Catastrophe Reinsurance Programs

Northbrook, IL, July 31, 2024 – We completed the placement of our 2024-2025 Nationwide Excess Catastrophe Reinsurance Program [1] that provides reinsurance protection to the Allstate Protection businesses of The Allstate Corporation (NYSE: ALL), the Florida Excess Catastrophe Reinsurance Program, the National General Lender Services Standalone Program, the National General Reciprocal Excess Catastrophe Reinsurance Contract, the Kentucky Earthquake Excess Catastrophe Reinsurance Contract, and the Canada Catastrophe Excess Reinsurance Contract.

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 current catastrophe reinsurance program supports our risk and return framework which incorporates our robust economic capital model and is informed by catastrophe risk models including hurricanes, earthquakes and wildfires and adjusts based on premium and insured value growth. As of June 30, 2024, the modeled 1-in-100 probable maximum loss for hurricane, wildfire and earthquake perils is approximately $2.9 billion, net of reinsurance. We continually review our aggregate risk appetite and the cost and availability of reinsurance to optimize the risk and return profile of this exposure.

Allstate's catastrophe reinsurance program materially reduces our exposure to wind, earthquake, and wildfire losses. 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. Claim adjustment fees are indemnified as a percentage of ultimate net loss and are included within each contract's reinsurance limit.

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 have an A.M. Best or S&P insurance financial strength rating of A- or better. Additionally, all reinsurance agreements placed in the ILS markets are collateralized.

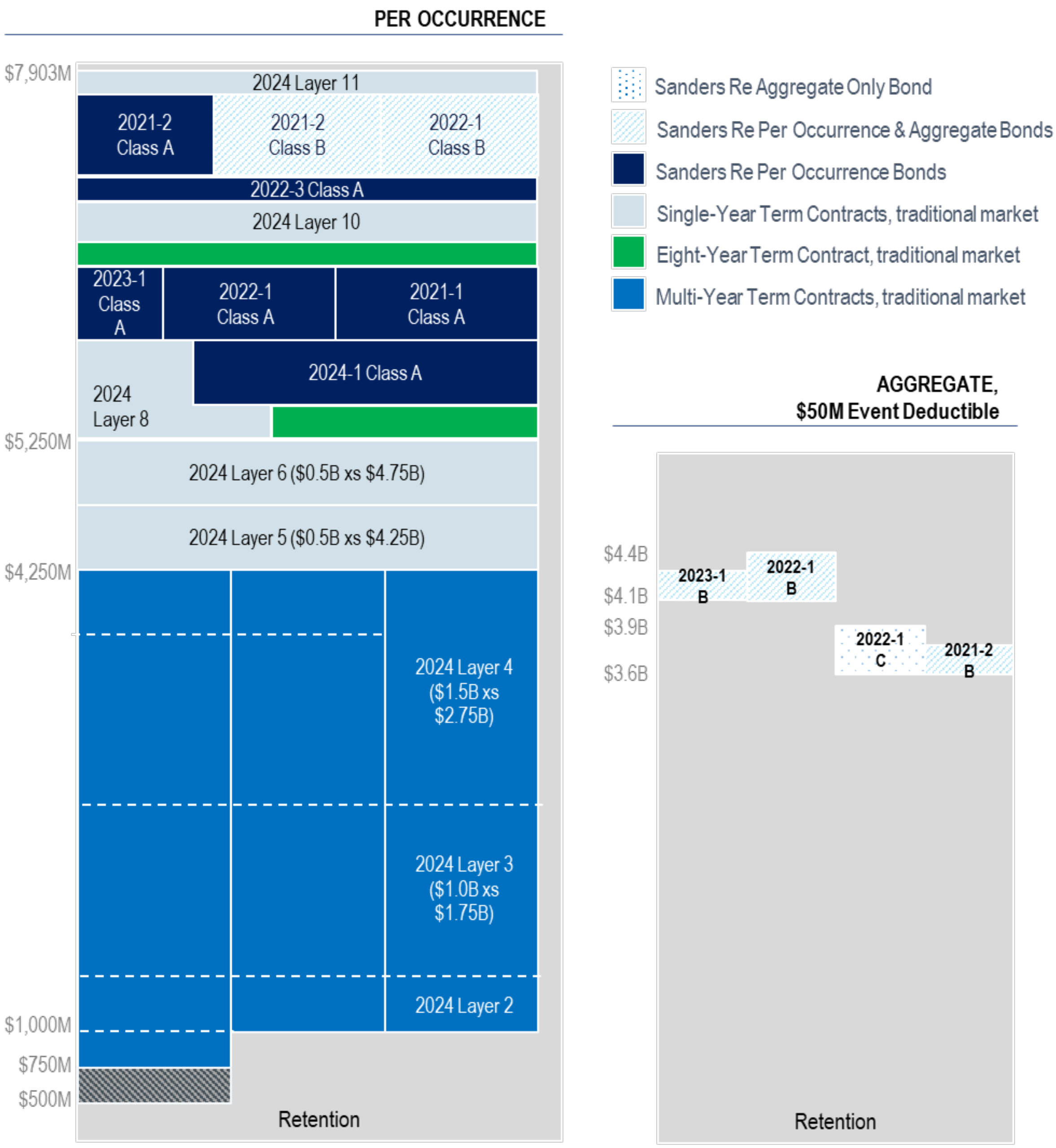
The total cost of our property catastrophe reinsurance programs, excluding reinstatement premiums, during the second quarter and first six months of 2024 was $296 million and $582 million, respectively, compared to $242 million and $461 million in the second quarter and first six months of 2023, respectively.

The following pages summarize our reinsurance program which includes:

- Nationwide Excess Catastrophe Reinsurance Program
- Florida Excess Catastrophe Reinsurance Program
- National General Lender Services Standalone Program
- National General Reciprocal Excess Catastrophe Reinsurance Contract
- Kentucky Earthquake Excess Catastrophe Reinsurance Contract
- Excess & Surplus Earthquake Contract
- Canada Catastrophe Excess of Loss Reinsurance Contract

(1) A reinsurance program comprises one or more reinsurance agreements and a reinsurance agreement comprises one or more reinsurance contracts

2024-2025 Nationwide Excess Catastrophe Reinsurance Program
The Nationwide Excess Catastrophe Reinsurance Program (the "Nationwide Program") provides coverage for events up to $7.90 billion of loss less retentions of $500 million to $1 billion and is subject to the percentage of reinsurance placed in each of its agreements. The agreements comprising the Nationwide Program are described below.



Per Occurrence and Aggregate Excess Agreements

The Nationwide Program includes occurrence coverage in contracts from both the traditional reinsurance and ILS markets, while annual aggregate protection is included in four contracts supported by the ILS market. The agreements provide multi-line catastrophe coverage in every state except Florida, where coverage is only provided for personal lines automobile.

Core Traditional Reinsurance Market Multi-Year and Per Occurrence Excess Agreements

The ***Multi-Year*** and ***Per Occurrence Excess Agreements*** placed in the traditional reinsurance market in 2024 consist of multi-year contracts providing coverage up to $4.25 billion in excess of retentions of $500 million to $1 billion and exhausting at $4.25 billion per loss occurrence, two eight-year term contracts, and six single-year term agreements filling capacity around the multi-year and eight-year term contracts.

Multi-Year Contracts providing coverage for events up to $4.25 billion

- Reinsure personal lines property and automobile losses arising out of multiple perils including, but not limited to, hurricane, windstorm, hail, tornado, earthquake, fires following earthquakes and wildfires in all states, excluding personal lines property in the state of Florida
- Include coverage for commercial lines property and automobile (physical damage only) in all states, excluding commercial lines property in the state of Florida
- Contracts providing coverage for events up to $4.25 billion each provide one-third of 95% of the total limit
  - Existing multi-year contracts effective June 1, 2022 consist of four layers and expire May 31, 2025. Contracts are structured with the first $250 million in excess of $500 million retained by Allstate
  - Existing multi-year contracts effective June 1, 2023 consist of four layers and expire May 31, 2026. Contracts are structured with a retention of $1.00 billion
  - New multi-year contracts effective June 1, 2024 consist of three layers and expire May 31, 2027. Contracts are structured with a retention of $1.00 billion
- Include one reinstatement of limits per year, with premium required
- Reinsurance premiums are subject to adjustment for exposure changes on an annual basis

Eight-Year Term Contracts

- Contain comparable contract terms and conditions as contracts providing coverage for events up to $4.25 billion
- Provide $105 million of placed limits in excess of a minimum $5.25 billion retention and $131 million of placed limits in excess of a minimum $6.57 billion retention, and expire March 31, 2029
- 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
- Contains one reinstatement of limits in a given contract year, with two reinstatements of limits over its eight-year term, with premium required
- Reinsurance premiums are subject to adjustment for exposure changes on an annual basis

Single-Year Per Occurrence Excess Agreements

- Contain comparable contract terms and conditions as contracts providing coverage for events up to $4.25 billion
- Contracts provide a combined $1.61 billion of placed limit
  - One annual contract provides $475 million of placed limit in excess of a $4.25 billion retention, 95% placed, with one reinstatement of limits, effective June 1, 2024 and expire May 31, 2025
  - One annual contract provides $475 million of placed limit in excess of a $4.75 billion retention, 95% placed, with one reinstatement of limits, effective April 1, 2024 and expire May 31, 2025
  - Two annual contracts provide a combined $470 million of placed limit in excess of a $5.25 billion retention, with no reinstatement of limits, effective April 1, 2024 and expire March 31, 2025
    - Contract provides additional gap coverage as the layer shifts down in attachment, subject to the $5.25 billion minimum retention level as lower layer limits are exhausted
    - A retention co-participation of 5% for a layer of $2.45 billion in excess of $5.25 billion is deemed in place and inures to the benefit of the contract
  - Two annual contracts provide $190 million of placed limit in excess of a $7.70 billion retention, with no reinstatement of limits, effective April 1, 2024 and June 1, 2024, and expire March 31, 2025

<u>Sanders Re Catastrophe Bonds Agreements</u>

The ***Sanders Re Per Occurrence Excess Catastrophe Reinsurance Contracts***

- Reinsure excess catastrophe losses caused by named storms, earthquakes and fire following earthquakes, severe weather, wildfires, and other naturally occurring or man-made events declared to be a catastrophe by Allstate
- Reinsure personal lines property and automobile excess catastrophe losses in 49 states and the District of Columbia, excluding the state of Florida
- Reinsure business located in the covered territory and arising out of covered events
- 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 the contract's attachment and exhaustion levels within specified limits
- Contracts do not include a reinstatement of limits

The ***Sanders Re Per Occurrence & Aggregate Excess Catastrophe Reinsurance Contracts*** *and* ***Sanders Re Aggregate Excess Catastrophe Reinsurance Contract***

- Contain comparable contract terms and conditions as the Sanders Re Per Occurrence Excess Catastrophe Reinsurance Contracts
- For each annual period beginning April 1, Allstate declared catastrophes occurring during such annual period can be aggregated to erode the aggregate retention and qualify for coverage under the aggregate limit
- Reinsurance recoveries from the Nationwide Per Occurrence Excess Contract inure to the benefit of the annual aggregate layer
- Reinsurance recoveries collected under the per occurrence limit of each contract are not eligible for cession under the annual aggregate limit of that contract
- Reinsurance recoveries for all loss occurrences and annual aggregate losses qualifying for coverage during each contract's four-year risk period are limited to our ultimate net loss from covered events and subject to the contract's limit

2024-1 Excess Catastrophe Reinsurance Contract

- Placed with Sanders Re III Ltd. which obtained funding from the ILS market to collateralize the contract's limit
- Risk period began April 1, 2024, and terminates on March 31, 2028
- Provides a $400 million per occurrence limit in excess of a minimum $5.25 billion retention. While inuring layers are fully intact, the contract would begin to pay subject losses in excess of $5.46 billion

2023-1 Excess Catastrophe Reinsurance Contracts

- Placed with Sanders Re III Ltd. which obtained funding from the ILS market to collateralize the contract's limit
- Risk period began April 1, 2023, and terminates on March 31, 2027
- Consists of two tranches
  - ***Class A (Per Occurrence)*** provides a $100 million limit in excess of a minimum $5.25 billion retention. While inuring layers are fully intact, the contract would begin to pay subject losses in excess of $5.99 billion
  - ***Class B (Aggregate)*** provides one limit of $150 million of placed limit for catastrophe loss events in excess of a $50 million event deductible
    - Provides an annual aggregate limit of $150 million between a $4.06 billion to $4.21 billion layer subject to an annual retention of $4.06 billion

2022-3 Excess Catastrophe Reinsurance Contract

- Placed with Sanders Re III Ltd. which obtained funding from the ILS market to collateralize the contract's limit
- Risk period began December 8, 2022, and terminates on March 31, 2027
- Provides a $100 million per occurrence limit in excess of a minimum $5.25 billion retention. While inuring layers are fully intact, the contract would begin to pay subject losses in excess of $6.99 billion

2022-1 Excess Catastrophe Reinsurance Contracts

- Placed with Sanders Re III Ltd. which obtained funding from the ILS market to collateralize the contract's limit
- Risk period began April 1, 2022, and terminates on March 31, 2026
- Consists of three tranches
  - ***Class A (Per Occurrence)*** provides a $200 million limit in excess of a minimum $5.25 billion retention. While inuring layers are fully intact, the contract would begin to pay subject losses in excess of $5.99 billion
  - ***Class B (Per Occurrence & Aggregate)*** provides one limit of $175 million for catastrophe loss events in excess of a $50 million event deductible, during its four-year term which can be used on a per occurrence or an annual aggregate basis
    - For a qualifying loss occurrence, the contract provides $175 million in reinsurance limits in excess of a minimum $5.25 billion retention. While inuring layers are fully intact, the contract would begin to pay subject losses in excess of $7.10 billion
    - Provides an annual aggregate limit of $175 million between a $4.06 billion to $4.41 billion layer subject to an annual retention of $4.06 billion
  - ***Class C (Aggregate)*** provides one limit of $175 million of placed limit for catastrophe loss events in excess of a $50 million event deductible
    - Provides an annual aggregate limit of $175 million between a $3.56 billion to $3.74 billion layer subject to an annual retention of $3.56 billion

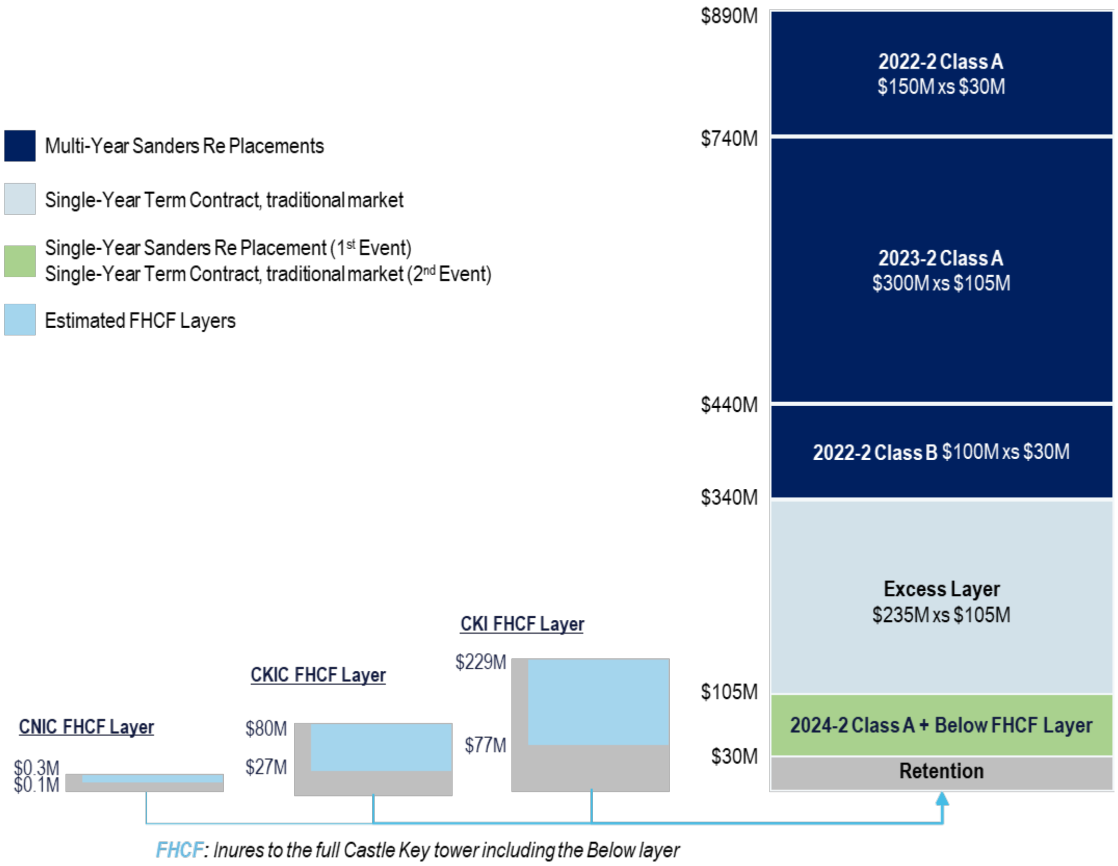
2021-2 Excess Catastrophe Reinsurance Contracts

- Placed with Sanders Re II Ltd. which obtained funding from the ILS market to collateralize the contract's limit
- Risk period began December 1, 2021, and terminates on March 31, 2025
- Consist of two tranches
  - ***Class A (Per Occurrence)*** provides a $250 million limit in excess of a minimum $5.25 billion retention. While inuring layers are fully intact, the contract would begin to pay subject losses in excess of $7.10 billion
  - ***Class B (Per Occurrence & Aggregate)*** provides one limit of $150 million for catastrophe loss events in excess of a $50 million event deductible, during its four-year term which can be used on a per occurrence or an annual aggregate basis
    - For a qualifying loss occurrence, the contract provides $150 million in reinsurance limits in excess of a minimum $5.25 billion retention. While inuring layers are fully intact, the contract would begin to pay subject losses in excess of $7.10 billion
    - Provides an annual aggregate limit of $150 million between a $3.56 billion to $3.86 billion layer subject to an annual retention of $3.56 billion

2021-1 Excess Catastrophe Reinsurance Contract

- Placed with Sanders Re II Ltd. which obtained funding from the ILS market to collateralize the contract's limit
- Risk period began June 1, 2021, and terminates on March 31, 2025
- Provides a $250 million per occurrence limit in excess of a minimum $5.25 billion retention. While inuring layers are fully intact, the contract would begin to pay subject losses in excess of $5.99 billion

The ***2024-2025 Florida Excess Catastrophe Reinsurance Program*** provides coverage for Castle Key Insurance Company ("CKIC"), Castle Key Indemnity Company ("CKI") and affiliated companies personal lines property excess catastrophe losses in Florida. For the June 1, 2024 to May 31, 2025 term, the Program includes two contracts placed in the traditional market, Castle Key's reimbursement contracts with the Florida Hurricane Catastrophe Fund (the "Mandatory FHCF - Florida Hurricane Catastrophe Fund Contracts")(2) and three Sanders Re contracts placed in the ILS market.



<u>Mandatory FHCF Contracts</u>

- Indemnify qualifying personal lines property losses caused by storms the National Hurricane Center declares to be hurricanes
- Mandatory FHCF contracts provide combined $205.6 million of limits in excess of a $104.3 million retention and are 90% placed. For each of the two largest hurricanes, the retention is $104.3 million and a retention equal to one-third of that amount, or approximately $35 million, is applicable to all other hurricanes for the season beginning June 1, 2024
- Include reimbursement of up to 10% of eligible loss adjustment expenses, which is part of and not in addition to the reinsurance limit provided, with no reinstatement of limits
- Reinsurance limit and retention are subject to re-measurement based on June 30, 2024 exposure data; retention is also subject to adjustment upward or downward to an actual retention based on exposures submitted to the FHCF by all participants

(2) CKIC's, CKI's and Century National Insurance Company's (CNIC) mandatory FHCF coverage is provided under reimbursement contracts distinct to each entity. CKIC's FHCF reimbursement contract provides a $53.2 million limit after a $27.0 million retention, 90% placed. CKI's reimbursement contract provides a $152.2 million limit after a $77.2 million retention, 90% placed. CNIC's reimbursement contract provides a $0.2 million limit after a $0.1 million retention, 90% placed.

Sanders Re Catastrophe Bonds Agreements

The ***Sanders Re 2024-2, 2023-2 and 2022-2 Excess Catastrophe Reinsurance Contracts***

- Reinsure qualifying losses to personal lines property caused by a named storm event, a severe weather event, an earthquake event, a fire event, a volcanic eruption event, or a meteorite impact event in Florida as defined in the contract
- For the June 1, 2024 to May 31, 2025 risk period, stated reinsurance is defined to include the Below FHCF Contract, the Mandatory FHCF Contracts which are deemed to exhaust due to loss occurrences subject to the non-FHCF contracts, and the Excess Agreement; 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
- Contain a variable reset option, which Castle Key may invoke for risk periods subsequent to the first risk period and which allows for the annual adjustment of the contract's attachment and exhaustion levels; the variable reset option requires a premium adjustment
- Contracts do not include a reinstatement of limits

2024-2 Excess Catastrophe Reinsurance Contract

- Placed with Sanders Re II Ltd. which obtained funding from the ILS market to collateralize the contract's limit
- Single-year term contract with a risk period effective June 1, 2024, through May 31, 2025
- Consists of one tranche: ***Class A*** provides $74.5 million of placed limit in excess of a minimum $30 million retention

2023-2 Excess Catastrophe Reinsurance Contract

- Placed with Sanders Re III Ltd. which obtained funding from the ILS market to collateralize the contract's limit
- Three-year term contract with a risk period effective June 1, 2023, through May 31, 2026
- Consists of one tranche: ***Class A*** provides $300 million of placed limit in excess of a minimum $104.5 million retention

2022-2 Excess Catastrophe Reinsurance Contract

- Placed with Sanders Re III Ltd. which obtained funding from the ILS market to collateralize the contract's limit
- Three-year term contract with a risk period effective June 1, 2022, through May 31, 2025
- Consists of two tranches
  - ***Class A*** provides $150 million of placed limit in excess of a minimum $30 million retention
  - ***Class B*** provides $100 million of placed limit in excess of a minimum $30 million retention

Traditional Reinsurance Market Contract

- Single-year term contract with a risk period effective June 1, 2024, through May 31, 2025
- Reinsures personal lines property excess catastrophe losses caused by multiple perils in Florida
- Placed in the traditional reinsurance market providing combined $309.5 million in placed limit in the following layers
  - ***Below FHCF Layer*** provides $74.5 million in limits in excess of a $30 million retention after erosion of the 2024-2 Class A catastrophe bond limit
  - ***Excess Layer*** provides limit of $235 million in excess of a $104.5 million retention, with one reinstatement of limits; FHCF inures to the benefit of this layer
- Reinsurance premium is subject to adjustment for exposure changes

Other Catastrophe Reinsurance Programs

The following programs are designed separately from the Nationwide and Florida Excess Catastrophe Reinsurance Programs to address distinct exposures in certain states and markets.

National General Lender Services Standalone Program

- Reinsures the National General lender services portfolio, which includes property, automobile and real estate owned products
- Consists of one single-year term contract expiring May 31, 2025
- Provides one limit of $70 million in excess of a $70 million retention and one limit of $195 million in excess of a $140 million retention
- Inuring contracts include the National General FHCF Contract providing $71.3 million of limits in excess of a $36.2 million retention, 90% placed
- Includes one reinstatement of limits, with additional premium due

National General Reciprocal Excess Catastrophe Reinsurance Contracts

- Reinsure Property business, including but not limited to Fire, Allied Lines, Homeowners Multiple Peril, Inland Marine and Automobile Physical Damage
- Consist of one annual term contract expiring June 30, 2025
- Provide one limit of $50 million in excess of a $15 million retention, one limit of $160 million in excess of a $65 million retention and one limit of $235 million in excess of a $225 million retention
- Includes one reinstatement of limits per contract year, with additional premium due

Kentucky Earthquake Excess Catastrophe Reinsurance Contract

- Reinsures personal lines property losses in Kentucky caused by earthquakes and fire following earthquakes
- Consist of one annual term contract expiring May 31, 2025
- Provides limit of $28 million in excess of a $2 million retention, with one reinstatement of limits, and is 95% placed
- Reinsurance premium and retention are not subject to adjustment for exposure changes

Excess & Surplus (“E&S”) Earthquake Contract

- Reinsures personal lines property catastrophe losses in California caused by the peril of earthquakes and is insured by our excess and surplus lines insurer; reinsures only shake damage resulting from the earthquake peril
- Contract extended through June 30, 2025
- Provides reinsurance on a 100% quota share basis with no retention
- Allows for cession of policies providing earthquake coverage as long as the total amount of in-force building limits provided by those policies does not exceed $400 million; $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

Canada Catastrophe Excess of Loss Reinsurance Contract

- Reinsures personal lines property and automobile physical damage catastrophe losses in the Canadian provinces of Ontario, Quebec, Alberta, New Brunswick and Nova Scotia
- Consists of one annual contract expiring December 31, 2024
- Provides a total placed limit of CAD 355 million in excess of a CAD 75 million retention, structured as four separate layers: CAD 50 million limit in excess of a CAD 75 million retention, CAD 75 million limit in excess of a CAD 125 million retention, CAD 200 million limit in excess of a CAD 200 million retention and CAD 50 million limit in excess of a CAD 400 million retention
- Includes one reinstatement of limits, with additional premium due