Allstate
You're in good hands.

Catastrophe Reinsurance Program
Effective June 1, 2017 to May 31, 2018

Northbrook, Ill., May 2, 2017 – In the first quarter of 2017, we substantially completed the placement of our 2017 personal lines catastrophe reinsurance program* for the personal lines property and automobile business units of The Allstate Corporation (NYSE: ALL).

The catastrophe reinsurance program is part of our catastrophe management strategy, which is intended to provide our shareholders with an acceptable return on the risks assumed in our personal lines business, reduce earnings variability, and provide protection to our customers. Our 2017 reinsurance program continues to support our strategy to have no more than a 1% likelihood of having greater than $2 billion in average annual aggregate hurricane and earthquake losses, net of reinsurance, based on modeling assumptions and applications currently available.

Since the 2006 inception of Allstate's catastrophe reinsurance program, we materially reduced our exposure to wind loss and substantially eliminated our exposure to homeowners' earthquake loss. Except for certain agreements, which reinsure specific perils, our 2017 program continues to address these exposures by including coverage in our agreements for multiple perils, in addition to hurricanes and earthquakes. We employ a multi-year approach to placing reinsurance coverage to lessen the amount of reinsurance being placed in the market in any one year.

The reinsurance agreements have been placed in the traditional reinsurance and insurance linked securities ("ILS") markets. In doing so, we consider a number of factors including coverage, cost, terms, and the period of protection. All reinsurers participating on our program, with the exception of one reinsurer that collateralized its limits, have an A.M. Best insurance financial strength rating of A- or better.

The total cost of our catastrophe reinsurance program during the first quarter of 2017 was $93 million. The total cost of our catastrophe reinsurance program during 2016 was $103 million in the first quarter, $101 million in the second quarter, $96 million in the third quarter and $93 million in the fourth quarter. These quarterly costs reflect premium re-measurements recognized in the quarter.

The following pages summarize our June 1, 2017 to May 31, 2018 reinsurance program which includes:

- Nationwide per Occurrence Catastrophe Program
- Florida Excess Catastrophe Agreement
- New Jersey Excess Catastrophe Agreement
- Pennsylvania Excess Catastrophe Contract
- Kentucky Earthquake Excess Catastrophe Contract
- Excess & Surplus Earthquake Contract

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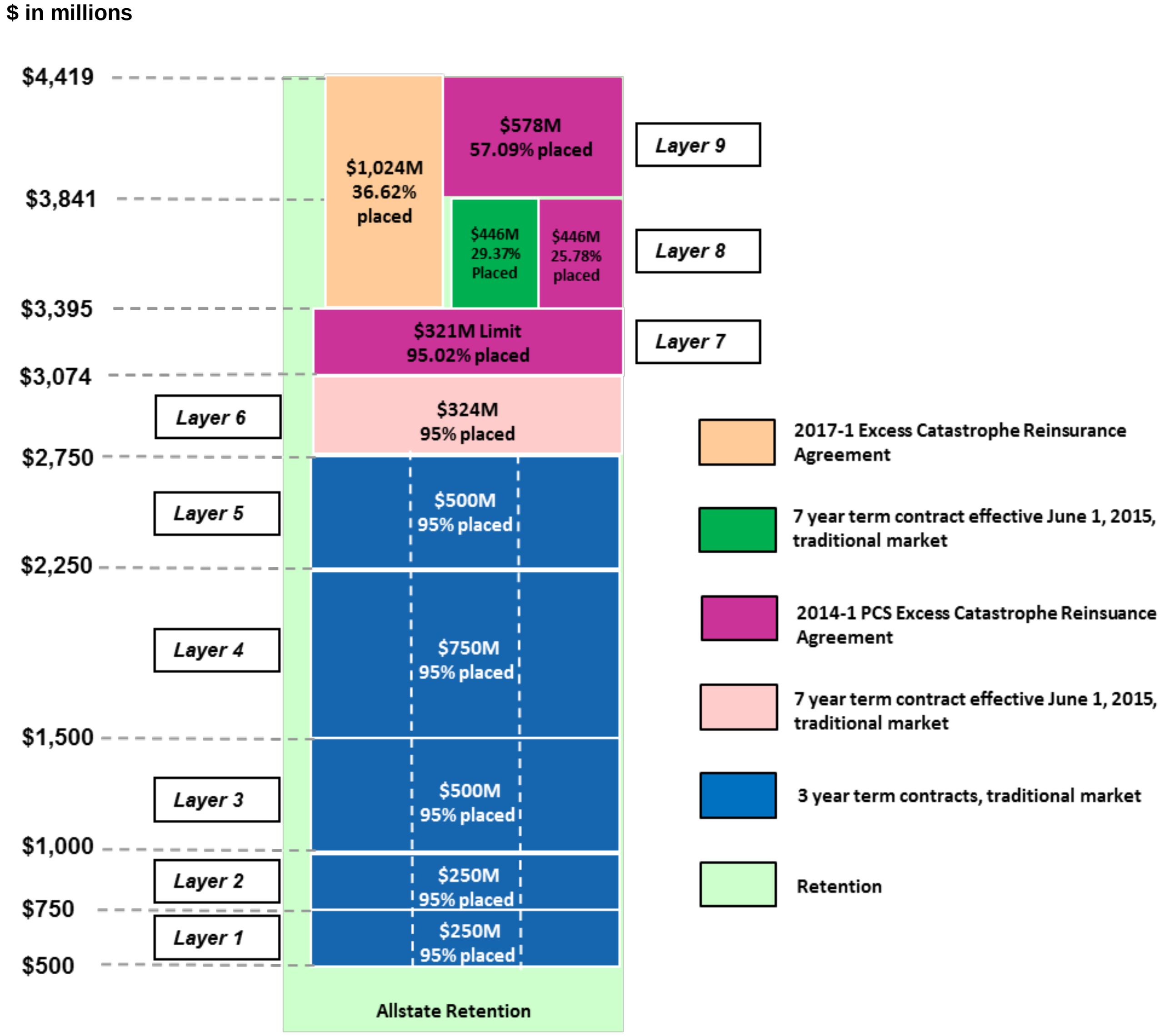
* A reinsurance program is comprised of one or more reinsurance agreements and a reinsurance agreement is comprised of one or more reinsurance contracts.

1. Nationwide per Occurrence Excess Catastrophe Reinsurance Program

The Nationwide per Occurrence Excess Catastrophe Reinsurance Program (the "Nationwide Program") includes three agreements, as described below, and provides $4.419 billion of reinsurance coverage less a $500 million retention and subject to the amount of reinsurance placed in each of its nine layers.



Per Occurrence Excess Agreement

The Per Occurrence Excess Agreement reinsures our personal lines property and automobile excess catastrophe losses resulting from multiple perils in every state except New Jersey and only includes personal lines automobile excess catastrophe losses in Florida.

For the June 1, 2017 to May 31, 2018 term, coverage for each of the first through fifth layers was placed in the traditional reinsurance market and is comprised of three contracts. Each contract provides one-third of 95% of the total layer limit and expires on May 31, 2018, May 31, 2019 and May 31, 2020, respectively. The first through fifth layers are 95% placed for the June 1, 2017 to May 31, 2018 term and currently, 63.33% and 31.67% placed for the respective terms of June 1, 2018 to May 31, 2019, and June 1, 2019 to May 31, 2020. The contracts expiring May 31, 2019 and May 31, 2020 include coverage for automobile losses in Florida, while the contract expiring May 31, 2018 does not include such coverage. The contracts for each of the first through fifth layers include one reinstatement of limits per year, with premium required. Reinsurance premiums are subject to redetermination for exposure changes on an annual basis.

The sixth layer and eighth layer contracts placed in the traditional reinsurance market contain comparable contract terms and conditions as layers one through five. The sixth layer contract provides a $324 million limit, is 95% placed, and expires May 31, 2022. The eighth layer contract provides a $446 million limit, is 29.37% placed, and also expires May 31, 2022. These contracts contain a variable reset option which the ceding entities may elect to invoke at each anniversary, and which allows for the annual adjustment of each contract's attachment and exhaustion levels within specified limits. The variable reset option requires a premium adjustment. Each contract contains one reinstatement of limits over its seven-year term with premium required. Reinsurance premiums are subject to redetermination for exposure changes on an annual basis.

2014-1 Property Claim Service ("PCS") Agreement

The 2014-1 PCS Agreement reinsures personal lines property and automobile excess catastrophe losses caused by hurricanes in 29 states** and the District of Columbia, and earthquakes – including fires following earthquakes – in California, New York and Washington. This agreement is placed with a Bermuda insurance company, Sanders Re Ltd. ("Sanders Re"), which obtained funding from the ILS market to collateralize the agreement's limit. Amounts payable under the agreement are based on insured industry losses as reported by PCS and further indexed by annual payout factors specific to personal lines property and automobile exposures in the agreement's covered area. Reinsurance recoveries under the 2014-1 PCS Agreement are limited to our ultimate net loss from a PCS-reported hurricane or earthquake event in excess of each contract's specific attachment level, and subject to each contract's limit. The agreement is comprised of three contracts with each contract's risk period beginning on May 22, 2014. Two of the three contracts' risk periods expire on May 21, 2018 and one contract's risk period expires on May 21, 2019. The placement of these contracts achieves, for the perils of hurricanes, earthquakes and fires following earthquakes, a $305 million limit (or 95.02% of $321 million) between a $3.074 billion to $3.395 billion seventh layer, a $115 million limit (or 25.78% of $446 million) between a $3.395 billion to $3.841 billion eighth layer, and a $330 million limit (or 57.09% of $578 million) between a $3.841 billion to $4.419 billion ninth layer. The contracts comprising the agreement contain a variable reset option, which the ceding entities may invoke for risk periods subsequent to the first risk period and which allows for the annual adjustment of each contract's attachment and exhaustion levels within specified limits. The variable reset option requires a premium. The contracts do not include a reinstatement of limits.

$ in millions

Reinsurance contacts	Risk Period Effective	Risk Period Expiration	% of placed layer	Retention	Per occurrence
Seventh Layer – Class D	May 22, 2014	May 21, 2019	95.02	$3,074	$321
Eighth Layer – Class C	May 22, 2014	May 21, 2018	25.78	3,395	446
Ninth Layer – Class B	May 22, 2014	May 21, 2018	57.09	3,841	578

2017-1 Excess Catastrophe Reinsurance Contract

The 2017-1 Excess Catastrophe Reinsurance Contract reinsures personal lines property and automobile excess catastrophe losses in 48 states and the District of Columbia, excluding Florida and initially New Jersey***, caused by hurricanes, severe thunderstorms, earthquakes – including fires following earthquakes – winter storms, volcanic eruptions, and meteorite impacts. This contract is placed with Sanders Re which obtained funding from the ILS market to collateralize the contract's limit. The contract reinsures actual losses to personal lines property business located in the covered territory and arising out of a covered event. Amounts payable for automobile losses are based on insured industry losses as reported by PCS and further indexed by annual payout factors specific to automobile exposures in the contract's covered areas. Reinsurance recoveries under the 2017-1 Excess Contract are limited to our ultimate net loss from a covered event subject to the contract's limit. The contract's

** While the 2014-1 PCS Agreement does not provide reinsurance recoveries for New Jersey hurricane exposures for the risk period, beginning May 22, 2017, the agreement allows for the inclusion of these recoveries in the remaining risk periods if so elected and with premium due.

***While the 2017-1 Excess Catastrophe Reinsurance Contract does not provide reinsurance recoveries for New Jersey exposures for the risk period beginning March 31, 2017, the agreement allows for the inclusion of these recoveries in the remaining risk periods if so elected and with premium due.

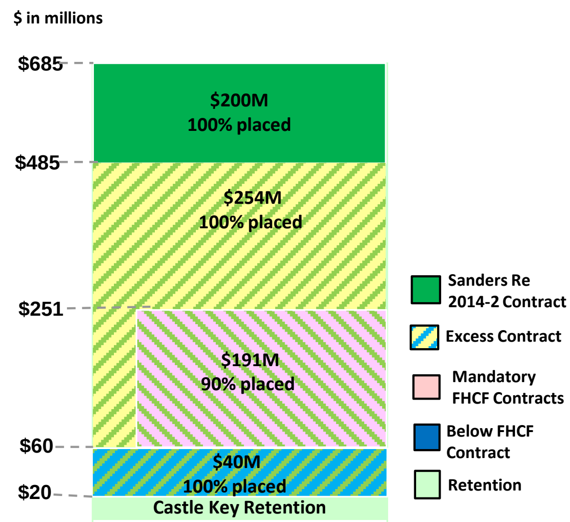
risk period began March 31, 2017 and terminates on November 30, 2022. The contract provides a $375 million limit (or 36.62% of $1.024 billion) between a $3.395 billion to $4.419 billion layer. The contract contains a variable reset option, which the ceding entities may invoke for risk periods subsequent to the first risk period and which allows for the annual adjustment of each contract's attachment and exhaustion levels within specified limits. The variable reset option requires a premium. The contract does not include a reinstatement of limits.

Other Catastrophe Reinsurance Programs

The following programs are separate from the Nationwide Program to address distinct exposures in certain states and markets.

2. Florida Excess Catastrophe Reinsurance Agreement

We will be placing our Florida Excess Catastrophe Reinsurance Program in the second quarter of 2017. The existing Florida Excess Catastrophe Reinsurance Agreement is comprised of five contracts, as described below, which reinsure Castle Key Insurance Company ("CKIC") and Castle Key Indemnity Company ("CKI") for personal lines property excess catastrophe losses in Florida. (We refer to both companies together as "Castle Key.") For the June 1, 2016 to May 31, 2017 term, the agreement includes two contracts placed in the traditional market, CKIC's and CKI's reimbursement contracts with the Florida Hurricane Catastrophe Fund (the "Mandatory FHCF contracts"),**** and the Sanders Re 2014-2 Contract placed in the ILS market.



Below FHCF Contract

The Below FHCF Contract reinsures personal lines property excess catastrophe losses caused by multiple perils in Florida. The contract provides three limits of $40 million in excess of a $20 million retention, each occurrence, and is 100% placed. The first reinstatement of limits is prepaid and the second or final reinstatement requires additional premium. Reinsurance premium is subject to redetermination for exposure changes.

Mandatory FHCF Contracts

The Mandatory FHCF Contracts reinsure qualifying personal lines property losses caused by storms the National Hurricane Center declares to be hurricanes. The contracts provide 90% of $191 million of limits (or $172 million in excess of a provisional retention of $60 million), and also include reimbursement of up to 5% of eligible loss adjustment expenses, with no reinstatement of limits. For each of the two largest hurricanes, the provisional retention is $60 million and a retention equal to one-third of that amount, or approximately $20 million, is applicable to all other hurricanes for the season beginning June 1, 2016. The limit and retention of the Mandatory FHCF Contracts are subject to re-measurement based on June 30, 2016 exposure data. In addition, the FHCF's retention is subject to adjustment upward or downward to an actual retention based on submitted exposures to the FHCF by all participants.

Excess Contract

The Excess Contract reinsures personal lines property excess catastrophe losses caused by multiple perils in Florida. The contract provides one limit of $254 million in excess of a $20 million retention and is 100% placed. Recoveries from the Below FHCF Contract and Mandatory FHCF Contracts inure to the benefit of this contract. The excess contract provides reinsurance for loss occurrences not subject to reimbursement under the Mandatory FHCF Contracts but reinsured under the multiple peril excess contract. This contract provides reinsurance limits above the Mandatory FHCF Contracts and reinsurance limits for CKIC's and CKI's 10% co-participation in the Mandatory FHCF Contracts. The

**** CKIC's and CKI's mandatory FHCF coverage is provided under reimbursement contracts distinct to each entity. CKIC's FHCF reimbursement contract provides a $36.7 million retention with a $117.4 million limit, and CKI's reimbursement contract provides a $22.9 million retention with a $73.3 million limit. For ease of reference, the FHCF's provisional retentions and limits have been consolidated for purposes of this disclosure.

contract does not include a reinstatement of limits. Reinsurance premium is subject to redetermination for exposure changes.

Sanders Re 2014-2 Contract

The Sanders Re 2014-2 Contract is a three-year term contract with a risk period effective June 1, 2014 through May 31, 2017. It reinsures qualifying losses to personal lines property caused by a named storm event, a severe thunderstorm event or an earthquake event in Florida as events declared by various reporting agencies, including PCS, as defined in the contract. Should PCS cease to report on severe thunderstorms, then such event will be deemed a severe thunderstorm event if Castle Key has assigned a catastrophe code to such severe thunderstorm. Sanders Re obtained funding from the ILS market to provide collateral equal to the contract's limit.

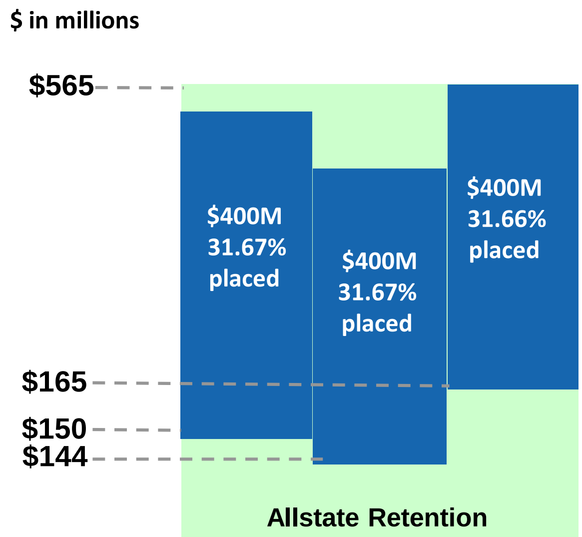
The contract provides limits of $200 million in excess of $60 million and in excess of "stated reinsurance." For the June 1, 2016 to May 31, 2017 risk period stated reinsurance is defined to include the Mandatory FHCF Contracts as if each contract were 100% placed and the Excess Contract.

Stated reinsurance is deemed to be provided on a multiple perils basis under the terms of the non-FHCF contracts and includes an erosion feature, which provides that upon the exhaustion of a portion of the stated reinsurance, coverage under the Sanders Re Contract shall be concurrently placed above and contiguous to the unexhausted portion of the stated reinsurance, if any. The Sanders Re 2014-2 Contract contains a variable reset option, which Castle Key invoked for the June 1, 2016 to May 31, 2017 risk period, and which resulted in an adjustment of the contract's attachment level with a corresponding premium adjustment.

3. New Jersey Excess Catastrophe Reinsurance Agreement

This agreement is comprised of two existing contracts and a newly placed contract that reinsure personal lines property and automobile excess catastrophe losses in New Jersey caused by multiple perils.

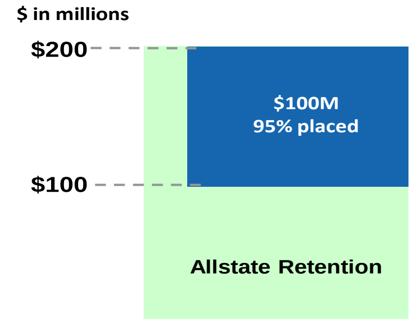
The contracts provide 31.67%, 31.67%, and 31.66%, respectively, of $400 million of limits in excess of a provisional $150 million retention, a $144 million retention and a $165 million retention, respectively. Each contract includes one reinstatement of limits per contract year with premium due. The reinsurance premium and retention are subject to redetermination for exposure changes on an annual basis.



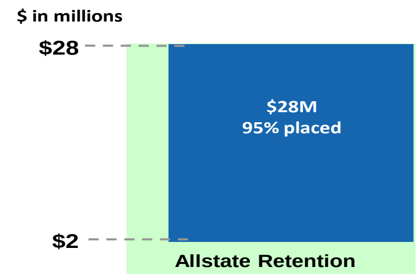
$ in millions

Excess of loss contracts	Contract Effective date	Expiration date	% of placed layer Yr 1	Yr 2	Yr 3	Retention	Per occurrence limit
New Jersey	June 1, 2017	May 31, 2020	31.67	31.67	31.67	$150	$400
New Jersey	June 1, 2016	May 31, 2019	31.67	31.67		144	400
New Jersey	June 1, 2015	May 31, 2018	31.66			165	400

4. **Pennsylvania Excess Catastrophe Reinsurance Contract**
   The Pennsylvania Excess Catastrophe Reinsurance Contract is a three-year term contract that reinsures personal lines property losses in Pennsylvania caused by multiple perils. The contract expires May 31, 2018 and provides three limits of $100 million in excess of a $100 million retention, with two limits available in any one contract year, and is 95% placed. The reinsurance premium and retention are not subject to redetermination for exposure changes.



5. **Kentucky Earthquake Excess Catastrophe Reinsurance Contract**
   The Kentucky Earthquake Excess Catastrophe Reinsurance Contract is a three-year term contract that reinsures personal lines property losses in Kentucky caused by earthquakes and fires following earthquakes. The contract expires May 31, 2020 and provides three limits of $28 million in excess of a $2 million retention, with two limits available in any one contract year, and is 95% placed. The reinsurance premium and retention are not subject to redetermination for exposure changes.



6. **Excess & Surplus (“E&S”) Earthquake Contract**
   The E&S Earthquake Contract reinsures personal lines property catastrophe losses in California caused by the peril of earthquakes and insured by our excess and surplus lines insurer. The contract expires June 30, 2018. The E&S Earthquake Contract provides reinsurance on a 100% quota share basis with no retention. The contract allows for cession of policies providing earthquake coverage so long as the total amount of in-force building limits provided by those policies does not exceed $400 million. This $400 million cap limits the policies that are covered by the reinsurance contract and not the amount of loss eligible for cession, which includes losses to dwellings, other structures, personal property and additional living expenses on policies covered by this program. The cap limit has not been exceeded. The E&S Earthquake Contract reinsures only shake damage resulting from the earthquake peril.

Illustration of Utilization of Reinsurance Coverage [(a)]

The following examples are provided to illustrate Allstate's reinsurance program and should not be relied upon to determine the amount of Allstate's net loss from any actual events that may occur in the future. They are based on hypothetical situations. The actual amounts recoverable under our reinsurance program and the amount of our net loss from any one event or series of events could differ materially from the hypothetical results presented in these examples due to a variety of factors, including the nature and location of the specific losses incurred, the specific lines of business covered by the various reinsurance agreements, and the impact of potential litigation. Provisional retentions for the 2017 program have been used.

(in millions)

Example 1 - One hurricane landfalls in South Carolina. (Total loss of $2.10 billion, net loss of $580.0 million or 27.6% of total loss.)

		Amount	Notes	Per Occurrence	2014-1 PCS Excess	2017-1 Excess	New Jersey	Castle Key Group: Below FHCF	Castle Key Group: FHCF	Castle Key Group: Excess	Sanders Re 2014-2
Hurricane in South Carolina											
Per Occurrence Excess Catastrophe Reinsurance Agreement											
Loss		2,100.0									
Retention		500.0	Retention								
Subject Loss		1,600.0	Total loss less 500 retention								
Layer 1			**250 x 500, 95% placed**								
	Retained	12.5	5% of 250 x 500								
	Recoverable	(237.5)	95% of 250 x 500, limit reinstates to 250	(237.5)							
Layer 2			**250 x 750, 95% placed**								
	Retained	12.5	5% of 250 x 750								
	Recoverable	(237.5)	95% of 250 x 750; limit reinstates to 250	(237.5)							
Layer 3			**500 x 1,000, 95% placed**								
	Retained	25.0	5% of 500 x 1,000								
	Recoverable	(475.0)	95% of 500 x 1,000; limit reinstates to 500	(475.0)							
Layer 4			**750 x 1,500, 95% placed**								
	Retained	30.0	5% of 600 x 1,500								
	Recoverable	(570.0)	95% of 600 x 1,500; limit reinstates to 750	(570.0)							
South Carolina loss		**2,100.0**									
Less recoverables		**(1,520.0)**									
Net loss		**580.0**		**(1,520.0)**							

Illustration of Utilization of Reinsurance Coverage [(a)]

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(in millions)

Example 2 - First hurricane landfalls in South Carolina, total loss of $1.05 billion; second hurricane landfalls in Texas, total loss of $1.40 billion. (Total loss of $2.45 billion, net loss of $1.07 billion or 43.8% of total loss.)

		Amount	Notes					Castle Key Group			
				Per Occurrence	2014-1 PCS Excess	2017-1 Excess	New Jersey	Below FHCF	FHCF	Excess	Sanders Re 2014-2
Hurricane in South Carolina											
Per Occurrence Excess Catastrophe Agreement											
Loss		1,050.0									
Retention		500.0	500 retention								
Subject Loss		550.0	Total loss less 500 retention								
Layer 1			**250 x 500, 95% placed**								
	Retained	12.5	5% of 250 x 500								
	Recoverable	(237.5)	95% of 250 x 500; limit reinstates to 250	(237.5)							
Layer 2			**250 x 750, 95% placed**								
	Retained	12.5	5% of 250 x 750								
	Recoverable	(237.5)	95% of 250 x 750; limit reinstates to 250	(237.5)							
Layer 3			**500 x 1,000, 95% placed**								
	Retained	2.5	5% of 50 x 1,000								
	Recoverable	(47.5)	95% of 50 x 1,000; limit reinstates to 500	(47.5)							
South Carolina loss		**1,050.0**									
Less recoverables		**(522.5)**									
Net loss		**527.5**									
Hurricane in Texas											
Per Occurrence Excess Catastrophe Agreement											
Loss		1,400.0									
Retention		500.0	500 retention								
Subject Loss		900.0	Total loss less 500 retention								
Layer 1			**250 x 500, 95% placed**								
	Retained	12.5	5% of 250 x 500								
	Recoverable	(237.5)	95% of 250 x 500; reinstated limit now exhausted	(237.5)							
Layer 2			**250 x 750, 95% placed**								
	Retained	12.5	5% of 250 x 750								
	Recoverable	(237.5)	95% of 250 x 750; 250 reinstated limit now exhausted	(237.5)							
Layer 3			**500 x 1,000, 95% placed**								
	Retained	20.0	5% of 400 x 1,000								
	Recoverable	(380.0)	95% of 400 x 1,000; limit reinstates to 500	(380.0)							
Texas loss		**1,400.0**									
Less recoverables		**(855.0)**									
Net loss		**545.0**									
Total losses		**2,450.0**									
Less recoverables		**(1,377.5)**									
Net loss		**1,072.5**		**(1,377.5)**							

Illustration of Utilization of Reinsurance Coverage [a]

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(in millions)

Example 3 - First hurricane landfalls in Alabama, total loss of $350 million; second hurricane landfalls in Georgia, total loss of $900 million; third hurricane landfalls in South Carolina, total loss of $750 million. (Total loss of $2.00 billion, net loss of $1.38 billion or 69.1% of total loss.)

		Amount	Notes	Per Occurrence	2014-1 PCS Excess	2017-1 Excess	New Jersey	Castle Key Group: Below FHCF	Castle Key Group: FHCF	Castle Key Group: Excess	Sanders Re 2014-2
Hurricane in Alabama											
Per Occurrence Excess Catastrophe Agreement											
Loss		350.0									
Retention		500.0	500 retention								
Recoverable		0.0	Retention exceeds total loss								
Alabama loss		**350.0**									
Less recoverable		**0.0**									
Net loss		**350.0**									
Hurricane in Georgia											
Per Occurrence Excess Catastrophe Agreement											
Loss		900.0									
Retention		500.0	500 retention								
Subject Loss		400.0	Total loss less 500 retention								
Layer 1			**250 x 500, 95% placed**								
	Retained	12.5	5% of 250 x 500								
	Recoverable	(237.5)	5% of 250 x 500; limit reinstates to 250	(237.5)							
Layer 2			**250 x 750, 95% placed**								
	Retained	7.5	5% of 150 x 750								
	Recoverable	(142.5)	95% of 150 x 750; limit reinstates to 250	(142.5)							
Georgia loss		**900.0**									
Less recoverables		**(380.0)**									
Net loss		**520.0**									
Hurricane in South Carolina											
Per Occurrence Excess Catastrophe Agreement											
Loss		750.0									
Retention		500.0	500 retention								
Subject Loss		250.0									
Layer 1			**250 x 500, 95% placed**								
	Retained	12.5	5% of 250 x 500								
	Recoverable	(237.5)	95% of 250 x 500; limit now exhausted	(237.5)							
South Carolina loss		**750.0**									
Less recoverables		**(237.5)**									
Net loss		**512.5**									
Total loss		**2,000.0**									
Less recoverables		**(617.5)**									
Net loss		**1,382.5**		**(617.5)**							

Illustration of Utilization of Reinsurance Coverage [(a)]

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(in millions)

Example 4 - First hurricane landfalls in Maryland, total loss $600 million; second hurricane landfalls in New Jersey, total loss of $500 million; third hurricane landfalls in Maine, total loss of $200 million; fire losses in California following an earthquake, total loss of $1.70 billion. (Total loss of $3.00 billion, net loss of $1.44 billion or 47.8% of total loss.)

	Amount	Notes	Per Occurrence	2014-1 PCS Excess	2017-1 Excess	New Jersey	Castle Key Group Below FHCF	Castle Key Group FHCF	Castle Key Group Excess	Sanders Re 2014-2
Hurricane in Maryland										
Per Occurrence Excess Catastrophe Agreement										
Loss	600.0									
Retention	500.0	500 retention								
Subject loss	100.0	Total loss less 500 retention								
Layer 1		**250 x 500, 95% placed**								
Retained	5.0	5% of 100 x 500								
Recoverable	(95.0)	95% of 100 x 500; limit reinstates to 250	(95.0)							
Maryland loss	**600.0**									
Less recoverables	**(95.0)**									
Net loss	**505.0**									
Hurricane in New Jersey										
Multi-Peril Expiring 2018		**400 x 165, 31.66% placed**								
Loss	500.0									
Retention	165.0	165 retention								
Subject Loss	335.0	Total loss less 165 retention								
Retained	228.9	68.34% retained on 335 x 165								
Recoverable	(106.1)	31.66% of 335 x 165; limit reinstates to 400				(106.1)				
Multi-Peril Expiring 2019		**400 x 144, 31.67% placed**								
Loss	500.0									
Retention	144.0	144 retention								
Subject Loss	356.0	Total loss less 144 retention								
Retained	243.3	68.33% retained on 356 x 144								
Recoverable	(112.7)	31.67% of 356 x 144; limit reinstates to 400				(112.7)				
Multi-Peril Expiring 2020		**400 x 150, 31.67 placed**								
Loss	500.0									
Retention	150.0	150 retention								
Subject Loss	350.0	Total loss less 150 retention								
Retained	239.2	68.33% retained on 350 x 150								
Recoverable	(110.8)	31.67% of 350 xs 150; limit reinstates to 400				(110.8)				
New Jersey loss	**500.0**									
Less recoverable	**(329.6)**									
Net loss	**170.4**									

Illustration of Utilization of Reinsurance Coverage [(a)]

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(in millions)

		Amount	Notes					Castle Key Group			
Example 4 - continuation				Per Occurrence	2014-1 PCS Excess	2017-1 Excess	New Jersey	Below FHCF	FHCF	Excess	Sanders Re 2014-2
Hurricane in Maine											
Per Occurrence Excess Catastrophe Agreement											
Loss		200.0									
Retention		500.0	500 retention								
Subject Loss		0.0	Retention exceeds total loss								
Maine loss		**200.0**									
Less recoverable		**0.0**									
Net loss		**200.0**									
Fire losses in California following an earthquake											
Per Occurrence Excess Catastrophe Agreement											
Loss		1,700.0									
Retention		500.0	500 retention								
Subject loss		1,200.0	Total loss less 500 retention								
Layer 1			**250 x 500, 95% placed**								
	Retained	12.5	5% of 250 x 500								
	Recoverable	(237.5)	95% of 250 x 500; limit reinstates to 150	(237.5)							
Layer 2			**250 x 750, 95% placed**								
	Retained	12.5	5% of 250 x 750								
	Recoverable	(237.5)	95% of 250 x 750; limit reinstates to 250	(237.5)							
Layer 3			**500 x 1,000, 95% placed**								
	Retained	25.0	5% of 500 x 1,000								
	Recoverable	(475.0)	95% of 500 x 1,000; limit reinstates to 500	(475.0)							
Layer 4			**750 x 1,500, 95% placed**								
	Retained	10.0	5% of 200 x 1,500								
	Recoverable	(190.0)	95% of 200 x 1,500; limit reinstates to 750	(190.0)							
CA loss		**1,700.0**									
Less recoverable		**(1,140.0)**									
Net loss		**560.0**									
Total loss		**3,000.0**									
Less recoverables		**(1,564.6)**									
Net loss		**1,435.4**		**(1,235.0)**			**(329.6)**				

Illustration of Utilization of Reinsurance Coverage [a]

The following examples are provided to illustrate Allstate's reinsurance program and should not be relied upon to determine the amount of Allstate's net loss from any actual events that may occur in the future. They are based on hypothetical situations. The actual amounts recoverable under our reinsurance program and the amount of our net loss from any one event or series of events could differ materially from the hypothetical results presented in these examples due to a variety of factors, including the nature and location of the specific losses incurred, the specific lines of business covered by the various reinsurance agreements, and the impact of potential litigation. Provisional retentions for the 2017 program have been used.

(in millions)

Example 5 - First hurricane landfalls in Louisiana, total loss of $1.00 billion; second hurricane landfalls in Texas resulting in $3.50 billion of personal lines property losses and $300 million of personal lines automobile losses, total loss of $3.80 billion. PCS declares the Texas event to be a $59.50 billion Personal Lines Property Industry Event and a $2.95 billion Auto Industry Event. A third hurricane landfalls in Florida, total loss of $600 million. (Total loss of $5.40 billion, net loss of $1.21 billion or 22.5% of total loss.) [c]

		Amount	Notes					Castle Key Group			
				Per Occurrence	**2014-1 PCS Excess**	**2017-1 Excess**	**New Jersey**	**Below FHCF**	**FHCF**	**Excess**	**Sanders Re 2014-2**
Hurricane in Louisiana											
Loss		1,000.0									
Retention		500.0	500 retention								
Subject loss		500.0	Total loss less 500 retention								
Layer 1			**250 x 500, 95% placed**								
	Retained	12.5	5% of 250 x 500								
	Recoverable	(237.5)	95% of 250 x 500; limit reinstates to 250	(237.5)							
Layer 2			**250 x 750, 95% placed**								
	Retained	12.5	5% of 250 x 750								
	Recoverable	(237.5)	95% of 250 x 750; limit reinstates to 250	(237.5)							
LA Loss		**1,000.0**									
Less recoverable		**(475.0)**									
Net loss		**525.0**									
Hurricane in Texas											
Per Occurrence Excess Catastrophe Agreement											
Loss		3,800.0									
Retention		500.0	500 retention								
Subject loss		3,300.0	Total loss less 500 retention								
Layer 1			**250 x 500, 95% placed**								
	Retained	12.5	5% of 250 x 500								
	Recoverable	(237.5)	95% of 250 x 500, limit now exhausted	(237.5)							
Layer 2			**250 x 750, 95% placed**								
	Retained	12.5	5% of 250 x 750								
	Recoverable	(237.5)	95% of 250 x 750; limit now exhausted	(237.5)							
Layer 3			**500 x 1,000, 95% placed**								
	Retained	25.0	5% of 500 x 1,000								
	Recoverable	(475.0)	95% of 500 x 1,000; limit reinstates to 500	(475.0)							
Layer 4			**750 x 1,500, 95% placed**								
	Retained	37.5	5% of 750 x 1,500								
	Recoverable	(712.5)	95% of 750 x 1,500; limit reinstates to 750	(712.5)							
Layer 5			**500 x 2,250, 95% placed**								
	Retained	25.0	5% of 500 x 2,250								
	Recoverable	(475.0)	95% of 500 x 2,250; limit reinstates to 500	(475.0)							
Layer 6			**324 x 2,750, 95% placed**								
	Retained	16.2	5% of 324 x 2,750								
	Recoverable	(307.8)	95% of 324 x 2,750; limit reinstates to 324	(307.8)							

Illustration of Utilization of Reinsurance Coverage [(a)]

The following examples are provided to illustrate Allstate's reinsurance program and should not be relied upon to determine the amount of Allstate's net loss from any actual events that may occur in the future. They are based on hypothetical situations. The actual amounts recoverable under our reinsurance program and the amount of our net loss from any one event or series of events could differ materially from the hypothetical results presented in these examples due to a variety of factors, including the nature and location of the specific losses incurred, the specific lines of business covered by the various reinsurance agreements, and the impact of potential litigation. Provisional retentions for the 2017 program have been used.

(in millions)

	Amount	Notes					Castle Key Group			
Example 5 - continuation			Per Occurrence	2014-1 PCS Excess	2017-1 Excess	New Jersey	Below FHCF	FHCF	Excess	Sanders Re 2014-2
Layer 7										
2014-1 PCS Class D contract		**305 Limit; 321 x 3,074, 95.02% placed**								
Loss	3,800.0									
Retention	3,074.0	3,074 retention								
Subject Loss	726.0									
	305.0	Contract provides 100% of 305 limit								
	241.71%	Event Index Percentage								
		Event Index Percentage is equal to the Hurricane Index Value - retention / Exhaustion level - retention (Hurricane Index value = PCS declared property loss of 59,500 x the property payout factor for the subject state + PCS declared auto loss of 2,950 x the automobile payout factor for the subject state. Payout factors are applicable to each covered state and are subject to annual adjustment.)								
Recoverable	(305.0)	Event Index Percentage x contract limit, subject to contract limit; limit not subject to reinstatement		(305.0)						
Layer 8										
7 Year Contract - Traditional Market		**446 x 3,745, 29.37% placed**								
Loss	3,800.0									
Retention	3,395.0	3,395 retention								
Subject Loss	405.00	Total loss less 3,395 retention								
Retained	286.1	70.63% of 405 x 3,395								
Recoverable	(118.9)	29.37% of 405 x 3,395; limit reinstates to 446	(118.9)							
2014-1 PCS Class C contract		**115 Limit; 446 x 3,395, 25.78% placed**								
Loss	3,800.0									
Retention	3,395.0	3,395 retention								
Subject Loss	405.0									
	115.0	Contract provides 100% of 115 limit								
	101.99%	Event Index Percentage								
		Event Index Percentage is equal to the Hurricane Index Value - retention / Exhaustion level - retention (Hurricane Index value = PCS declared property loss of 59,500 x the property payout factor for the subject state + PCS declared auto loss of 2,950 x the automobile payout factor for the subject state. Payout factors are applicable to each covered state and are subject to annual adjustment.)								
Recoverable	(115.0)	Event Index Percentage x contract limit, subject to contract limit; limit not subject to reinstatement		(115.0)						

Illustration of Utilization of Reinsurance Coverage [(a)]

The following examples are provided to illustrate Allstate's reinsurance program and should not be relied upon to determine the amount of Allstate's net loss from any actual events that may occur in the future. They are based on hypothetical situations. The actual amounts recoverable under our reinsurance program and the amount of our net loss from any one event or series of events could differ materially from the hypothetical results presented in these examples due to a variety of factors, including the nature and location of the specific losses incurred, the specific lines of business covered by the various reinsurance agreements, and the impact of potential litigation. Provisional retentions for the 2017 program have been used.

(in millions)

	Amount	Notes	Per Occurrence	2014-1 PCS Excess	2017-1 Excess	New Jersey	Castle Key Group: Below FHCF	Castle Key Group: FHCF	Castle Key Group: Excess	Sanders Re 2014-2
Example 5 - continuation										
2017-1 Excess contract		**375 Limit; 1,024 x 3,395, 36.62% placed**								
Property Loss	3,500.0	Incurred property losses								
Automobile Loss	300.0	Incurred auto losses								
Total Loss	3,800.0									
	375.0	Contract provides 36.62% of 1,024 limit								
	3,795.0	Ultimate Net Loss Ultimate Net Loss is equal to Incurred Property Losses + Auto Losses. Auto losses are deterimined by applying an auto payout factor of 10% to the PCS declared auto loss of 2,950.								
Retention	3,395.0	3,395 retention								
Recoverable	(146.5)	Event Loss Amount; Ultimate Net Loss - retention x reinsurance placed percentage; 228.5 remains for future events			(146.5)					
Texas Loss	**3,800.0**									
Less recoverables	**(3,130.7)**									
Net loss	**669.3**									

Illustration of Utilization of Reinsurance Coverage [(a)]

The following examples are provided to illustrate Allstate's reinsurance program and should not be relied upon to determine the amount of Allstate's net loss from any actual events that may occur in the future. They are based on hypothetical situations. The actual amounts recoverable under our reinsurance program and the amount of our net loss from any one event or series of events could differ materially from the hypothetical results presented in these examples due to a variety of factors, including the nature and location of the specific losses incurred, the specific lines of business covered by the various reinsurance agreements, and the impact of potential litigation. Provisional retentions for the 2017 program have been used.

(in millions)

	Amount	Notes					Castle Key Group			
Example 5- continuation			Per Occurrence	2014-1 PCS Excess	2017-1 Excess	New Jersey	Below FHCF	FHCF	Excess	Sanders Re 2014-2
Hurricane in Florida										
Below FHCF		**40 x 20, 100% placed**								
Loss	600.0									
Retention	20.0	20 retention								
Subject Loss	580.0	Total loss less 20 retention								
Recoverable	(40.0)	100% of 40 x 20 retention; limit reinstates to 40								
							(40.0)			
FHCF [(b)]		**191 x 60 retention, 90% placed**								
Loss	600.0									
Retention	60.0	60 retention								
Subject Loss	540.0	Total loss less 60 retention								
Retained	19.1	10% retained on 191 limit								
Recoverable	(171.0)	90% of 191 x 60 retention; limit exhausted						(171.0)		
Excess		**254 x 20 retention; recoveries from Below FHCF and FHCF inure; 100% placed**								
Loss	600.0									
Retention	20.0	20 retention								
Subject Loss	580.0	Total loss less 20 retention								
Inuring Reinsurance	211.0	40 recovery from Below FHCF and 171 recovery from FHCF inure								
Recoverable	(254.0)	100% of 254 x 20 retention and less inuring reinsurance; limit exhausted							(254.0)	
Sanders Re 2014-2 Class A [(d)]		**200 x Stated Reinsurance of 485, 100% placed**								
Loss	600.0									
Retention	485.0	485 retention (60 plus Stated Reinsurance equal to the mandatory FHCF as if 100% placed and the Excess limits above FHCF)								
Subject Loss	115.0	Total loss less 485 retention								
Recoverable	(115.0)	100% of 115 x 485 retention; 85 limit remains excess of Stated Reinsurance of 60 (20 retention plus 40 Below FHCF limit)								(115.0)
Florida loss	**600.0**									
Less recoverables:										
Below FHCF	**(40.0)**									
FHCF	**(171.0)**									
Excess	**(254.0)**									
Sanders Re 2014-2 Class A	**(115.0)**									
Net loss	**20.0**									
Total loss	**5,400.0**									
Less net recoverables	**(4,185.7)**									
Net loss	**1,214.3**		**(3,039.2)**	**(420.0)**	**(146.5)**		**(40.0)**	**(171.0)**	**(254.0)**	**(115.0)**

(a) For purposes of these examples, losses and recoverables are calculated according to the reinsurance contracts effective as of 6/1/17, except for Florida where the 6/1/16 to 5/31/17 reinsurance program has been used. The Florida example will be updated upon placement of the Florida program.

(b) For purposes of these examples, the limits of liability and retentions have been combined for Castle Key Insurance Company and Castle Key Indemnity Company.

(c) Allstate's separately capitalized Florida underwriting entities underwrite only personal lines property business.

(d) If after a third or subsequent event in any one contract year and provided the Stated Reinsurance Layers as defined in the Sanders Re 2014-2 Class A Contract have been exhausted by previous events in the same contract year, the Sanders Re 2014-2 Class A contract's attachment point is equal to $20 million.