

Employers Holdings, Inc.  
Form 10-Q  
May 09, 2012

UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, DC 20549

FORM 10-Q

R QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE  
ACT OF 1934

For the Quarterly Period Ended March 31, 2012

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)

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 R No o

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes R No o

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definitions of "large accelerated filer," "accelerated filer," "non-accelerated filer," and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer R Accelerated filer o Non-accelerated filer o Smaller reporting company o

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

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Class

April 30, 2012

Common Stock, \$0.01 par value per share

31,613,958 shares outstanding

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## PART I – FINANCIAL INFORMATION

## Item 1. Consolidated Financial Statements

## Employers Holdings, Inc. and Subsidiaries

## Consolidated Balance Sheets

(in thousands, except share data)

	As of March 31, 2012 (unaudited)	As of December 31, 2011
Assets		
Available for sale:		
Fixed maturity securities at fair value (amortized cost \$1,739,320 at March 31, 2012 and \$1,706,216 at December 31, 2011)	\$1,881,346	\$1,852,699
Equity securities at fair value (cost \$80,064 at March 31, 2012 and \$64,962 at December 31, 2011)	125,126	98,046
Total investments	2,006,472	1,950,745
Cash and cash equivalents	201,555	252,300
Restricted cash and cash equivalents	10,611	6,299
Accrued investment income	18,901	19,537
Premiums receivable (less bad debt allowance of \$5,761 at March 31, 2012 and \$5,546 at December 31, 2011)	186,361	160,443
Reinsurance recoverable for:		
Paid losses	10,719	10,729
Unpaid losses	929,349	940,840
Funds held by or deposited with reinsureds	496	1,102
Deferred policy acquisition costs	38,763	37,524
Federal income taxes recoverable	972	1,993
Deferred income taxes, net	24,656	22,140
Property and equipment, net	11,998	11,360
Intangible assets, net	11,425	11,728
Goodwill	36,192	36,192
Other assets	17,621	18,812
Total assets	\$3,506,091	\$3,481,744
Liabilities and stockholders' equity		
Claims and policy liabilities:		
Unpaid losses and loss adjustment expenses	\$2,271,422	\$2,272,363
Unearned premiums	225,698	194,933
Policyholders' dividends accrued	3,734	3,838
Total claims and policy liabilities	2,500,854	2,471,134
Commissions and premium taxes payable	31,267	28,905
Accounts payable and accrued expenses	17,357	16,446
Deferred reinsurance gain—LPT Agreement	349,038	353,194
Notes payable	122,000	122,000
Other liabilities	19,855	15,879
Total liabilities	3,040,371	3,007,558
Commitments and contingencies		
Stockholders' equity:		

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Common stock, \$0.01 par value; 150,000,000 shares authorized; 53,969,903 and 53,948,442 shares issued and 31,935,474 and 32,996,809 shares outstanding at March 31, 2012 and December 31, 2011, respectively	540	540
Preferred stock, \$0.01 par value; 25,000,000 shares authorized; none issued	—	—
Additional paid-in capital	320,086	318,989
Retained earnings	362,972	358,693
Accumulated other comprehensive income, net	121,607	116,719
Treasury stock, at cost (22,034,429 shares at March 31, 2012 and 20,951,633 shares at December 31, 2011)	(339,485 )	(320,755 )
Total stockholders' equity	465,720	474,186
Total liabilities and stockholders' equity	\$3,506,091	\$3,481,744

See accompanying unaudited notes to the consolidated financial statements.

Employers Holdings, Inc. and Subsidiaries  
 Consolidated Statements of Comprehensive Income  
 (in thousands, except per share data)

	Three Months Ended March 31,	
	2012	2011
Revenues	(unaudited)	
Net premiums earned	\$109,900	\$82,427
Net investment income	18,385	20,493
Realized gains on investments, net	1,778	234
Other income	81	120
Total revenues	130,144	103,274
Expenses		
Losses and loss adjustment expenses		