# The Allstate Corporation

**Investor Call Presentation: Disposition of Employer Voluntary Benefits Business**

08.14.2024

Allstate

# Forward-looking statements and non-GAAP financial information

This presentation contains forward-looking statements and information. This presentation also contains non-GAAP measures that are denoted with an asterisk. You can find the reconciliation of those measures to GAAP measures within our most recent earnings release, investor supplement or on our website, www.allstateinvestors.com, under the “Financials” link.

Additional information on factors that could cause results to differ materially from this presentation is available in the 2023 Form 10-K, Form 10-Q for June 30, 2024, our most recent earnings release, and at the end of these slides. These materials are available on our website, www.allstateinvestors.com, under the “Financials” link.

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# Allstate to Sell Employer Voluntary Benefits Business

**Allstate has agreed to sell the Employer Voluntary Benefits business for a purchase price of $2.0 billion to StanCorp Financial Group, Inc. (Standard)**

- Represents the first step in the strategic decision to combine the three Health & Benefits businesses with companies that have additional capabilities to realize their full potential
    - Employer Voluntary Benefits (EVB) provides voluntary benefits and health products including life, accident, critical illness and hospital indemnity
    - Group Health provides self-insured group medical plans covered by stop loss protection for small employers
    - Individual Health provides individual health insurance products and distributes non-proprietary health products
- Synergies exist between Allstate's EVB product offerings, employer relationships, distribution and talent and Standard's group benefits business to provide customers with broader protection and unlock additional growth
- The sale process for Group and Individual Health is underway

**The transaction is economically and financially attractive**

- Represents a multiple of 20.6 times the last-twelve-months earnings[1] which compares favorably to recent precedent transactions
- Expect to generate an estimated financial book gain of ~$600 million[2]
- Incremental capital of $1.6 billion available to fund growth
- Adjusted net income return on equity* will decrease by approximately 100 bps
- The assets and liabilities will be treated as "Held for Sale" beginning in the third quarter of 2024
- The deal is expected to close in early 2025 pending regulatory approvals and customary closing conditions

[1] Based on adjusted net income*
[2] Subject to change pending the closing balance sheet

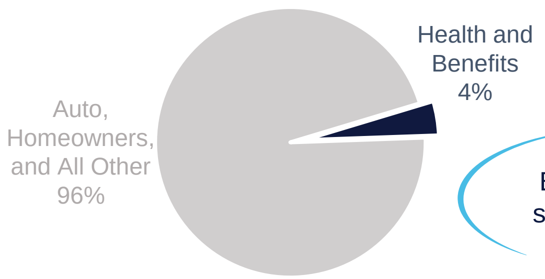
# Health & Benefits Segment Comprised of Three Attractive Businesses

## Business Profile

- The Health and Benefits segment represents 4% of Allstate's total 2023 revenues through three businesses; Employer Voluntary Benefits and Group and Individual Health.
  - **Employer Voluntary Benefits** provides voluntary benefits and health products through employers including life, accident, critical illness, and hospital indemnity protection to 3.6 million policyholders with distribution by approximately 4,000+ Independent Agents, brokers, and Allstate exclusive agents
  - **Group Health** provides stop-loss and fully insured group health protection to small businesses through approximately 4,000+ Independent Agents, brokers, and Allstate exclusive agents
  - **Individual Health** provides short-term medical and Medicare Supplement insurance to individuals distributed through 33,000+ Independent Agents, in-house agencies, direct-to-consumer marketing, wholesaling, worksite marketing and online, generating almost $200 million[2] in fees and other revenue

## Health and Benefits Revenue and Adjusted Net Income Contribution

**2023 Allstate Total Revenue[1]: $57.1 Billion**




Business being sold to Standard

| Health and Benefits Segment | Revenues[1][2] ($ in millions) | Adjusted Net Income[2] ($ in millions) | Policies in force |
|---|---|---|---|
| Employer Voluntary Benefits | 1,075 *(43% of total)* | 97 *(40% of total)* | 3.6 million |
| Group Health | 781 *(32%)* | 98 *(40%)* | 148 thousand |
| Individual Health | 616 *(25%)* | 48 *(20%)* | 456 thousand |
| ***Total*** | ***2.5 billion*** | ***243 million*** | ***4.2 million*** |

[1] Revenues exclude the impact of net gains and losses on investments and derivatives
[2] Trailing twelve months as of June, 30 2024

# The Employer Voluntary Benefits Business Advances Standard's Strategy

- Synergies exist between Allstate's EVB product offerings, employer relationships, distribution and talent and Standard's group benefits business

## StanCorp Overview

- Underwrites group and individual disability insurance and annuity products, group life and accidental death and dismemberment (AD&D) insurance
- Provides group dental and group vision insurance, absence management services and retirement plan products

## Financial Strength & Capital Position

- Financial strength ratings
  - S&P: A+
  - Moody's: A1
  - A.M. Best: A+

| *($ in billions)* | Total assets | Capital |
|---|---|---|
| **StanCorp[1]** | **$37** | **$2.1** |
| **Meiji Yasuda[2] (Parent)** | **$313** | **$40** |

[1] Represents total assets and total adjusted capital of Standard Insurance Company as of December, 31 2023
[2] Represents total assets and foundation funds of Meiji Yasuda Life Insurance Company as of March, 31 2024 converted to USD at 0.01 spot FX at March, 31 2024

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# Summary of Transaction Terms

| | Transaction Terms – Employer Voluntary Business |
|---|---|
| **Transaction Overview** | • The Allstate Corporation will sell its Employee Voluntary Benefits business to StanCorp Financial Group, Inc. |
| **Purchase Price** | • Base purchase price of $2.0 billion in cash with $270 million of statutory capital required at closing, subject to customary price adjustments at closing, primarily related to statutory capital<br>• Price-to-earnings multiple of 20.6 times the last-twelve-months adjusted net income*<br>• Allstate retains the economics of the business between sign and close |
| **Key Conditions to Closing** | • The transaction is subject to regulatory approvals and customary closing conditions: Hart-Scott-Rodino and Department of Insurance approvals in Florida and Oregon |
| **Accounting Treatment** | • Employer Voluntary Benefits will be reclassified as “Held For Sale” until closing<br>  ◦ Results will continue to be reflected in GAAP net income until transaction closing<br>  ◦ Beginning in the third quarter of 2024, approximately $2.9 billion of assets and $2.1 billion of liabilities of Employer Voluntary Benefits will be classified as held for sale |
| **Other Terms** | • Following closing of the transaction, Allstate will provide transition services for up to 2 years<br>• Allstate exclusive agents will sell Standard’s voluntary benefits and other products for five years post-closing |

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# Financial Impact of Divestiture Is Attractive

## Employer Voluntary Benefits Transaction

| | Results ($ in billions) |
|---|---|
| Sale price | $2.0 |
| Net proceeds (after-tax) | $1.7 |
| GAAP gain (after-tax)(1) | $0.6 |

## Financial impact of Employer Voluntary Benefits Divestiture

| Allstate Corporation Results(2) ($ in billions) | 6/30/2024 | $ Impact | % Impact |
|---|---|---|---|
| Revenues(3) | $60.7 | ($1.1) | (2)% |
| Adjusted net income* | $3.6 | ($0.1) | (3)% |
| Investments | $70.6 | ($1.9) | (3)% |
| Capital(4) | $19.0 | $1.6 | 8% |

(1) Subject to change pending the closing balance sheet
(2) Trailing twelve months as of June, 30 2024
(3) Revenues exclude the impact of net gains and losses on investments and derivatives
(4) Consolidated statutory surplus plus holding company assets

# Allstate's Strategy To Create Shareholder Value

**Increase Personal Property-Liability Market Share**

Allstate. You're in good hands.

NATIONAL GENERAL. an Allstate company

Answer financial.

**Leveraging Allstate brand, customer base and capabilities**

Allstate. PROTECTION PLANS

Allstate. BUSINESS INSURANCE

**Expand Protection Services**

Allstate HEALTH & BENEFITS

arity

Allstate. IDENTITY PROTECTION

Allstate. DEALER SERVICES

Allstate. ROADSIDE

## Shareholder value creation

- Allstate has agreed to sell the Employer Voluntary Benefits business for $2.0 billion to Standard
    - Represents the first step in combining the Health & Benefits businesses with companies that have capabilities to realize their full growth potential
    - Sale of Group and Individual Health businesses underway
- Allstate will continue to focus on strategic priorities to increase shareholder value
    - Improving auto and homeowners profitability
    - Accelerating Transformative Growth to increase auto and homeowners policies in force
    - Proactive risk and return management of the investment portfolio
    - Expanding Protection Services

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# Forward-looking Statements

This presentation contains “forward-looking statements” that anticipate results based on our estimates, assumptions and plans that are subject to uncertainty. These statements are made subject to the safe-harbor provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements do not relate strictly to historical or current facts and may be identified by their use of words like “plans,” “seeks,” “expects,” “will,” “should,” “anticipates,” “estimates,” “intends,” “believes,” “likely,” “targets” and other words with similar meanings. These statements may address, among other things, our strategy for growth, catastrophe exposure management, product development, investment results, regulatory approvals, market position, expenses, financial results, litigation and reserves. We believe that these statements are based on reasonable estimates, assumptions and plans. Forward-looking statements speak only as of the date on which they are made, and we assume no obligation to update any forward-looking statements as a result of new information or future events or developments. In addition, forward-looking statements are subject to certain risks or uncertainties that could cause actual results to differ materially from those communicated in these forward-looking statements. Factors that could cause actual results to differ materially from those expressed in, or implied by, the forward-looking statements include risks related to:

- Insurance and Financial Services (1) actual claim costs exceeding current reserves; (2) unexpected increases in claim frequency or severity; (3) catastrophes and severe weather events; (4) limitations in analytical models used for loss cost estimates; (5) price competition and changes in regulation and underwriting standards; (6) market risk, inflation and declines in credit quality of our investment portfolios; (7) our subjective determination of fair value and amount of credit losses for investments; (8) our participation in indemnification programs, including state industry pools and facilities; (9) inability to mitigate the impact associated with changes in capital requirements; (10) a downgrade in financial strength ratings;
- Business, Strategy and Operations (11) operations in markets that are highly competitive; (12) changing consumer preferences; (13) new or changing technologies; (14) implementation of our Transformative Growth strategy; (15) our catastrophe management strategy; (16) restrictions on our subsidiaries’ ability to pay dividends; (17) restrictions under terms of certain of our securities on our ability to pay dividends or repurchase our stock; (18) the availability of reinsurance at current levels and prices; (19) counterparty risk related to reinsurance; (20) acquisitions and divestitures of businesses; (21) intellectual property infringement, misappropriation and third-party claims; (22) vendor-related business disruptions or failure of a vendor to provide and protect data, confidential and proprietary information, or personal information of our customers, claimants or employees; (23) our ability to attract, develop and retain talent;
- Macro, Regulatory and Risk Environment (24) conditions in the global economy and capital markets; (25) a large-scale pandemic, the occurrence of terrorism, military actions or social unrest; (26) the failure in cyber or other information security controls, as well as the occurrence of events unanticipated in our disaster recovery processes and business continuity planning; (27) changing climate and weather conditions; (28) evolving environmental, social and governance standards and expectations; (29) restrictive regulations and regulatory reforms and uncertainty around the interpretation and implementation of regulations in the U.S. and internationally; (30) regulatory limitations on rate increases and requirements to underwrite business and participate in loss sharing arrangements; (31) losses from legal and regulatory actions; (32) changes in or the application of accounting standards and changes in tax laws; and (33) misconduct or fraudulent acts by employees, agents and third parties.

Additional information concerning these and other factors may be found in our filings with the Securities and Exchange Commission, including the “Risk Factors” section in our most recent annual report on Form 10-K.