streams, each focused on meeting the unique needs of specific customers:

1. **Distribution:** A new agency partnership program will better meet the needs of our highest-performing agency partners and support their growth.
2. **Claims:** A new online claims intake process will support injured workers and reduce claim costs by encouraging digital claims submission and streamlining our internal processes.
3. **Premium Audit and Billing:** Modern payment programs will offer greater ease and flexibility for our policyholders and increase retention, and an enhanced online premium audit program will make it easier for our customers to understand and comply with the audit process.
4. **Customer Support:** Transitioning all customer support teams to one communication platform will enable a single view of a customer's interactions. In addition, developing an array of self-service features will empower our customers to meet their needs online.

Each of these investment streams will be designed to further our D&A, WX, and CX strategies, while delivering ease to both our external customers and internal teams. Through Test and Learn implementation we'll gain insights along the way, honing our strategies even further and delivering near-term wins. An ongoing commitment to our new TMO process will ensure coordination and alignment.

To expand our opportunities for growth, we continue to thoughtfully broaden our underwriting appetite at both Employers and Cerity. The additional classes of business reside within our targeted low-hazard groups and we remain committed to maintaining the highest level of underwriting discipline.

## Classes recently added:

*Residential Janitorial*

*Commercial Janitorial*

*Restaurant Janitorial*

*Landscaping Services*

*Lawn Maintenance*

*Residential Plumbing and HVAC*

*Residential Painting and Wallpaper*

*Residential Electricians*

*Residential Carpentry*

*Commercial Painting and Wallpaper*

*Commercial Electricians*

*Commercial Carpentry*

*Flooring Installation*

*Commercial Plumbing and HVAC*

## Classes currently under consideration:

*Residential Remodelers*

*Window and Door Install*

*Framing, Drywall, Sheetrock*

*Insulation contractors*

*Tile Terrazzo*

*Glaziers*



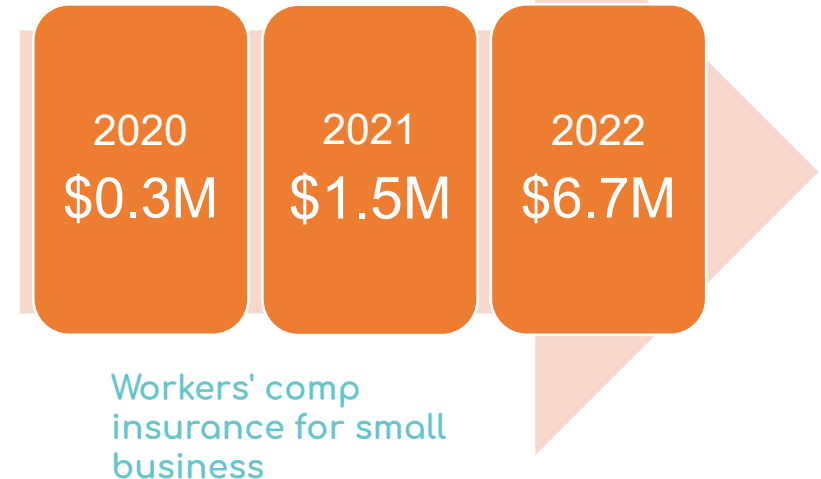
## Changing Customer Buying Behaviors

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



## Share Repurchases and Cash Dividends



# Strong History of Favorable Reserve Development

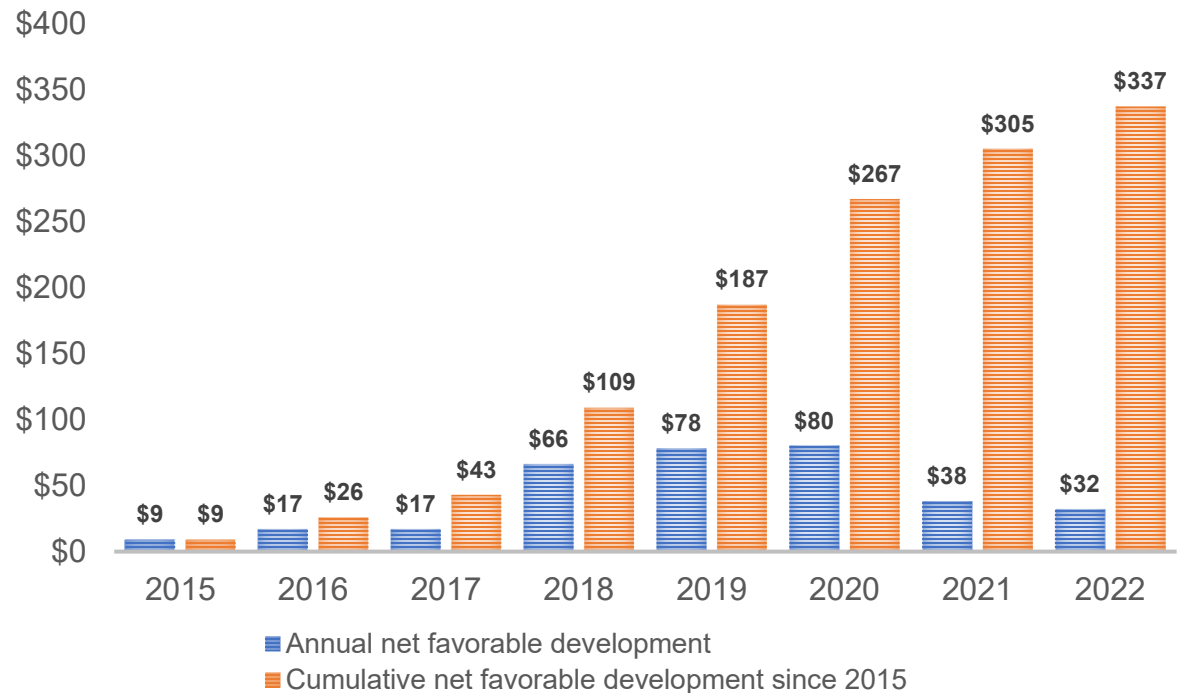
## Reserve Review

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

Reserve estimates are 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)



## Fourth Quarter 2022 Full Review

Recognized \$22.5 million of Net Favorable Prior-Year Loss Reserve Development on Voluntary Business



# EMPLOYERS®

## Q4 2022 Financial Update



# Fourth Quarter 2022 Highlights

## Solid Financial Results

Adj. Net Income  
**\$34.4M**  
or \$1.25/share

Net Investment  
Income  
**\$27.0M**  
+53% from 4Q21

Adj. Book Value  
**\$43.78**  
per share

## Insurance Operations

Gross Premiums Written  
**\$173.8M**  
+22% from 4Q21

In-Force Premiums  
(incl Est. Audit Premium)  
**\$665**  
+9% from 4Q21

Employers Segment  
Combined Ratio  
**86.6%**  
vs. 82.4% in 4Q21

Policies In-Force  
**121,356**  
+9% from 4Q21

Loss & LAE 51.5%  
vs. 48.6% in 4Q21  
Commission Expense 14.5%  
vs. 13.7% in 4Q21  
Underwriting Expense 20.6%  
vs. 20.1% in 4Q21

## Extremely Strong Balance Sheet

Total Investments  
and Cash  
**\$2.7B**

4Q Share  
Repurchases  
**\$1.7M**  
40,355 shares at average  
price of \$42.15 per share

4Q Dividends  
**\$1.51**  
per share  
*(which includes a \$1.25  
per share special dividend)*

# Full-Year 2022 Highlights

## Solid Financial Results

Adj. Net Income  
**\$81.0M**  
or \$2.93/share

Net Investment  
Income  
**\$89.8M**  
+24% from 2021

Book Value incl.  
Deferred Gain  
**\$38.67**  
per share

## Insurance Operations

Gross Premiums Written  
**\$714.2M**  
+21% from 2021

Net Premiums  
Written  
**\$707.2**  
+21% from 2021

Employers Segment  
Combined Ratio  
**94.1%**  
vs. 93.1% in 2021

Net Premiums  
Earned  
**\$675.2**  
+18% from 2021

Loss & LAE 59.1%  
vs. 56.9% in 2021  
Commission Expense 14.3%  
vs. 13.3% in 2021  
Underwriting Expense 20.7%  
vs. 22.9% in 2021

## Extremely Strong Balance Sheet

Stockholders' Equity  
incl. Deferred Gain  
**\$1.1B**

2022 Share  
Repurchases  
**\$30.4M**  
766,685 shares at average  
price of \$39.68 per share

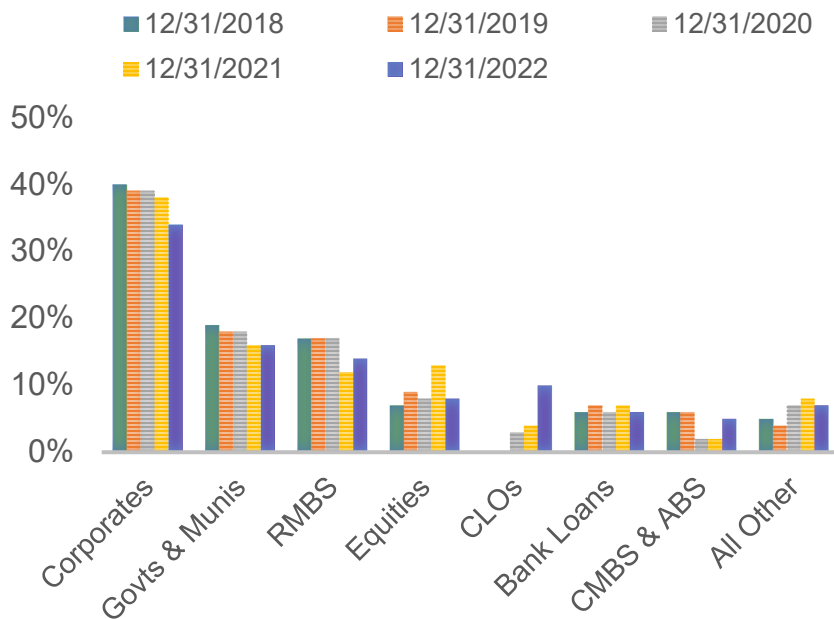
2022 Dividends  
**\$3.28**  
per share  
*(which includes two special dividends  
totaling \$2.25 per share)*

**\$2.6 billion fair market value (\$2.7 billion including cash)**

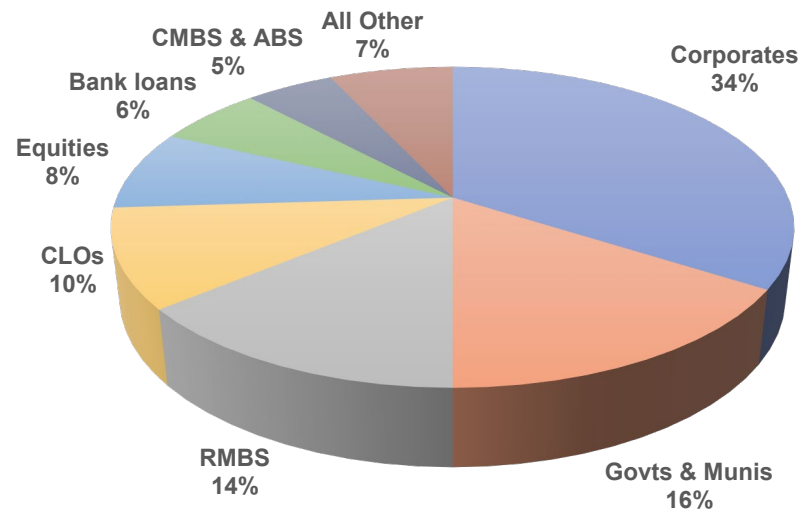
- High quality (average credit quality of A)
- Highly liquid (\$0.9 billion is unencumbered at the operating companies and is available within 3 business days)
- Duration of 3.9
- 3.9% average ending pre-tax book yield vs. 3.0% a year ago

## Investment Portfolio Allocation

### Allocation history



### At 12/31/2022





# EMPLOYERS®

## Environmental, Social and Governance (ESG)

We are committed to delivering value to our shareholders while being conscientious of ESG concerns. For further information regarding our ESG efforts, please see our 2022 ESG Report and our 2022 Task Force on Climate Related Financial Disclosures (TCFD) Report, which are posted on our website at [www.employers.com](http://www.employers.com) in the Investors section under "ESG and Related Reports".

As a mono-line Worker's Compensation carrier, our Environmental concerns primarily include, among other things:

**OUR INVESTMENT PORTFOLIO** - While we oversee all our investment activities, we employ several independent investment managers (Investment Managers). Our Investment Managers follow our written investment guidelines, which are approved by the Finance Committee of our Board of Directors. Our asset allocation is reevaluated by management and reviewed by the Finance Committee of the Board of Directors on a quarterly basis. We also utilize our Investment Managers' investment advisory services to assist us in developing a tailored set of portfolio targets and objectives.

Our Investment Managers actively monitor the ability of our bond issuers to repay their obligations, remain competitive, and maintain a strong financial position. Our Investment Managers also consider ESG criteria when evaluating investment opportunities. Each of our Investment Managers are signatories to the United Nations Principles for Responsible Investment Group, an independent non-profit organization that encourages investors to use responsible and sustainable investment practices to enhance returns and better manage risks.

Over the past several years, we have also acknowledged California's Climate Risk Carbon Initiative and have altered our investment strategy to avoid owning investments that could be in direct conflict with that initiative. This initiative was designed to provide the public with information relating to potential climate change-related financial risks faced by California insurance companies resulting from exposure to fossil fuel-based investments.

**OUR NATURAL CATASTROPHE EXPOSURE** - We purchase a significant amount of catastrophe reinsurance annually, and the models used to develop its potential exposure to natural catastrophes consider the potential effects of climate change. We believe that our largest exposure to natural catastrophes is currently U.S. earthquake risk. We believe, based on the most recent catastrophe modeling software, that with our current reinsurance protection we could withstand a greater than 1 in 1,000-year U.S. earthquake occurrence.

**OUR CARBON FOOTPRINT** - In the past 24 months, we have made a major move to shift our workforce to more remote and flexible arrangements, thus sharply reducing or eliminating commutes and their resulting carbon emissions. In fact, we have eliminated over 1 million miles of annual commuting through these actions. In addition, we have closed offices in various states and these employees are working entirely remote, thus reducing our purchased energy. The national average for office spaces like ours is 15.9 kWh/sq ft annually, according to the U.S. Energy Information Administration. Our average across all of our facilities was 8.4 kWh/sq ft in 2021, less than 53% of the national average.

We have made a concerted effort to limit travel within our operations. We have reduced our in-person board meetings by 50%, shifting to a more virtual environment. We are also creating more sustainable business practices by building digital systems that will allow our customers to "go paperless" and improving our digital delivery capabilities that will keep future paper waste to a minimum.

In 2022, we released our initial TCFD Report, which is the standard for insurance companies to report their climate related risks that was adopted by the National Association of Insurance Commissioners. The TCFD standard is currently the international benchmark for climate-related disclosures and helps stakeholders understand the climate-related risks to the insurance market. Our 2022 TCFD report is posted on the Company's website at [www.employers.com](http://www.employers.com) in the Investors section under "ESG and Related Reports."

The Human Capital Management and Compensation Committee of our Board of Directors provides advice and oversight of our policies and strategies in relation to culture and human capital management, including diversity, equity and inclusion and oversees the Company's compensation plans, policies, programs and practices applicable primarily to the Company's executive officers.

**HUMAN CAPITAL** - We believe that our employees are among our most important resources, and they are critical to our continued success, good name and reputation. Our strategy is to attract and retain responsible, talented and experienced individuals through various initiatives that promote inclusion, diversity and fair pay. We continue to take positive action to increase diversity and inclusion within the Company, made improvements in female representation in leadership roles and launched a review of hiring, promotion and succession practices at all levels within the Company. Through these initiatives, we seek to create an inclusive and engaged work community, minimize employee turnover, and improve recruitment.

The work environment we create and the way our employees treat and interact with one another affects job satisfaction and the way we perform our jobs. We respect the privacy and dignity of all individuals and recognize that our employees want and deserve a workplace where they are respected and appreciated. All employees must contribute to the creation and maintenance of such an environment.

We are committed to providing equal employment opportunity to qualified applicants without regard to race, creed, color, religion, sex, national origin or ancestry, age, marital status, pregnancy, sexual orientation, gender identification, medical condition, genetic information, disability, veteran status, and/or any other characteristic protected by law. This policy extends to all areas of employment, including recruitment, selection and placement, compensation, promotion and transfer, disciplinary measures, demotion, layoffs and terminations, testing and training, working conditions, awards and benefits, and all other employment-related actions.

We are also committed to advancing diversity, equity, and inclusion across our organization. With respect to gender, we have made improvements in female representation in leadership roles such that women currently represent 64% of all our employees, 68% of our managers and supervisors, 36% of our vice presidents and directors, 56% of our executive team and 33% of our independent members of the Board of Directors. We will continue to take positive action to increase diversity and inclusion at all levels of the Company. Some of our recent initiatives include: (i) completed a series of diversity and inclusion focus groups facilitated by our Human Resources team; (ii) developed and launched an employee affinity group framework; (iii) launched a review of our hiring, promotion, and succession practices to increase diversity and inclusion at all levels of the organization; (iv) sponsored and supported the International Women's Forum, an organization of 7,500 women leaders worldwide with a mission to advance women's leadership and champion equality, and its 2022 World Leadership Conference.

We require our employees to follow specific rules of professional conduct that will protect the interests and safety of all employees and the organization. Employees and our Board of Directors are required to familiarize themselves with our comprehensive Code of Business Conduct and Ethics Policy and must remain in compliance with periodic training thereon, which is designed to assist them in conducting business in a legal, professional and ethical manner.

We are also committed to philanthropic efforts that focus on children and education, equity and inclusion in workplace, health and science and catastrophic event relief. We sponsor various non-profit organizations and have employees serving on various boards at both the national, and local levels. We also formed a Charitable Giving Committee in 2021 that is responsible for guiding our corporate giving programs at the national, regional, and individual employee levels. Our employee matching program launched in 2022 encourages and supports employees' efforts to make a difference in their communities.



**POLICYHOLDERS AND THEIR EMPLOYEES** - Our approach to our Risk Advisory services is focused on assisting our policyholders in developing a positive safety culture, helping to ensure employees have a voice and are active participants in their workplace safety and well-being. Among our loss control services are hazard analyses to evaluate operations and make recommendations for hazard control, management and supervisory education programs to assist in reinforcing best health and safety practices, and employee safety presentations and training.

For injured workers, we utilize an outcome-based medical network that employs predictive analytics to identify medical providers who achieve superior clinical outcomes for injured workers. This enables us to optimize our provider network and enhance quality of care. We have also implemented a proactive pharmacy benefit management program that focuses on accelerating injured workers' return to work. Additionally, our Injured Employee Hotline allows employees who are injured at work to consult with a professional nurse when reporting a claim. This service has proven to reduce overall claims costs, thus benefiting all of our policyholders while ensuring the injured worker receives appropriate and timely care.

We are also committed to small businesses and the challenges they endured during the COVID-19 pandemic. When businesses had to reduce their workforce, our mid-term endorsements and premium audit processes ensured that the premiums charged to our policyholders accurately reflected any changes in the business operations that had occurred since the policy was issued. At the same time, we donated to the COVID worker relief programs of the restaurant associations with whom we partner. In addition, we co-hosted webinars with various restaurant associations and healthcare companies on mental health in the workplace, with particular focus on the stress people experienced from the pandemic and returning to work.

**SOCIAL INFLATION** - The term "social inflation" generally refers to the trend of rising insurance costs due to increased litigation, plaintiff-friendly judgements and higher jury awards. We are not subject to social inflation in the traditional sense because the vast majority of case law does not allow a claimant to sue a workers' compensation carrier. Any such disputes are handled by petition with the appropriate Workers Compensation Bureau and are handled by a judge through an administrative hearing, without a jury.

The Board Governance and Nominating Committee of our Board of Directors identifies and selects individuals qualified to serve as members of its Board and committees; develops and recommends the Committee structure to the Board; recommends to the Board a slate of Director-nominees for the next annual meeting of stockholders; develops and recommends to the Board a set of corporate governance guidelines applicable to the Company; reviews the Company's environmental, social, and governance programs; reviews succession plans of the Company's Chair, Chief Executive Officer and other senior officers; and oversees the evaluation of the Board and management.

**BOARD AND MANAGEMENT COMPOSITION AND CONDUCT** - Our Annual Proxy Statements and Annual Reports on Form 10-K provide details regarding the composition of our Board of Directors and our management. Our Human Capital Management and Compensation Committee provides advice, direction and oversight of the Company's policies and strategies in relation to culture and human capital management, including with regard to diversity, equity and inclusion, and oversees the Company's compensation plans, policies, programs and practices applicable to our Chief Executive Officer (CEO) and other executive officers, including the Company's executive compensation plans, employee benefit plans, and incentive-compensation and equity-based plans.

Our Board of Directors is composed of members with diverse and varied ages, genders, racial and ethnic backgrounds and wide-ranging professional experiences. All members of our Board of Directors are independent, with the exception of our CEO Katherine Antonello. Our Board of Directors' Committee Charters, Corporate Governance Guidelines, Related Person Transactions Policy and Procedures, Code of Business Conduct and Ethics, and Code of Ethics for Senior Financial Officers are posted on the Company's website at [www.employers.com](http://www.employers.com).

**INFORMATION SECURITY AND CYBERSECURITY** - Our operations rely on the secure processing, storage, and transmission of personal, confidential, and other information. Our business, including our ability to adequately price products and services, establish reserves, provide an effective and secure service to our customers and report our financial results in a timely and accurate manner, depends significantly on the integrity, availability, and timeliness of the data we maintain, as well as the data held by third party service providers.

In an effort to ensure the privacy, confidentiality, and integrity of this data, we continually enhance our cyber and other information security in order to remain secure against emerging threats, as well as increase our ability to detect, and recover from, a cyber-attack or unauthorized access.

The Risk Management, Technology and Innovation Committee of our Board of Directors reviews and advises on our: (i) information security and data privacy risks, including the assessment, analysis and mitigation of related risks; and (ii) cybersecurity strategy, including: identification and assessment of internal and external cybersecurity risks; protection against cyber security risks; detection, response and mitigation of negative effects from cyber-attacks.

**FRAUD PREVENTION** - We aim to safeguard our policyholders to fight workers' compensation fraud nationwide. Our Special Investigation Unit (SIU) works diligently to fight fraud, an effort that reduces costs and protects policyholders. Our SIU provides anti-fraud training to employees, law enforcement agencies and policyholders, investigates potential cases of insurance fraud and maintains a fraud hotline for tips on suspected insurance fraud.



America's small business insurance specialist.®

**Company Contact:**

**Michael Paquette**

**Executive Vice President, Chief Financial Officer**

**(775) 327-2562**

**[mpaquette@employers.com](mailto:mpaquette@employers.com)**

**Investor Relations Contact:**

**Karin Daly**

**Vice President, The Equity Group Inc.**

**(212) 836-9623**

**[kdaly@equityny.com](mailto:kdaly@equityny.com)**



**Katherine H. Antonello**

**President and  
Chief Executive Officer**



**Michael S. Paquette**

**Executive Vice President,  
Chief Financial Officer**

# Additional Financial Information

## Fourth Quarter 2022

### Employers Holdings, Inc. Reports Fourth Quarter 2022 and Full-Year Financial Results; Declares Quarterly Cash Dividend of \$0.26 per Share

February 16, 2023 at 4:15 PM EST

Company to Host Conference Call on Friday, February 17, 2023, at 11:00 a.m. Eastern Standard Time

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

#### Fourth Quarter 2022 Financial Highlights

- Net income of \$472 million, or \$172 per diluted share;
- Adjusted net income of \$34.4 million, or \$125 per diluted share;
- Net investment income of \$270 million, up 53% year-over-year;
- Net realized and unrealized gains on investments recorded through the income statement of \$13.7 million;
- Gross premiums written of \$173.8 million, up 22% year-over-year;
- Net premiums earned of \$181.1 million, up 16% year-over-year;
- Favorable prior year loss reserve development of \$23.2 million, versus \$24.2 million a year ago;
- Returned \$43.6 million to stockholders through a combination of share repurchases, quarterly and special dividends.

#### Full-Year 2022 Financial Highlights

- Net income of \$48.4 million, or \$175 per diluted share;
- Adjusted net income of \$81.0 million, or \$2.93 per diluted share;
- Net investment income of \$39.9 million, up 24% year-over-year;
- Net realized and unrealized losses on investments recorded through the income statement of \$51.6 million;
- Gross premiums written of \$714.2 million, up 21% year-over-year;
- Net premiums earned of \$675.2 million, up 18% year-over-year;
- Record number of ending policies in-force of 121,356, up 9% year-over-year;
- Favorable prior year loss reserve development of \$33.5 million, versus \$39.8 million a year ago;
- Returned \$121.7 million to stockholders through a combination of share repurchases, quarterly and special dividends;
- Adjusted Book value per share of \$4378, up 3.0% year-over-year including dividends declared.

CEO Commentary:

## Annual Report on 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, 2022

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934  
For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number: 001-33245

**EMPLOYERS HOLDINGS, INC.**  
(Exact name of registrant as specified in its charter)

Nevada  
(State or other jurisdiction  
of incorporation or organization)

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

10375 Professional Circle  
Reno, Nevada 89521  
(Address of principal executive offices and zip code)

(888) 682-6671

(Registrant's telephone number, including area code)

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 file such reports), and (2) has been subject to such filing requirements for the past 90 days. 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 (32.2402 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  R Accelerated filer  Non-accelerated filer  Smaller reporting company   
Emerging growth company

## 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](http://www.employers.com).