UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

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

Date of report (Date of earliest event reported): November 3, 2021

THE ALLSTATE CORPORATION
(Exact name of registrant as specified in its charter)

Delaware	**1-11840**	**36-3871531**
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

2775 Sanders Road, Northbrook, Illinois 60062
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code **(847) 402-5000**

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbols	Name of each exchange on which registered
Common Stock, par value $0.01 per share	ALL	New York Stock Exchange Chicago Stock Exchange
5.100% Fixed-to-Floating Rate Subordinated Debentures due 2053	ALL.PR.B	New York Stock Exchange
Depositary Shares represent 1/1,000th of a share of 5.625% Noncumulative Preferred Stock, Series G	ALL PR G	New York Stock Exchange
Depositary Shares represent 1/1,000th of a share of 5.100% Noncumulative Preferred Stock, Series H	ALL PR H	New York Stock Exchange
Depositary Shares represent 1/1,000th of a share of 4.750% Noncumulative Preferred Stock, Series I	ALL PR I	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Section 2 – Financial Information

Item 2.02. Results of Operations and Financial Condition.

The Registrant's press release dated November 3, 2021, announcing its financial results for the third quarter of 2021, and the Registrant's third quarter 2021 investor supplement are furnished as Exhibits 99.1 and 99.2, respectively, to this report. The information contained in the press release and the investor supplement are furnished and not filed pursuant to instruction B.2 of Form 8-K.

Section 9 – Financial Statements and Exhibits

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

99.1 Registrant's press release dated November 3, 2021
99.2 Third quarter 2021 Investor Supplement of The Allstate Corporation
104 Cover Page Interactive Data File (formatted as inline XBRL).

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

THE ALLSTATE CORPORATION
(Registrant)

By: /s/ John C. Pintozzi
Name: John C. Pintozzi
Title: Senior Vice President, Controller and Chief Accounting Officer

Date: November 3, 2021

Exhibit 99.1

FOR IMMEDIATE RELEASE

Contacts:
Al Scott Mark Nogal
Media Relations Investor Relations
(847) 402-5600 (847) 402-2800

Allstate Addresses Impact of Supply Chain Disruptions

Transformative Growth positions for continued success

NORTHBROOK, Ill., November 3, 2021 – The Allstate Corporation (NYSE: ALL) today reported financial results for the third quarter of 2021.

The Allstate Corporation Consolidated Highlights						
	Three months ended September 30,			Nine months ended September 30,		
($ in millions, except per share data and ratios)	2021	2020	% / pts Change	2021	2020	% / pts Change
Consolidated revenues	$ 12,480	$ 10,678	16.9 %	$ 37,577	$ 30,947	21.4 %
Net income applicable to common shareholders	508	1,126	(54.9)	695	2,863	(75.7)
per diluted common share	1.71	3.58	(52.2)	2.30	9.01	(74.5)
Adjusted net income*	217	900	(75.9)	3,237	2,918	10.9
per diluted common share*	0.73	2.87	(74.6)	10.70	9.18	16.6
Return on Allstate common shareholders' equity (trailing twelve months)						
Net income applicable to common shareholders				13.2 %	18.9 %	(5.7)
Adjusted net income*				21.2 %	17.9 %	3.3
Book value per common share				84.62	82.39	2.7
Property-Liability combined ratio						
Recorded	105.3	91.6	13.7	94.8	88.8	6.0
Underlying combined ratio*	90.4	79.7	10.7	84.5	79.6	4.9
Property-Liability insurance premiums earned	10,159	8,952	13.5	30,064	26,696	12.6
Catastrophe losses	1,269	990	28.2	2,811	2,387	17.8
Shelter-in-Place Payback expense	—	—	—	29	948	(96.9)
Total policies in force (in thousands)				191,856	170,787	12.3

* Measures used in this release that are not based on accounting principles generally accepted in the United States of America ("non-GAAP") are denoted with an asterisk and defined and reconciled to the most directly comparable GAAP measure in the "Definitions of Non-GAAP Measures" section of this document.

"Allstate's operational expertise enables us to address inflation in auto repair costs while executing our Transformative Growth strategy," said Tom Wilson, Chair, President and CEO of The Allstate Corporation. "Auto insurance had an underwriting loss in the quarter as supply chain disruptions drove rapid price increases for used cars and original equipment parts. Auto insurance did generate attractive margins for the first nine months of the year, and we are filing for rate increases to maintain historical profitability levels. Performance-based investment income increased by $308 million reflecting the strategic decision to increase these investments, which offsets some of the decline in quarterly underwriting income. Transformative Growth is lowering expenses, providing further protection from increased loss costs. The catastrophe risk and return strategy also benefited results as nearly $1 billion of net reinsurance recoveries offset the impact of increased severe weather, including Hurricane Ida. In the quarter, revenues of $12.5 billion generated net income of $508 million and adjusted net income* earnings per share of $0.73."

“In addition to offsetting short-term volatility, our ongoing strategic initiatives have increased long-term value. Transformative Growth continued to reduce costs, allowing us to provide more competitive prices. Expanded customer access has increased Allstate brand auto new business by 5% and direct sales increased to 30% of auto insurance sales in the quarter, which more than offset a slight decline in existing Allstate agent productivity. The National General acquisition is ahead of cost savings and growth goals and will increase our total market share by one percentage point this year. Allstate Protection Plans rapidly grew by leveraging retail distribution and the Allstate brand. The strategies for Allstate Health and Benefits, Roadside, Identity Protection and Arity are also on track. The Allstate Life Insurance Company divestiture closed earlier this week and combined with the previously announced divestiture of Allstate Life Insurance Company of New York increased deployable capital by $1.7 billion. The strategy to increase market share in personal property-liability and expand protection solutions is working,” concluded Wilson.

Third Quarter 2021 Results

- Total revenues of $12.5 billion in the third quarter of 2021 increased 16.9% compared to the prior year quarter, reflecting higher earned premiums from National General, Allstate brand homeowners premium growth and increased net investment income. Protection Services revenues also increased, reflecting a 23.9% increase for Allstate Protection Plans compared to the prior year quarter.

- Net income applicable to common shareholders of $508 million in the third quarter of 2021 decreased $618 million compared to the prior year quarter, primarily driven by lower underwriting income partially offset by a $300 million increase in net investment income.

- Adjusted net income* of $217 million, or $0.73 per diluted share, decreased $683 million compared to the prior year quarter. The decrease reflects higher non-catastrophe losses in auto and homeowners insurance and increased catastrophe losses, partially offset by higher earned premiums.

Property-Liability Results						
	Three months ended September 30,			Nine months ended September 30,		
($ in millions, except ratios)	2021	2020	% / pts Change	2021	2020	% / pts Change
Premiums written	**$ 10,966**	**$ 9,395**	**16.7 %**	**$ 31,057**	**$ 27,159**	**14.4 %**
Allstate Brand	9,355	9,135	2.4	26,784	26,414	1.4
National General	1,611	260	NM	4,273	745	NM
Underwriting income (loss)	**(534)**	**752**	**NM**	**1,552**	**3,002**	**(48.3)**
Allstate Brand	(311)	842	NM	1,618	3,077	(47.4)
National General	(112)	43	NM	41	63	(34.9)
Recorded combined ratio	**105.3**	**91.6**	**13.7**	**94.8**	**88.8**	**6.0**
Allstate Protection auto	102.3	85.4	16.9	92.4	86.2	6.2
Allstate Protection homeowners	111.0	103.2	7.8	100.2	93.9	6.3
Underlying combined ratio*	**90.4**	**79.7**	**10.7**	**84.5**	**79.6**	**4.9**
Allstate Protection auto	97.6	84.3	13.3	89.9	85.1	4.8
Allstate Protection homeowners	71.6	64.8	6.8	69.6	62.6	7.0

NM = not meaningful

- **Property-Liability** written premium of $11.0 billion increased 16.7% in the third quarter of 2021 compared to the prior year quarter, primarily driven by the addition of National General and Allstate brand homeowners growth. The recorded combined ratio of 105.3 generated an underwriting loss of $534 million, compared to income of $752 million in the prior year quarter. This was primarily driven by higher non-catastrophe losses in auto and homeowners insurance and increased catastrophe losses, partially offset by increased premiums.

- Underwriting income was impacted by non-catastrophe prior year reserve strengthening of $162 million in the third quarter of 2021, which increased the combined ratio by 1.6 points. This includes $111 million related to asbestos, environmental and other reserves in the Run-off Property-Liability segment as a result of our annual comprehensive reserve review.

- The underlying combined ratio* of 90.4 for the third quarter of 2021 was 10.7 points above the prior year quarter, reflecting higher non-catastrophe losses primarily driven by higher incurred auto and homeowners claims severity due to increased inflationary impacts and higher auto accident frequency.

- Cost reductions implemented in 2020 and continuing in 2021 provide operational flexibility to improve customer value and competitive price position. The underlying expense ratio*, which excludes the amortization of purchased intangibles, decreased by 0.6 points compared to the prior year quarter. The decline was driven by lower restructuring and related charges, partially offset by higher advertising expenses. Increased claims process efficiency and expanded digital capabilities continue to drive lower loss adjustment expenses while improving the customer experience. The long-term goal is to further reduce the adjusted expense ratio* (which includes underwriting and claims) by 3 percent of premiums.

- **Allstate Protection auto** insurance net written premium increased 13.4%, and policies in force increased 14.7% compared to the prior year quarter, driven by the acquisition of National General and increased new issued applications. Allstate brand auto net written premiums declined slightly from the prior year quarter as increased policies in force were offset by lower average premiums.

  The recorded auto insurance combined ratio of 102.3 in the third quarter of 2021 was 16.9 points above the prior year quarter, and the underlying combined ratio* of 97.6 was 13.3 points above the prior year quarter, primarily due to an increase in the loss ratio. The auto loss ratio increase was driven by higher claim severity from rising inflationary impacts and increased accident frequency as miles driven rebound toward pre-pandemic levels. While frequency increased relative to the prior year, it remains below pre-pandemic levels. The third quarter combined ratio for auto insurance was also impacted by 2.2 points for reserve strengthening for the first two quarters of 2021. Unfavorable non-catastrophe prior year reserve reestimates also contributed to the higher loss ratio, adding 1.1 points in the quarter.

  Auto insurance loss costs increased primarily due to higher used car values and replacement parts costs. Used car values began increasing above the Consumer Price Index (CPI) in late 2020, which accelerated in 2021 resulting in an increase of approximately 44% in the third quarter 2021 compared to the end of 2018. Similarly, original equipment parts prices have dramatically increased and are now up approximately 17% over the same period, approximately twice the core CPI.

- **Allstate Protection homeowners** insurance net written premium grew 28.4%, and policies in force increased 7.6% compared to the third quarter of 2020, due to the addition of National General and Allstate brand growth. Allstate brand net written premium increased 9.8% compared to the prior year quarter, driven by policies in force growth and higher average premiums due to inflation in insured home valuations and approved rate increases.

  The recorded homeowners insurance combined ratio of 111.0 in the third quarter of 2021 increased 7.8 points above the prior year quarter, and the underlying combined ratio* of 71.6 increased 6.8 points compared to the third quarter of 2020. The increases were primarily driven by higher severity due to inflation in labor and material costs and the inclusion of National General's results, partially offset by higher average premium.

  Catastrophe losses were $1.27 billion in the third quarter with approximately 75% related to homeowners insurance. This includes 45 events, the largest of which was Hurricane Ida. Hurricane Ida gross and net losses were $1.5 billion and $689 million, respectively. Net losses include reinsurance recoveries of $986 million and reinstatement premiums of $181 million.

Protection Services Results						
	Three months ended September 30,			Nine months ended September 30,		
($ in millions)	2021	2020	% / $ Change	2021	2020	% / $ Change
Total revenues [(1)]	**$ 597**	**$ 484**	**23.3 %**	**$ 1,730**	**$ 1,395**	**24.0 %**
Allstate Protection Plans	311	251	23.9	881	702	25.5
Allstate Dealer Services	129	121	6.6	382	356	7.3
Allstate Roadside	64	59	8.5	183	172	6.4
Arity	62	25	148.0	190	81	134.6
Allstate Identity Protection	31	28	10.7	94	84	11.9
Adjusted net income (loss)	**$ 45**	**$ 40**	**$ 5**	**$ 150**	**$ 115**	**$ 35**
Allstate Protection Plans	32	36	(4)	119	105	14
Allstate Dealer Services	7	7	—	25	22	3
Allstate Roadside	1	4	(3)	7	8	(1)
Arity	1	(3)	4	4	(9)	13
Allstate Identity Protection	4	(4)	8	(5)	(11)	6

(1) Excludes realized capital gains and losses

- **Protection Services** revenues increased to $597 million in the third quarter of 2021, 23.3% higher than the prior year quarter, and written premium of $651 million increased by 34.2% primarily driven by continued Allstate Protection Plans growth. Adjusted net income of $45 million increased by $5 million compared to the prior year quarter, due to higher profitability at Allstate Identity Protection and Arity.
  - **Allstate Protection Plans** revenue of $311 million increased $60 million, or 23.9%, compared to the prior year quarter, reflecting increased policies in force. Written premium of $439 million increased 46.3% compared to the prior year quarter, driven by the launch with the Home Depot in the first quarter, and are approximately 5.5 times higher since the acquisition in 2017. Adjusted net income of $32 million in the third quarter of 2021 was $4 million lower than the prior year quarter, driven by restructuring charges and investments in growth.
  - **Allstate Dealer Services** revenue of $129 million was 6.6% higher than the third quarter of 2020, driven by increased sales and the impact of lower volumes in the third quarter of 2020 from impacts of the pandemic. Adjusted net income of $7 million in the third quarter was comparable to the prior year quarter.
  - **Allstate Roadside** revenue of $64 million in the third quarter of 2021 increased 8.5% compared to the prior year quarter, driven by the impact of lower rescue volumes in the third quarter of 2020 from impacts of the pandemic. Margins declined slightly due to capacity constraints with third party tow providers and the proprietary “gig” Good Hands Rescue Network. Adjusted net income of $1 million in the third quarter of 2021 was $3 million below the prior year quarter.
  - **Arity** revenue of $62 million increased $37 million compared to the prior year quarter, primarily driven by the inclusion of Transparent.ly and LeadCloud as a result of the National General acquisition, and increased device sales driven by growth in the Allstate brand Milewise® product. Adjusted net income of $1 million in the third quarter of 2021 improved $4 million compared to the prior year quarter. Arity continues to expand its data acquisition platform with over 600 billion miles of traffic data being used to serve an increasing number of insurance and third-party application customers.
  - **Allstate Identity Protection** revenue of $31 million in the third quarter of 2021 increased 10.7% compared to the prior year quarter and policies in force increased by 28.4% to 3.2 million. Adjusted net income of $4 million in the third quarter of 2021 increased $8 million compared to the prior year quarter primarily driven by timing of expenses and a one-time expense benefit.

Allstate Health and Benefits Results						
	Three months ended September 30,			Nine months ended September 30,		
($ in millions)	2021	2020	% Change	2021	2020	% Change
Premiums and contract charges	$ 460	$ 287	60.3 %	$ 1,362	$ 832	63.7 %
Employer voluntary benefits	251	287	(12.5)	769	832	(7.6)
Group health	90	—	NM	260	—	NM
Individual accident and health	119	—	NM	333	—	NM
Adjusted net income	33	33	—	160	62	158.1

- **Allstate Health and Benefits** premiums and contract charges increased 60.3% compared to the prior year quarter, primarily due to the addition of group health and individual accident and health businesses acquired with National General. Adjusted net income of $33 million in the third quarter of 2021 was comparable to the third quarter of 2020 as income from the addition of National General was offset by a higher benefit ratio compared to the prior year quarter, when benefit utilization was lower due to the pandemic.

Allstate Investment Results						
	Three months ended September 30,			Nine months ended September 30,		
($ in millions, except ratios)	**2021**	**2020**	**$ / pts Change**	**2021**	**2020**	**$ / pts Change**
Net investment income	**$ 764**	**$ 464**	**$ 300**	**$ 2,446**	**$ 930**	**$ 1,516**
Market-based investment income [1]	352	358	(6)	1,061	1,070	(9)
Performance-based investment income [1]	437	129	308	1,464	(67)	1,531
Realized capital gains (losses)	**105**	**319**	**(214)**	**818**	**597**	**221**
Change in unrealized net capital gains and losses, pre-tax	**(302)**	**198**	**NM**	**(1,352)**	**902**	**NM**
Total return on investment portfolio	**1.0 %**	**1.8 %**	**(0.8)**	**3.3 %**	**4.6 %**	**(1.3)**
Total return on investment portfolio (trailing twelve months)				**6.0 %**	**5.9 %**	**0.1**

[1] Investment expenses are not allocated between market-based and performance-based portfolios with the exception of investee level expenses.

- **Allstate Investments** $61.8 billion portfolio generated net investment income of $764 million in the third quarter of 2021, an increase of $300 million from the prior year quarter, driven by higher performance-based income.
    - **Market-based investment income** contributed $352 million of investment income in the third quarter of 2021, a decrease of $6 million, or 1.7%, compared to the prior year quarter as the impact of low reinvestment rates was largely mitigated by higher average assets under management and prepayment fee income.
    - **Performance-based investment income** totaled $437 million in the third quarter of 2021, an increase of $308 million compared to the prior year quarter, primarily due to higher private equity investment valuations. These results represent a long-term and broad approach to growth investing with nearly 90% of year-to-date performance-based income coming from assets with inception years of 2018 and prior. Approximately half of the total year-to-date performance-based income was generated by 25 individual investments.
    - **Net realized capital gains** were $105 million in the third quarter of 2021, compared to $319 million in the prior year quarter, primarily due to lower gains on sales of fixed income securities and a net loss on the valuation of equity investments in the current quarter compared to gains in the prior year quarter.
    - **Unrealized net capital losses** were $302 million in the third quarter of 2021 as an increase in interest rates resulted in lower fixed income valuations.
    - **Total return** on the investment portfolio was 1.0% and 3.3% for the third quarter and year-to-date periods of 2021, respectively.

- **Discontinued Operations** generated $325 million of income in the third quarter of 2021, primarily driven by a decrease in the loss on disposal and higher performance-based income. In the first quarter of 2021, the assets and liabilities of Allstate Life Insurance Company and Allstate Life Insurance Company of New York were reclassified as held for sale with results presented as discontinued operations. This includes $36.8 billion of assets and $32.4 billion of liabilities as of September 30, 2021.

  On October 1, 2021 Allstate closed on the sale of Allstate Life Insurance Company of New York to Wilton Re, and on November 1, 2021 closed on the sale of Allstate Life Insurance Company to entities managed by Blackstone. These transactions generated combined proceeds of approximately $4.4 billion. Allstate agents and financial specialists will meet customers' needs primarily by offering a full suite of life insurance and retirement solutions from third-party providers.

Proactive Capital Management

"Allstate's proactive capital deployment provides top tier cash returns to shareholders while funding growth," said Mario Rizzo, Chief Financial Officer. "Through a combination of dividends and share repurchases, Allstate returned nearly $1.5 billion to shareholders in the third quarter. This included executing a $750 million accelerated share repurchase program as part of the current $5 billion authorization. Earlier this week the previously announced divestiture of Allstate Life Insurance Company was completed, which combined with the sale of Allstate Life Insurance Company of New York, increased deployable capital by $1.7 billion and reduced interest rate risk. SafeAuto was acquired on October 1, 2021 to consolidate into National General's platform, further increasing personal lines market share," concluded Rizzo.

Visit www.allstateinvestors.com for additional information about Allstate's results, including a webcast of its quarterly conference call and the call presentation. The conference call will be at 9 a.m. ET on Thursday, November 4. Financial information, including material announcements about The Allstate Corporation, is routinely posted on www.allstateinvestors.com.

Forward-Looking Statements
This news release 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. These 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. We believe these statements are based on reasonable estimates, assumptions and plans. However, if the estimates, assumptions or plans underlying the forward-looking statements prove inaccurate or if other risks or uncertainties arise, actual results could 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 may be found in our filings with the U.S. Securities and Exchange Commission, including the "Risk Factors" section in our most recent annual report on Form 10-K. Forward-looking statements are as of the date on which they are made, and we assume no obligation to update or revise any forward-looking statement.

THE ALLSTATE CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (UNAUDITED)

($ in millions, except par value data)

	September 30, 2021	December 31, 2020
Assets		
Investments		
Fixed income securities, at fair value (amortized cost, net $38,811 and $40,034)	$ 39,989	$ 42,565
Equity securities, at fair value (cost $2,939 and $2,740)	3,807	3,168
Mortgage loans, net	752	746
Limited partnership interests	7,578	4,563
Short-term, at fair value (amortized cost $6,428 and $6,807)	6,428	6,807
Other, net	3,286	1,691
Total investments	**61,840**	**59,540**
Cash	690	311
Premium installment receivables, net	8,406	6,463
Deferred policy acquisition costs	4,600	3,774
Reinsurance and indemnification recoverables, net	10,442	7,215
Accrued investment income	339	371
Property and equipment, net	965	1,057
Goodwill	3,389	2,369
Other assets, net	5,966	2,756
Assets held for sale	36,803	42,131
Total assets	**$ 133,440**	**$ 125,987**
Liabilities		
Reserve for property and casualty insurance claims and claims expense	$ 33,286	$ 27,610
Reserve for future policy benefits	1,263	1,028
Contractholder funds	863	857
Unearned premiums	19,627	15,946
Claim payments outstanding	1,179	957
Deferred income taxes	711	382
Other liabilities and accrued expenses	9,403	7,840
Long-term debt	7,980	7,825
Liabilities held for sale	32,421	33,325
Total liabilities	**106,733**	**95,770**
Equity		
Preferred stock and additional capital paid-in, $1 par value, 25 million shares authorized, 81.0 thousand shares issued and outstanding, $2,025 aggregate liquidation preference	1,970	1,970
Common stock, $.01 par value, 2.0 billion shares authorized and 900 million issued, 288 million and 304 million shares outstanding	9	9
Additional capital paid-in	3,700	3,498
Retained income	52,736	52,767
Treasury stock, at cost (612 million and 596 million shares)	(33,604)	(31,331)
Accumulated other comprehensive income:		
Unrealized net capital gains and losses	1,828	3,180
Unrealized foreign currency translation adjustments	3	(7)
Unamortized pension and other postretirement prior service credit	87	131
Total accumulated other comprehensive income	**1,918**	**3,304**
Total Allstate shareholders' equity	**26,729**	**30,217**
Noncontrolling interest	(22)	—
Total equity	**26,707**	**30,217**
Total liabilities and equity	**$ 133,440**	**$ 125,987**

THE ALLSTATE CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)

($ in millions, except per share data)	Three months ended September 30,		Nine months ended September 30,	
	2021	2020	2021	2020
Revenues				
Property and casualty insurance premiums	$ 10,615	$ 9,336	$ 31,366	$ 27,794
Accident and health insurance premiums and contract charges	460	287	1,362	832
Other revenue	536	272	1,585	794
Net investment income	764	464	2,446	930
Realized capital gains (losses)	105	319	818	597
Total revenues	**12,480**	**10,678**	**37,577**	**30,947**
Costs and expenses				
Property and casualty insurance claims and claims expense	8,264	6,072	21,514	16,635
Shelter-in-Place Payback expense	—	—	29	948
Accident and health insurance policy benefits	269	128	746	392
Interest credited to contractholder funds	8	8	25	26
Amortization of deferred policy acquisition costs	1,582	1,386	4,650	4,095
Operating costs and expenses	1,890	1,322	5,304	4,054
Pension and other postretirement remeasurement (gains) losses	40	(71)	(404)	320
Restructuring and related charges	23	196	145	213
Amortization of purchased intangibles	109	31	267	88
Interest expense	69	78	246	238
Total costs and expenses	**12,254**	**9,150**	**32,522**	**27,009**
Income from operations before income tax expense	**226**	**1,528**	**5,055**	**3,938**
Income tax expense	20	312	1,008	779
Net income from continuing operations	**206**	**1,216**	**4,047**	**3,159**
Income (loss) from discontinued operations, net of tax	325	(63)	(3,272)	(207)
Net income	**531**	**1,153**	**775**	**2,952**
Less: Net income attributable to noncontrolling interest	(7)	—	(7)	—
Net income attributable to Allstate	**538**	**1,153**	**782**	**2,952**
Less: Preferred stock dividends	30	27	87	89
Net income applicable to common shareholders	**$ 508**	**$ 1,126**	**$ 695**	**$ 2,863**
Earnings per common share applicable to common shareholders				
Basic				
Continuing operations	$ 0.62	$ 3.82	$ 13.31	$ 9.77
Discontinued operations	1.11	(0.20)	(10.98)	(0.66)
Total	**$ 1.73**	**$ 3.62**	**$ 2.33**	**$ 9.11**
Diluted				
Continuing operations	$ 0.62	$ 3.78	$ 13.11	$ 9.66
Discontinued operations	1.09	(0.20)	(10.81)	(0.65)
Total	**$ 1.71**	**$ 3.58**	**$ 2.30**	**$ 9.01**
Weighted average common shares – Basic	293.1	311.2	298.1	314.1
Weighted average common shares – Diluted	297.9	314.1	302.6	317.9

Definitions of Non-GAAP Measures

We believe that investors' understanding of Allstate's performance is enhanced by our disclosure of the following non-GAAP measures. Our methods for calculating these measures may differ from those used by other companies and therefore comparability may be limited.

Adjusted net income is net income (loss) applicable to common shareholders, excluding:

- Realized capital gains and losses except for periodic settlements and accruals on non-hedge derivative instruments, which are reported with realized capital gains and losses but included in adjusted net income
- Pension and other postretirement remeasurement gains and losses
- Business combination expenses and the amortization or impairment of purchased intangibles
- Income or loss from discontinued operations
- Adjustments for other significant non-recurring, infrequent or unusual items, when (a) the nature of the charge or gain is such that it is reasonably unlikely to recur within two years, or (b) there has been no similar charge or gain within the prior two years
- Related income tax expense or benefit of these items

Net income (loss) applicable to common shareholders is the GAAP measure that is most directly comparable to adjusted net income.

We use adjusted net income as an important measure to evaluate our results of operations. We believe that the measure provides investors with a valuable measure of the Company's ongoing performance because it reveals trends in our insurance and financial services business that may be obscured by the net effect of realized capital gains and losses, pension and other postretirement remeasurement gains and losses, business combination expenses and the amortization or impairment of purchased intangibles, income or loss from discontinued operations and adjustments for other significant non-recurring, infrequent or unusual items and the related tax expense or benefit of these items. Realized capital gains and losses, and pension and other postretirement remeasurement gains and losses may vary significantly between periods and are generally driven by business decisions and external economic developments such as capital market conditions, the timing of which is unrelated to the insurance underwriting process. Business combination expenses and income or loss from discontinued operations are excluded because they are non-recurring in nature and the amortization or impairment of purchased intangibles is excluded because it relates to the acquisition purchase price and is not indicative of our underlying business results or trends. Non-recurring items are excluded because, by their nature, they are not indicative of our business or economic trends. Accordingly, adjusted net income excludes the effect of items that tend to be highly variable from period to period and highlights the results from ongoing operations and the underlying profitability of our business. A byproduct of excluding these items to determine adjusted net income is the transparency and understanding of their significance to net income variability and profitability while recognizing these or similar items may recur in subsequent periods. Adjusted net income is used by management along with the other components of net income (loss) applicable to common shareholders to assess our performance. We use adjusted measures of adjusted net income in incentive compensation. Therefore, we believe it is useful for investors to evaluate net income (loss) applicable to common shareholders, adjusted net income and their components separately and in the aggregate when reviewing and evaluating our performance. We note that investors, financial analysts, financial and business media organizations and rating agencies utilize adjusted net income results in their evaluation of our and our industry's financial performance and in their investment decisions, recommendations and communications as it represents a reliable, representative and consistent measurement of the industry and the Company and management's performance. We note that the price to earnings multiple commonly used by insurance investors as a forward-looking valuation technique uses adjusted net income as the denominator. Adjusted net income should not be considered a substitute for net income (loss) applicable to common shareholders and does not reflect the overall profitability of our business.

The following tables reconcile net income (loss) applicable to common shareholders and adjusted net income. Taxes on adjustments to reconcile net income (loss) applicable to common shareholders and adjusted net income generally use a 21% effective tax rate.

($ in millions, except per share data)	**Three months ended September 30,**			
	Consolidated		**Per diluted common share**	
	2021	**2020**	**2021**	**2020**
Net income (loss) applicable to common shareholders	$ 508	$ 1,126	$ 1.71	$ 3.58
Realized capital (gains) losses	(105)	(319)	(0.35)	(1.01)
Pension and other postretirement remeasurement (gains) losses	40	(71)	0.13	(0.22)
Curtailment (gains) losses	—	(8)	—	(0.02)
Reclassification of periodic settlements and accruals on non-hedge derivative instruments	—	1	—	—
Business combination expenses and the amortization of purchased intangibles	109	31	0.37	0.10
Business combination fair value adjustment	—	—	—	—
(Income) loss from discontinued operations	(235)	86	(0.79)	0.27
Income tax expense (benefit)	(100)	54	(0.34)	0.17
Adjusted net income *	$ 217	$ 900	$ 0.73	$ 2.87

	Nine months ended September 30,			
	Consolidated		**Per diluted common share**	
	2021	**2020**	**2021**	**2020**
Net income (loss) applicable to common shareholders	$ 695	$ 2,863	$ 2.30	$ 9.01
Realized capital (gains) losses	(818)	(597)	(2.70)	(1.88)
Pension and other postretirement remeasurement (gains) losses	(404)	320	(1.34)	1.01
Curtailment (gains) losses	—	(8)	—	(0.03)
Reclassification of periodic settlements and accruals on non-hedge derivative instruments	1	1	—	—
Business combination expenses and the amortization of purchased intangibles	289	88	0.96	0.28
Business combination fair value adjustment	(6)	—	(0.02)	—
(Income) loss from discontinued operations	3,435	289	11.35	0.91
Income tax expense (benefit)	45	(38)	0.15	(0.12)
Adjusted net income *	$ 3,237	$ 2,918	$ 10.70	$ 9.18

Adjusted net income return on Allstate common shareholders' equity is a ratio that uses a non-GAAP measure. It is calculated by dividing the rolling 12-month adjusted net income by the average of Allstate common shareholders' equity at the beginning and at the end of the 12-months, after excluding the effect of unrealized net capital gains and losses. Return on Allstate common shareholders' equity is the most directly comparable GAAP measure. We use adjusted net income as the numerator for the same reasons we use adjusted net income, as discussed previously. We use average Allstate common shareholders' equity excluding the effect of unrealized net capital gains and losses for the denominator as a representation of common shareholders' equity primarily applicable to Allstate's earned and realized business operations because it eliminates the effect of items that are unrealized and vary significantly between periods due to external economic developments such as capital market conditions like changes in equity prices and interest rates, the amount and timing of which are unrelated to the insurance underwriting process. We use it to supplement our evaluation of net income (loss) applicable to common shareholders and return on Allstate common shareholders' equity because it excludes the effect of items that tend to be highly variable from period to period. We believe that this measure is useful to investors and that it provides a valuable tool for investors when considered along with return on Allstate common shareholders' equity because it eliminates the after-tax effects of realized and unrealized net capital gains and losses that can fluctuate significantly from period to period and that are driven by economic developments, the magnitude and timing of which are generally not influenced by management. In addition, it eliminates non-recurring items that are not indicative of our ongoing business or economic trends. A byproduct of excluding the items noted above to determine adjusted net income return on Allstate common shareholders' equity from return on Allstate common shareholders' equity is the transparency and understanding of their significance to return on common shareholders' equity variability and profitability while recognizing these or similar items may recur in subsequent periods. We use adjusted measures of adjusted net income return on Allstate common shareholders' equity in incentive compensation. Therefore, we believe it is useful for investors to have adjusted net income return on Allstate common shareholders' equity and return on Allstate common shareholders' equity when evaluating our performance. We note that investors, financial analysts, financial and business media organizations and rating agencies utilize adjusted net income return on common shareholders' equity results in their evaluation of our and our industry's financial performance and in their investment decisions, recommendations and communications as it represents a reliable, representative and consistent measurement of the industry and the company and management's utilization of capital. We also provide it to facilitate a comparison to our long-term adjusted net income return on Allstate common shareholders' equity goal. Adjusted net income return on Allstate common shareholders' equity should not be considered a substitute for return on Allstate common shareholders' equity and does not reflect the overall profitability of our business.

The following tables reconcile return on Allstate common shareholders' equity and adjusted net income return on Allstate common shareholders' equity.

($ in millions)	**For the twelve months ended September 30,**	
	2021	**2020**
Return on Allstate common shareholders' equity		
Numerator:		
Net income applicable to common shareholders	$ 3,293	$ 4,570
Denominator:		
Beginning Allstate common shareholders' equity [(1)]	$ 25,293	$ 23,088
Ending Allstate common shareholders' equity [(1)]	24,759	25,293
Average Allstate common shareholders' equity	$ 25,026	$ 24,191
Return on Allstate common shareholders' equity	13.2 %	18.9 %

($ in millions)	**For the twelve months ended September 30,**	
	2021	**2020**
Adjusted net income return on Allstate common shareholders' equity		
Numerator:		
Adjusted net income *	$ 4,829	$ 3,897
Denominator:		
Beginning Allstate common shareholders' equity [(1)]	$ 25,293	$ 23,088
Less: Unrealized net capital gains and losses	2,744	2,023
Adjusted beginning Allstate common shareholders' equity	22,549	21,065
Ending Allstate common shareholders' equity [(1)]	24,759	25,293
Less: Unrealized net capital gains and losses	1,828	2,744
Adjusted ending Allstate common shareholders' equity	22,931	22,549
Average adjusted Allstate common shareholders' equity	$ 22,740	$ 21,807
Adjusted net income return on Allstate common shareholders' equity *	21.2 %	17.9 %

[(1)] Excludes equity related to preferred stock of $1,970 million as of September 30, 2021, $1,970 million as of September 30, 2020 and $3,052 million as of September 30, 2019.

Combined ratio excluding the effect of catastrophes, prior year reserve reestimates and amortization or impairment of purchased intangibles ("underlying combined ratio") is a non-GAAP ratio, which is computed as the difference between four GAAP operating ratios: the combined ratio, the effect of catastrophes on the combined ratio, the effect of prior year non-catastrophe reserve reestimates on the combined ratio, and the effect of amortization or impairment of purchased intangibles on the combined ratio. We believe that this ratio is useful to investors and it is used by management to reveal the trends in our Property-Liability business that may be obscured by catastrophe losses, prior year reserve reestimates and amortization or impairment of purchased intangibles. Catastrophe losses cause our loss trends to vary significantly between periods as a result of their incidence of occurrence and magnitude, and can have a significant impact on the combined ratio. Prior year reserve reestimates are caused by unexpected loss development on historical reserves, which could increase or decrease current year net income. Amortization or impairment of purchased intangibles relates to the acquisition purchase price and is not indicative of our underlying insurance business results or trends. We believe it is useful for investors to evaluate these components separately and in the aggregate when reviewing our underwriting performance. We also provide it to facilitate a comparison to our outlook on the underlying combined ratio. The most directly comparable GAAP measure is the combined ratio. The underlying combined ratio should not be considered a substitute for the combined ratio and does not reflect the overall underwriting profitability of our business.

The following tables reconcile the respective combined ratio to the underlying combined ratio. Underwriting margin is calculated as 100% minus the combined ratio.

Property-Liability	**Three months ended September 30,**		**Nine months ended September 30,**	
	2021	**2020**	**2021**	**2020**
Combined ratio	105.3	91.6	94.8	88.8
Effect of catastrophe losses	(12.5)	(11.1)	(9.4)	(8.9)
Effect of prior year non-catastrophe reserve reestimates	(1.6)	(0.8)	(0.4)	(0.3)
Effect of amortization of purchased intangibles	(0.8)	—	(0.5)	—
Underlying combined ratio*	90.4	79.7	84.5	79.6
Effect of prior year catastrophe reserve reestimates	—	(5.7)	(0.7)	(1.9)

Allstate Protection - Auto Insurance	**Three months ended September 30,**		**Nine months ended September 30,**	
	2021	**2020**	**2021**	**2020**
Combined ratio	102.3	85.4	92.4	86.2
Effect of catastrophe losses	(2.9)	(1.6)	(1.9)	(1.4)
Effect of prior year non-catastrophe reserve reestimates	(1.1)	0.5	(0.1)	0.3
Effect of amortization of purchased intangibles	(0.7)	—	(0.5)	—
Underlying combined ratio*	97.6	84.3	89.9	85.1
Effect of prior year catastrophe reserve reestimates	(0.1)	(0.4)	(0.1)	(0.2)

Allstate Protection - Homeowners Insurance	**Three months ended September 30,**		**Nine months ended September 30,**	
	2021	**2020**	**2021**	**2020**
Combined ratio	111.0	103.2	100.2	93.9
Effect of catastrophe losses	(38.0)	(39.1)	(29.8)	(31.6)
Effect of prior year non-catastrophe reserve reestimates	(0.6)	0.7	(0.2)	0.3
Effect of amortization of purchased intangibles	(0.8)	—	(0.6)	—
Underlying combined ratio*	71.6	64.8	69.6	62.6
Effect of prior year catastrophe reserve reestimates	0.1	(21.3)	(2.3)	(6.8)

Underlying expense ratio is a non-GAAP ratio, which is computed as the difference between the expense ratio and the effect of amortization or impairment of purchased intangibles on the expense ratio. We believe that the measure provides investors with a valuable measure of ongoing performance because it reveals trends that may be obscured by the amortization or impairment of purchased intangible assets. Amortization or Impairment of purchased intangible assets is excluded because it relates to the acquisition purchase price and is not indicative of our business results or trends. We believe it is useful for investors to evaluate these components separately and in the aggregate when reviewing our underwriting performance. The most directly comparable GAAP measure is the expense ratio. The underlying expense ratio should not be considered a substitute for the expense ratio and does not reflect the overall expense ratio of our business.

The following tables reconciles the respective expense ratio to the underlying expense ratio.

Property-Liability	**Three months ended September 30,**		**Nine months ended September 30,**	
	2021	**2020**	**2021**	**2020**
Expense ratio	25.1	24.9	24.3	27.5
Effect of amortization of purchased intangibles	(0.8)	—	(0.5)	—
Underlying expense ratio*	24.3	24.9	23.8	27.5

Adjusted underwriting expense ratio is a non-GAAP ratio, which is computed as the difference between the expense ratio and the effect of advertising expense, restructuring and related charges, amortization or impairment of purchased intangibles and Coronavirus related expenses on the expense ratio. We believe that the measure provides investors with a valuable measure of ongoing performance because it reveals trends that may be obscured by the advertising expense, restructuring and related charges, amortization or impairment of purchased intangibles and Coronavirus related expenses. Advertising expense is excluded as it may vary significantly from period to period based on business decisions and competitive position. Restructuring and related charges are excluded because these items are not indicative of our business results or trends. Coronavirus related expenses are excluded because these items are related to programs offered during the peak of the pandemic that are no longer available. Amortization or impairment of purchased intangible assets is excluded because it relates to the acquisition purchase price. These are not indicative of our business results or trends. A reduction in expenses enables investment flexibility that can drive growth. We believe it is useful for investors to evaluate these components separately and in the aggregate when reviewing our underwriting performance. The most directly comparable GAAP measure is the expense ratio. The adjusted underwriting expense ratio should not be considered a substitute for the expense ratio and does not reflect the overall expense ratio of our business.

Adjusted expense ratio is a non-GAAP ratio, which is computed as the combination of adjusted underwriting expense ratio and claims expense ratio excluding catastrophe expense. We believe it is useful for investors to evaluate this ratio which is linked to a long-term expense ratio improvement commitment through 2024. The most directly comparable GAAP measure is the expense ratio. The adjusted expense ratio should not be considered a substitute for the expense ratio and does not reflect the overall expense ratio of our business.

Coronavirus related expenses includes shelter-in-place payback and special payment plan bad debt expenses.

Claims expense ratio excluding catastrophe expense: Incurred loss adjustment expenses, net of reinsurance, excluding expenses related to catastrophes. These expenses are embedded within the loss ratio.

# # # # #

Exhibit 99.2

The Allstate Corporation

Investor Supplement
Third Quarter 2021

The condensed consolidated financial statements and financial exhibits included herein are unaudited and should be read in conjunction with the consolidated financial statements and notes thereto included in the most recent Annual Report on Form 10-K and Quarterly Reports on Form 10-Q. The results of operations for interim periods should not be considered indicative of results to be expected for the full year.

Measures used in these financial statements and exhibits that are not based on generally accepted accounting principles ("non-GAAP") are denoted with an asterisk (*). These measures are defined on the pages "Definitions of Non-GAAP Measures" and are reconciled to the most directly comparable generally accepted accounting principles ("GAAP") measure herein.

The Allstate Corporation
Investor Supplement - Third Quarter 2021

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Items included in the glossary are denoted with a caret (^) the first time used.

The Allstate Corporation
Condensed Consolidated Statements of Operations

($ in millions, except per share data)	Three months ended							Nine months ended	
	Sept. 30, 2021	June 30, 2021	March 31, 2021	Dec. 31, 2020	Sept. 30, 2020	June 30, 2020	March 31, 2020	Sept. 30, 2021	Sept. 30, 2020
Revenues									
Property and casualty insurance premiums ^	$ 10,615	$ 10,444	$ 10,307	$ 9,279	$ 9,336	$ 9,223	$ 9,235	$ 31,366	$ 27,794
Accident and health insurance premiums and contract charges ^	460	447	455	262	287	263	282	1,362	832
Other revenue ^	536	494	555	271	272	257	265	1,585	794
Net investment income	764	974	708	660	464	220	246	2,446	930
Realized capital gains (losses)	105	287	426	490	319	440	(162)	818	597
Total revenues	12,480	12,646	12,451	10,962	10,678	10,403	9,866	37,577	30,947
Costs and expenses									
Property and casualty insurance claims and claims expense	8,264	7,207	6,043	5,366	6,072	5,222	5,341	21,514	16,635
Shelter-in-Place Payback expense	-	29	-	-	-	738	210	29	948
Accident and health insurance policy benefits	269	244	233	124	128	123	141	746	392
Interest credited to contractholder funds	8	8	9	7	8	9	9	25	26
Amortization of deferred policy acquisition costs	1,582	1,545	1,523	1,382	1,386	1,344	1,365	4,650	4,095
Operating costs and expenses	1,890	1,683	1,731	1,440	1,322	1,394	1,338	5,304	4,054
Pension and other postretirement remeasurement (gains) losses	40	(134)	(310)	(371)	(71)	73	318	(404)	320
Restructuring and related charges	23	71	51	40	196	13	4	145	213
Amortization of purchased intangibles	109	105	53	30	31	29	28	267	88
Interest expense	69	91	86	80	78	79	81	246	238
Total costs and expenses	12,254	10,849	9,419	8,098	9,150	9,024	8,835	32,522	27,009
Income from operations before income tax expense	226	1,797	3,032	2,864	1,528	1,379	1,031	5,055	3,938
Income tax expense	20	362	626	594	312	273	194	1,008	779
Net income from continuing operations	206	1,435	2,406	2,270	1,216	1,106	837	4,047	3,159
Income (loss) from discontinued operations, net of tax	325	196	(3,793)	354	(63)	144	(288)	(3,272)	(207)
Net income (loss)	531	1,631	(1,387)	2,624	1,153	1,250	549	775	2,952
Less: Net income (loss) attributable to noncontrolling interest	(7)	6	(6)	-	-	-	-	(7)	-
Net income (loss) attributable to Allstate	538	1,625	(1,381)	2,624	1,153	1,250	549	782	2,952
Less: Preferred stock dividends	30	30	27	26	27	26	36	87	89
Net income (loss) applicable to common shareholders	$ 508	$ 1,595	$ (1,408)	$ 2,598	$ 1,126	$ 1,224	$ 513	$ 695	$ 2,863
Earnings per common share									
Basic									
Continuing operations	$ 0.62	$ 4.68	$ 7.88	$ 7.38	$ 3.82	$ 3.44	$ 2.52	$ 13.31	$ 9.77
Discontinued operations	1.11	0.66	(12.53)	1.16	(0.20)	0.46	(0.90)	(10.98)	(0.66)
Total	$ 1.73	$ 5.34	$ (4.65)	$ 8.54	$ 3.62	$ 3.90	$ 1.62	$ 2.33	$ 9.11
Diluted									
Continuing operations	$ 0.62	$ 4.61	$ 7.78	$ 7.30	$ 3.78	$ 3.41	$ 2.48	$ 13.11	$ 9.66
Discontinued operations	1.09	0.65	(12.38)	1.15	(0.20)	0.45	(0.89)	(10.81)	(0.65)
Total	$ 1.71	$ 5.26	$ (4.60)	$ 8.45	$ 3.58	$ 3.86	$ 1.59	$ 2.30	$ 9.01
Weighted average common shares - Basic	293.1	298.8	302.5	304.3	311.2	313.7	317.4	298.1	314.1
Weighted average common shares - Diluted	297.9	303.3	306.4	307.6	314.1	317.0	322.4	302.6	317.9
Cash dividends declared per common share	$ 0.81	$ 0.81	$ 0.81	$ 0.54	$ 0.54	$ 0.54	$ 0.54	$ 2.43	$ 1.62

The Allstate Corporation
Contribution to Income

($ in millions, except per share data)	Three months ended							Nine months ended	
	Sept. 30, 2021	June 30, 2021	March 31, 2021	Dec. 31, 2020	Sept. 30, 2020	June 30, 2020	March 31, 2020	Sept. 30, 2021	Sept. 30, 2020
Contribution to income									
Net income (loss) applicable to common shareholders	$ 508	$ 1,595	$ (1,408)	$ 2,598	$ 1,126	$ 1,224	$ 513	$ 695	$ 2,863
Realized capital (gains) losses	(105)	(287)	(426)	(490)	(319)	(440)	162	(818)	(597)
Pension and other postretirement remeasurement (gains) losses	40	(134)	(310)	(371)	(71)	73	318	(404)	320
Curtailment (gains) losses	-	-	-	-	(8)	-	-	-	(8)
Reclassification of periodic settlements and accruals on non-hedge derivative instruments	-	-	1	(1)	1	-	-	1	1
Business combination expenses and the amortization of purchased intangibles	109	105	75	30	31	29	28	289	88
Business combination fair value adjustment	-	(6)	-	-	-	-	-	(6)	-
(Income) loss from discontinued operations	(235)	(493)	4,163	(446)	86	(167)	370	3,435	289
Income tax expense (benefit)	(100)	369	(224)	272	54	97	(189)	45	(38)
Adjusted net income *	$ 217	$ 1,149	$ 1,871	$ 1,592	$ 900	$ 816	$ 1,202	$ 3,237	$ 2,918
Income per common share - Diluted									
Net income (loss) applicable to common shareholders	$ 1.71	$ 5.26	$ (4.60)	$ 8.45	$ 3.58	$ 3.86	$ 1.59	$ 2.30	$ 9.01
Realized capital (gains) losses	(0.35)	(0.95)	(1.39)	(1.59)	(1.01)	(1.39)	0.50	(2.70)	(1.88)
Pension and other postretirement remeasurement (gains) losses	0.13	(0.44)	(1.01)	(1.21)	(0.22)	0.23	0.99	(1.34)	1.01
Curtailment (gains) losses	-	-	-	-	(0.02)	-	-	-	(0.03)
Reclassification of periodic settlements and accruals on non-hedge derivative instruments	-	-	-	-	-	-	-	-	-
Business combination expenses and the amortization of purchased intangibles	0.37	0.35	0.25	0.10	0.10	0.09	0.09	0.96	0.28
Business combination fair value adjustment	-	(0.02)	-	-	-	-	-	(0.02)	-
(Income) loss from discontinued operations	(0.79)	(1.63)	13.59	(1.45)	0.27	(0.52)	1.15	11.35	0.91
Income tax expense (benefit)	(0.34)	1.22	(0.73)	0.88	0.17	0.31	(0.59)	0.15	(0.12)
Adjusted net income *	$ 0.73	$ 3.79	$ 6.11	$ 5.18	$ 2.87	$ 2.58	$ 3.73	$ 10.70	$ 9.18
Weighted average common shares - Diluted	297.9	303.3	306.4	307.6	314.1	317.0	322.4	302.6	317.9

The Allstate Corporation
Book Value per Common Share and Debt to Capital

($ in millions, except per share data)	Sept. 30, 2021	June 30, 2021	March 31, 2021	Dec. 31, 2020	Sept. 30, 2020	June 30, 2020	March 31, 2020
Book value per common share							
Numerator:							
Allstate common shareholders' equity [1]	$ 24,759	$ 26,037	$ 24,649	$ 28,247	$ 25,293	$ 25,016	$ 22,203
Denominator:							
Common shares outstanding and dilutive potential common shares outstanding [2]	292.6	301.6	304.0	308.7	307.0	315.8	318.7
Book value per common share	$ 84.62	$ 86.33	$ 81.08	$ 91.50	$ 82.39	$ 79.21	$ 69.67
Book value per common share, excluding the impact of unrealized net capital gains and losses on fixed income securities							
Numerator:							
Allstate common shareholders' equity	$ 24,759	$ 26,037	$ 24,649	$ 28,247	$ 25,293	$ 25,016	$ 22,203
Less: Unrealized net capital gains and losses on fixed income securities	1,830	2,167	1,680	3,185	2,750	2,610	534
Adjusted Allstate common shareholders' equity	$ 22,929	$ 23,870	$ 22,969	$ 25,062	$ 22,543	$ 22,406	$ 21,669
Denominator:							
Common shares outstanding and dilutive potential common shares outstanding	292.6	301.6	304.0	308.7	307.0	315.8	318.7
Book value per common share, excluding the impact of unrealized net capital gains and losses on fixed income securities *	$ 78.36	$ 79.14	$ 75.56	$ 81.19	$ 73.43	$ 70.95	$ 67.99
Total debt	$ 7,980	$ 7,996	$ 7,996	$ 7,825	$ 6,635	$ 6,634	$ 6,633
Total capital resources	$ 34,709	$ 36,203	$ 34,815	$ 38,042	$ 33,898	$ 33,620	$ 30,806
Ratio of debt to Allstate shareholders' equity	29.9 %	28.3 %	29.8 %	25.9 %	24.3 %	24.6 %	27.4 %
Ratio of debt to capital resources	23.0 %	22.1 %	23.0 %	20.6 %	19.6 %	19.7 %	21.5 %

(1) Excludes equity related to preferred stock of $1,970 million at September 30, 2021, $2,170 million at June 30, 2021 and March 31, 2021 and $1,970 million for all other periods presented.
(2) Common shares outstanding were 287,980,136 and 304,192,788 as of September 30, 2021 and December 31, 2020, respectively.

The Allstate Corporation
Return on Allstate Common Shareholders' Equity

($ in millions)

	Twelve months ended						
	Sept. 30, 2021	June 30, 2021	March 31, 2021	Dec. 31, 2020	Sept. 30, 2020	June 30, 2020	March 31, 2020
Return on Allstate common shareholders' equity							
Numerator:							
Net income applicable to common shareholders [1]	$ 3,293	$ 3,911	$ 3,540	$ 5,461	$ 4,570	$ 4,333	$ 3,930
Denominator:							
Beginning Allstate common shareholders' equity	$ 25,293	$ 25,016	$ 22,203	$ 23,750	$ 23,088	$ 22,546	$ 21,488
Ending Allstate common shareholders' equity [2]	24,759	26,037	24,649	28,247	25,293	25,016	22,203
Average Allstate common shareholders' equity ^	$ 25,026	$ 25,527	$ 23,426	$ 25,999	$ 24,191	$ 23,781	$ 21,846
Return on Allstate common shareholders' equity	13.2 %	15.3 %	15.1 %	21.0 %	18.9 %	18.2 %	18.0 %
Adjusted net income return on Allstate common shareholders' equity							
Numerator:							
Adjusted net income * [1]	$ 4,829	$ 5,512	$ 5,179	$ 4,510	$ 3,897	$ 3,887	$ 3,687
Denominator:							
Beginning Allstate common shareholders' equity	$ 25,293	$ 25,016	$ 22,203	$ 23,750	$ 23,088	$ 22,546	$ 21,488
Less: Unrealized net capital gains and losses	2,744	2,602	530	1,887	2,023	1,654	972
Adjusted beginning Allstate common shareholders' equity	22,549	22,414	21,673	21,863	21,065	20,892	20,516
Ending Allstate common shareholders' equity	24,759	26,037	24,649	28,247	25,293	25,016	22,203
Less: Unrealized net capital gains and losses	1,828	2,164	1,680	3,180	2,744	2,602	530
Adjusted ending Allstate common shareholders' equity	22,931	23,873	22,969	25,067	22,549	22,414	21,673
Average adjusted Allstate common shareholders' equity ^	$ 22,740	$ 23,144	$ 22,321	$ 23,465	$ 21,807	$ 21,653	$ 21,095
Adjusted net income return on Allstate common shareholders' equity *	21.2 %	23.8 %	23.2 %	19.2 %	17.9 %	18.0 %	17.5 %

[1] Net income applicable to common shareholders and adjusted net income reflect a trailing twelve-month period.
[2] Excludes equity related to preferred stock of $1,970 million at September 30, 2021, $2,170 million at June 30, 2021 and March 31, 2021 and $1,970 million for all other periods presented.

The Allstate Corporation
Policies in Force

	Sept. 30, 2021	June 30, 2021	March 31, 2021	Dec. 31, 2020	Sept. 30, 2020	June 30, 2020	March 31, 2020
Policies in force statistics (in thousands) [(1)]							
Allstate Protection							
Auto	25,654	25,614	25,453	22,260	22,360	22,451	22,311
Homeowners	7,138	7,111	7,090	6,643	6,634	6,616	6,590
Other personal lines	4,848	4,816	4,774	4,530	4,528	4,489	4,460
Commercial lines	319	322	325	216	219	221	224
Total	37,959	37,863	37,642	33,649	33,741	33,777	33,585
Allstate brand							
Auto	21,951	21,920	21,824	21,809	21,900	21,978	21,826
Homeowners	6,496	6,459	6,427	6,427	6,414	6,391	6,360
National General [(2)]							
Auto	3,703	3,694	3,629	451	460	473	485
Homeowners	642	652	663	216	220	225	230
Protection Services							
Allstate Protection Plans	141,809	139,453	133,510	128,982	125,831	120,301	107,124
Allstate Dealer Services	3,980	4,013	3,996	4,042	4,075	4,101	4,096
Allstate Roadside	533	539	540	548	558	562	576
Allstate Identity Protection	3,197	3,041	2,702	2,700	2,490	2,312	1,932
Total	149,519	147,046	140,748	136,272	132,954	127,276	113,728
Allstate Health and Benefits	4,378	4,452	4,522	3,950	4,092	4,410	4,309
Total policies in force	191,856	189,361	182,912	173,871	170,787	165,463	151,622

(1) Policy counts are based on items rather than customers.
- A multi-car customer would generate multiple item (policy) counts, even if all cars were insured under one policy.
- PIF does not reflect banking relationships for our lender-placed insurance products to customers including fire, home and flood products, as well as collateral protection insurance and guaranteed asset protection products for automobiles.
- Commercial lines PIF for shared economy agreements reflect contracts that cover multiple drivers as opposed to individual drivers.
- Allstate Roadside reflects memberships in force and do not include their wholesale partners as the customer relationship is managed by the wholesale partner.
- Allstate Dealer Services reflects service contracts and other products sold in conjunction with auto lending and vehicle sales transactions and do not include their third party administrators ("TPAs") as the customer relationship is managed by the TPAs.
- Allstate Protection Plans represents active consumer product protection plans.
- Allstate Identity Protection reflects individual customer counts for identity protection products.
- Allstate Health and Benefits reflects certificate counts as opposed to group counts.

(2) Encompass brand has been combined into National General beginning in the first quarter of 2021 and results prior to 2021 reflect Encompass brand results only.

The Allstate Corporation
Property-Liability Results

($ in millions, except ratios)	Three months ended							Nine months ended	
	Sept. 30, 2021	June 30, 2021	March 31, 2021	Dec. 31, 2020	Sept. 30, 2020	June 30, 2020	March 31, 2020	Sept. 30, 2021	Sept. 30, 2020
Premiums written	$ 10,966	$ 10,323	$ 9,768	$ 8,609	$ 9,395	$ 9,172	$ 8,592	$ 31,057	$ 27,159
(Increase) decrease in unearned premiums	(672)	(312)	(280)	244	(470)	(349)	370	(1,264)	(449)
Other	(135)	(2)	408	31	27	40	(81)	271	(14)
Premiums earned	10,159	10,009	9,896	8,884	8,952	8,863	8,881	30,064	26,696
Other revenue	365	321	385	218	220	206	213	1,071	639
Claims and claims expense	(8,145)	(7,103)	(5,945)	(5,268)	(5,968)	(5,139)	(5,251)	(21,193)	(16,358)
Shelter-in-Place Payback expense	-	(29)	-	-	-	(738)	(210)	(29)	(948)
Amortization of deferred policy acquisition costs	(1,346)	(1,319)	(1,303)	(1,168)	(1,158)	(1,149)	(1,167)	(3,968)	(3,474)
Operating costs and expenses	(1,552)	(1,384)	(1,344)	(1,207)	(1,107)	(1,133)	(1,114)	(4,280)	(3,354)
Restructuring and related charges	(15)	(66)	(32)	(36)	(187)	(8)	(4)	(113)	(199)
Underwriting income (loss) [1]	$ (534)	$ 429	$ 1,657	$ 1,423	$ 752	$ 902	$ 1,348	$ 1,552	$ 3,002
Catastrophe losses	$ 1,269	$ 952	$ 590	$ 424	$ 990	$ 1,186	$ 211	$ 2,811	$ 2,387
Amortization of purchased intangibles	75	71	19	5	3	3	1	165	7
Claims expense excluding catastrophe expense ^	563	558	553	514	517	553	572	1,674	1,642
Operating ratios and reconciliations to underlying ratios									
Loss ratio	80.2	71.0	60.1	59.3	66.7	58.0	59.1	70.5	61.3
Effect of catastrophe losses	(12.5)	(9.5)	(6.0)	(4.8)	(11.1)	(13.4)	(2.4)	(9.4)	(8.9)
Effect of prior year non-catastrophe reserve reestimates	(1.6)	0.2	(0.1)	-	(0.8)	0.4	(0.3)	(0.4)	(0.3)
Underlying loss ratio *	66.1	61.7	54.0	54.5	54.8	45.0	56.4	60.7	52.1
Expense ratio ^	25.1	24.7	23.2	24.7	24.9	31.8	25.7	24.3	27.5
Effect of amortization of purchased intangibles	(0.8)	(0.7)	(0.1)	(0.1)	-	-	-	(0.5)	-
Underlying expense ratio *	24.3	24.0	23.1	24.6	24.9	31.8	25.7	23.8	27.5
Effect of advertising expense	(3.2)	(3.1)	(3.2)	(3.7)	(2.3)	(2.4)	(2.3)	(3.2)	(2.3)
Effect of restructuring and related charges	(0.1)	(0.6)	(0.3)	(0.4)	(2.1)	(0.1)	-	(0.4)	(0.7)
Effect of Coronavirus related expenses ^	-	(0.2)	-	0.1	(0.2)	(8.8)	(2.4)	-	(3.8)
Adjusted underwriting expense ratio *	21.0	20.1	19.6	20.6	20.3	20.5	21.0	20.2	20.7
Claims expense ratio excluding catastrophe expense	5.5	5.6	5.6	5.8	5.8	6.2	6.4	5.6	6.1
Adjusted expense ratio *	26.5	25.7	25.2	26.4	26.1	26.7	27.4	25.8	26.8
Combined ratio	105.3	95.7	83.3	84.0	91.6	89.8	84.8	94.8	88.8
Effect of catastrophe losses	(12.5)	(9.5)	(6.0)	(4.8)	(11.1)	(13.4)	(2.4)	(9.4)	(8.9)
Effect of prior year non-catastrophe reserve reestimates	(1.6)	0.2	(0.1)	-	(0.8)	0.4	(0.3)	(0.4)	(0.3)
Effect of amortization of purchased intangibles	(0.8)	(0.7)	(0.1)	(0.1)	-	-	-	(0.5)	-
Underlying combined ratio *	90.4	85.7	77.1	79.1	79.7	76.8	82.1	84.5	79.6
Effect of Run-off Property-Liability on combined ratio	1.2	-	0.1	0.1	1.5	-	-	0.4	0.6
[1] **Underwriting income (loss)**									
Allstate brand	$ (311)	$ 414	$ 1,515	$ 1,414	$ 842	$ 899	$ 1,336	$ 1,618	$ 3,077
National General [2]	(112)	15	138	12	43	6	14	41	63
Answer Financial	2	2	7	-	2	-	1	11	3
Total underwriting income for Allstate Protection	(421)	431	1,660	1,426	887	905	1,351	1,670	3,143
Run-off Property-Liability	(113)	(2)	(3)	(3)	(135)	(3)	(3)	(118)	(141)
Total underwriting income (loss) for Property-Liability	$ (534)	$ 429	$ 1,657	$ 1,423	$ 752	$ 902	$ 1,348	$ 1,552	$ 3,002
Other financial information									
Net investment income	$ 710	$ 931	$ 673	$ 619	$ 422	$ 178	$ 202	$ 2,314	$ 802
Income tax expense on operations	(26)	(283)	(475)	(415)	(241)	(210)	(303)	(784)	(754)

[2] Encompass brand has been combined into National General beginning in the first quarter of 2021 and results prior to 2021 reflect Encompass brand results only.

The Allstate Corporation
Allstate Protection Profitability Measures

($ in millions, except ratios)	Three months ended							Nine months ended	
	Sept. 30, 2021	June 30, 2021	March 31, 2021	Dec. 31, 2020	Sept. 30, 2020	June 30, 2020	March 31, 2020	Sept. 30, 2021	Sept. 30, 2020
Premiums written									
Auto	$ 7,171	$ 6,818	$ 7,012	$ 5,886	$ 6,326	$ 6,190	$ 6,209	$ 21,001	$ 18,725
Homeowners	3,004	2,722	2,083	2,045	2,339	2,284	1,732	7,809	6,355
Other personal lines	584	579	476	465	542	528	430	1,639	1,500
Commercial lines	207	204	197	213	188	170	221	608	579
Total	$ 10,966	$ 10,323	$ 9,768	$ 8,609	$ 9,395	$ 9,172	$ 8,592	$ 31,057	$ 27,159
Net premiums earned									
Auto	$ 6,912	$ 6,883	$ 6,809	$ 6,103	$ 6,210	$ 6,172	$ 6,155	$ 20,604	$ 18,537
Homeowners	2,522	2,411	2,392	2,090	2,073	2,054	2,037	7,325	6,164
Other personal lines	521	519	505	484	486	478	471	1,545	1,435
Commercial lines	204	196	190	207	183	159	218	590	560
Total	$ 10,159	$ 10,009	$ 9,896	$ 8,884	$ 8,952	$ 8,863	$ 8,881	$ 30,064	$ 26,696
Underwriting income (loss)									
Auto	$ (159)	$ 394	$ 1,327	$ 883	$ 906	$ 998	$ 657	$ 1,562	$ 2,561
Homeowners	(277)	(7)	268	449	(67)	(139)	581	(16)	375
Other personal lines	40	39	33	89	42	43	90	112	175
Commercial lines	(54)	(25)	(2)	(16)	(14)	(11)	5	(81)	(20)
Other business lines ^	27	28	27	21	18	14	17	82	49
Answer Financial	2	2	7	-	2	-	1	11	3
Total	$ (421)	$ 431	$ 1,660	$ 1,426	$ 887	$ 905	$ 1,351	$ 1,670	$ 3,143
Claims expense excluding catastrophe expense ^	560	556	552	511	515	551	569	1,668	1,635
Operating ratios and reconciliations to underlying ratios									
Loss ratio	79.0	71.0	60.0	59.3	65.2	58.0	59.1	70.1	60.7
Effect of catastrophe losses	(12.5)	(9.5)	(6.0)	(4.8)	(11.1)	(13.4)	(2.4)	(9.4)	(8.9)
Effect of prior year non-catastrophe reserve reestimates	(0.4)	0.2	-	-	0.7	0.4	(0.3)	(0.1)	0.3
Underlying loss ratio *	66.1	61.7	54.0	54.5	54.8	45.0	56.4	60.6	52.1
Expense ratio	25.1	24.7	23.2	24.6	24.9	31.8	25.7	24.3	27.5
Effect of amortization of purchased intangibles	(0.8)	(0.7)	(0.1)	-	-	-	-	(0.5)	(0.1)
Underlying expense ratio *	24.3	24.0	23.1	24.6	24.9	31.8	25.7	23.8	27.4
Effect of advertising expense	(3.2)	(3.1)	(3.2)	(3.7)	(2.3)	(2.4)	(2.3)	(3.2)	(2.3)
Effect of restructuring and related charges	(0.2)	(0.6)	(0.3)	(0.4)	(2.1)	(0.1)	-	(0.4)	(0.7)
Effect of Coronavirus related expenses ^	-	(0.2)	-	0.1	(0.2)	(8.8)	(2.4)	-	(3.8)
Adjusted underwriting expense ratio *	20.9	20.1	19.6	20.6	20.3	20.5	21.0	20.2	20.6
Combined ratio	104.1	95.7	83.2	83.9	90.1	89.8	84.8	94.4	88.2
Underlying combined ratio *	90.4	85.7	77.1	79.1	79.7	76.8	82.1	84.4	79.5
Claims expense ratio excluding catastrophe expense ^	5.5	5.6	5.6	5.8	5.8	6.2	6.4	5.5	6.1

The Allstate Corporation
Auto Profitability Measures

($ in millions, except ratios)	Three months ended							Nine months ended	
	Sept. 30, 2021	June 30, 2021	March 31, 2021	Dec. 31, 2020	Sept. 30, 2020	June 30, 2020	March 31, 2020	Sept. 30, 2021	Sept. 30, 2020
Allstate Protection									
Premiums written	$ 7,171	$ 6,818	$ 7,012	$ 5,886	$ 6,326	$ 6,190	$ 6,209	$ 21,001	$ 18,725
Net premiums earned	$ 6,912	$ 6,883	$ 6,809	$ 6,103	$ 6,210	$ 6,172	$ 6,155	$ 20,604	$ 18,537
Underwriting income (loss)	$ (159)	$ 394	$ 1,327	$ 883	$ 906	$ 998	$ 657	$ 1,562	$ 2,561
Operating ratios and reconciliations to underlying ratios									
Loss ratio	76.9	68.7	57.2	60.2	59.7	47.9	62.2	67.7	56.6
Effect of catastrophe losses	(2.9)	(2.2)	(0.4)	(0.6)	(1.6)	(2.2)	(0.2)	(1.9)	(1.4)
Effect of prior year non-catastrophe reserve reestimates	(1.1)	0.4	0.2	-	0.5	0.8	(0.4)	(0.1)	0.3
Underlying loss ratio *	72.9	66.9	57.0	59.6	58.6	46.5	61.6	65.7	55.5
Expense ratio	25.4	25.6	23.3	25.3	25.7	35.9	27.1	24.7	29.6
Effect of amortization of purchased intangibles	(0.7)	(0.7)	(0.2)	-	-	-	-	(0.5)	-
Underlying expense ratio *	24.7	24.9	23.1	25.3	25.7	35.9	27.1	24.2	29.6
Combined ratio	102.3	94.3	80.5	85.5	85.4	83.8	89.3	92.4	86.2
Effect of catastrophe losses	(2.9)	(2.2)	(0.4)	(0.6)	(1.6)	(2.2)	(0.2)	(1.9)	(1.4)
Effect of prior year non-catastrophe reserve reestimates	(1.1)	0.4	0.2	-	0.5	0.8	(0.4)	(0.1)	0.3
Effect of amortization of purchased intangibles	(0.7)	(0.7)	(0.2)	-	-	-	-	(0.5)	-
Underlying combined ratio *	97.6	91.8	80.1	84.9	84.3	82.4	88.7	89.9	85.1
Effect of Shelter-in-Place Payback expense on combined and expense ratios	-	0.4	-	-	-	11.9	3.4	0.1	5.1
New issued applications (in thousands) ^	1,448	1,421	1,471	846	902	882	897	4,340	2,681
Allstate brand									
Premiums written	$ 6,153	$ 5,952	$ 6,060	$ 5,766	$ 6,192	$ 6,054	$ 6,091	$ 18,165	$ 18,337
Net premiums earned	$ 6,009	$ 6,036	$ 6,014	$ 5,977	$ 6,081	$ 6,037	$ 6,020	$ 18,059	$ 18,138
Underwriting income (loss)	$ (123)	$ 364	$ 1,203	$ 882	$ 897	$ 966	$ 659	$ 1,444	$ 2,522
Combined ratio	102.0	94.0	80.0	85.2	85.2	84.0	89.1	92.0	86.1
Underlying combined ratio *	97.5	92.0	79.6	84.7	84.2	82.6	88.5	89.7	85.1
New issued applications (in thousands)									
Agency channel	648	658	651	603	682	664	672	1,957	2,018
Direct channel	284	268	278	227	206	204	209	830	619
Average premium - gross written ^ ($)	604	600	607	621	621	612	616	604	616
Renewal ratio ^ (%)	87.2	87.1	86.7	87.2	87.9	87.6	87.4	87.0	87.6
Property damage gross claim frequency ^ (%)	16.6	47.3	(18.8)	(28.7)	(28.6)	(46.4)	(12.2)	10.1	(29.2)
Property damage paid claim severity ^ (%)	15.1	(4.9)	5.5	5.1	7.9	20.4	8.1	5.6	11.5
National General [(1)]									
Premiums written	$ 1,018	$ 866	$ 952	$ 120	$ 134	$ 136	$ 118	$ 2,836	$ 388
Net premiums earned	$ 903	$ 847	$ 795	$ 126	$ 129	$ 135	$ 135	$ 2,545	$ 399
Underwriting income (loss)	$ (36)	$ 30	$ 124	$ 1	$ 9	$ 32	$ (2)	$ 118	$ 39
Combined ratio	104.0	96.5	84.4	99.2	93.0	76.3	101.5	95.4	90.2
Underlying combined ratio * [(2)]	97.7	89.8	83.8	96.0	89.1	74.1	100.0	90.7	87.7
New issued application (in thousands)	516	495	542	16	14	14	16	1,553	44

(1) Encompass brand has been combined into National General beginning in the first quarter of 2021 and results prior to 2021 reflect Encompass brand results only.
(2) Excludes 5.0 points, 5.5 points, 1.1 points and 3.9 points in the third quarter, second quarter, first quarter and first nine months of 2021, respectively, related to the effect of amortization of purchased intangibles.

The Allstate Corporation
Homeowners Profitability Measures

($ in millions, except ratios)

	Three months ended							Nine months ended	
	Sept. 30, 2021	June 30, 2021	March 31, 2021	Dec. 31, 2020	Sept. 30, 2020	June 30, 2020	March 31, 2020	Sept. 30, 2021	Sept. 30, 2020
Allstate Protection									
Premiums written	$ 3,004	$ 2,722	$ 2,083	$ 2,045	$ 2,339	$ 2,284	$ 1,732	$ 7,809	$ 6,355
Net premiums earned	$ 2,522	$ 2,411	$ 2,392	$ 2,090	$ 2,073	$ 2,054	$ 2,037	$ 7,325	$ 6,164
Underwriting income (loss)	$ (277)	$ (7)	$ 268	$ 449	$ (67)	$ (139)	$ 581	$ (16)	$ 375
Operating ratios and reconciliations to underlying ratios									
Loss ratio	85.9	76.3	64.9	55.1	80.4	84.8	48.9	75.9	71.4
Effect of catastrophe losses	(38.0)	(30.3)	(20.7)	(16.8)	(39.1)	(46.4)	(9.0)	(29.8)	(31.6)
Effect of prior year non-catastrophe reserve reestimates	(0.6)	0.3	(0.2)	(0.1)	0.7	0.2	(0.1)	(0.2)	0.3
Underlying loss ratio *	47.3	46.3	44.0	38.2	42.0	38.6	39.8	45.9	40.1
Expense ratio	25.1	24.0	23.9	23.4	22.8	22.0	22.6	24.3	22.5
Effect of amortization of purchased intangibles	(0.8)	(0.8)	(0.2)	(0.1)	-	-	-	(0.6)	-
Underlying expense ratio *	24.3	23.2	23.7	23.3	22.8	22.0	22.6	23.7	22.5
Combined ratio	111.0	100.3	88.8	78.5	103.2	106.8	71.5	100.2	93.9
Effect of catastrophe losses	(38.0)	(30.3)	(20.7)	(16.8)	(39.1)	(46.4)	(9.0)	(29.8)	(31.6)
Effect of prior year non-catastrophe reserve reestimates	(0.6)	0.3	(0.2)	(0.1)	0.7	0.2	(0.1)	(0.2)	0.3
Effect of amortization of purchased intangibles	(0.8)	(0.8)	(0.2)	(0.1)	-	-	-	(0.6)	-
Underlying combined ratio *	71.6	69.5	67.7	61.5	64.8	60.6	62.4	69.6	62.6
New issued applications (in thousands)	287	285	242	227	256	238	212	814	706
Allstate brand									
Premiums written	$ 2,452	$ 2,313	$ 1,727	$ 1,955	$ 2,234	$ 2,178	$ 1,645	$ 6,492	$ 6,057
Net premiums earned	$ 2,080	$ 2,032	$ 2,008	$ 1,993	$ 1,974	$ 1,955	$ 1,936	$ 6,120	$ 5,865
Underwriting income (loss)	$ (208)	$ 7	$ 262	$ 442	$ (93)	$ (118)	$ 567	$ 61	$ 356
Combined ratio	110.0	99.7	87.0	77.8	104.7	106.0	70.7	99.0	93.9
Underlying combined ratio *	67.5	66.6	63.3	60.8	64.6	60.2	61.8	65.8	62.2
New issued applications (in thousands)									
Agency channel	236	236	204	201	231	214	191	676	636
Direct channel	23	22	16	17	16	16	13	61	45
Average premium - gross written ($)	1,443	1,404	1,360	1,342	1,334	1,324	1,310	1,406	1,324
Renewal ratio (%)	87.1	87.3	87.0	87.4	87.8	87.3	87.6	87.1	87.6
Gross claim frequency (%)	3.4	10.4	19.3	3.6	3.5	(8.6)	(13.2)	10.4	(5.9)
Paid claim severity (%)	15.0	8.3	1.4	0.7	3.3	9.5	15.9	8.4	9.1
National General (1)									
Premiums written	$ 552	$ 409	$ 356	$ 90	$ 105	$ 106	$ 87	$ 1,317	$ 298
Net premiums earned	$ 442	$ 379	$ 384	$ 97	$ 99	$ 99	$ 101	$ 1,205	$ 299
Underwriting income (loss)	$ (69)	$ (14)	$ 6	$ 7	$ 26	$ (21)	$ 14	$ (77)	$ 19
Combined ratio	115.6	103.7	98.4	92.8	73.7	121.2	86.1	106.4	93.6
Underlying combined ratio * (2)	91.0	84.7	90.6	76.3	68.7	68.7	75.2	88.9	70.9
New issued application (in thousands)	28	27	22	9	9	8	8	77	25

(1) Encompass brand has been combined into National General beginning in the first quarter of 2021 and results prior to 2021 reflect Encompass brand results only.
(2) Excludes 4.1 points, 4.8 points, 1.0 points and 3.3 points in the third quarter, second quarter, first quarter and first nine months of 2021, respectively, related to the effect of amortization of purchased intangibles.

The Allstate Corporation
Protection Services Segment Results

($ in millions)	Three months ended							Nine months ended	
	Sept. 30, 2021	June 30, 2021	March 31, 2021	Dec. 31, 2020	Sept. 30, 2020	June 30, 2020	March 31, 2020	Sept. 30, 2021	Sept. 30, 2020
Protection Services									
Net premiums written	$ 651	$ 692	$ 583	$ 559	$ 485	$ 467	$ 379	$ 1,926	$ 1,331
Net premiums earned	$ 456	$ 435	$ 411	$ 395	$ 384	$ 360	$ 354	$ 1,302	$ 1,098
Other revenue	85	88	90	53	52	51	52	263	155
Intersegment insurance premiums and service fees	46	46	41	38	36	35	38	133	109
Net investment income	10	12	10	11	12	11	10	32	33
Claims and claims expense	(122)	(109)	(103)	(102)	(107)	(85)	(92)	(334)	(284)
Amortization of deferred policy acquisition costs	(206)	(194)	(181)	(176)	(169)	(160)	(153)	(581)	(482)
Operating costs and expenses	(209)	(203)	(198)	(167)	(160)	(163)	(161)	(610)	(484)
Restructuring and related charges	1	(4)	(9)	(2)	2	(3)	-	(12)	(1)
Income tax expense on operations	(16)	(15)	(12)	(12)	(10)	(8)	(11)	(43)	(29)
Adjusted net income [1]	45	56	49	38	40	38	37	150	115
Depreciation	7	7	8	8	7	6	7	22	20
Restructuring and related charges	(1)	4	9	2	(2)	3	-	12	1
Income tax expense on operations	16	15	12	12	10	8	11	43	29
Adjusted earnings before taxes, depreciation and restructuring *	$ 67	$ 82	$ 78	$ 60	$ 55	$ 55	$ 55	$ 227	$ 165
Allstate Protection Plans									
Net premiums written	$ 439	$ 467	$ 388	$ 385	$ 300	$ 310	$ 221	$ 1,294	$ 831
Net premiums earned	$ 295	$ 279	$ 260	$ 248	$ 236	$ 219	$ 206	$ 834	$ 661
Revenue ^	311	295	275	263	251	232	219	881	702
Claims and claims expense	(77)	(70)	(66)	(69)	(70)	(56)	(55)	(213)	(181)
Amortization of deferred policy acquisition costs	(109)	(100)	(91)	(87)	(83)	(75)	(70)	(300)	(228)
Other costs and expenses ^	(80)	(70)	(61)	(61)	(56)	(57)	(50)	(211)	(163)
Restructuring and related charges	(2)	(2)	-	-	3	-	-	(4)	3
Income tax expense on operations	(11)	(11)	(12)	(14)	(9)	(9)	(10)	(34)	(28)
Adjusted net income	$ 32	$ 42	$ 45	$ 32	$ 36	$ 35	$ 34	$ 119	$ 105
Allstate Dealer Services									
Revenue	$ 129	$ 130	$ 123	$ 121	$ 121	$ 118	$ 117	$ 382	$ 356
Adjusted net income	7	10	8	7	7	8	7	25	22
Allstate Roadside									
Revenue	$ 64	$ 60	$ 59	$ 58	$ 59	$ 53	$ 60	$ 183	$ 172
Adjusted net income	1	2	4	4	4	2	2	7	8
Arity									
Revenue	$ 62	$ 64	$ 64	$ 26	$ 25	$ 26	$ 30	$ 190	$ 81
Adjusted net income (loss)	1	1	2	(2)	(3)	(3)	(3)	4	(9)
Allstate Identity Protection									
Revenue	$ 31	$ 32	$ 31	$ 29	$ 28	$ 28	$ 28	$ 94	$ 84
Adjusted net income (loss)	4	1	(10)	(3)	(4)	(4)	(3)	(5)	(11)

[1] Adjusted net income is the GAAP segment measure.

The Allstate Corporation
Allstate Health and Benefits Segment Results and Other Statistics

($ in millions)	Three months ended							Nine months ended	
	Sept. 30, 2021	June 30, 2021	March 31, 2021	Dec. 31, 2020	Sept. 30, 2020	June 30, 2020	March 31, 2020	Sept. 30, 2021	Sept. 30, 2020
Allstate Health and Benefits									
Premiums	$ 436	$ 421	$ 428	$ 235	$ 247	$ 237	$ 253	$ 1,285	$ 737
Contract charges	24	26	27	27	40	26	29	77	95
Other revenue	85	83	80	-	-	-	-	248	-
Net investment income	18	19	19	20	18	20	20	56	58
Accident and health insurance policy benefits	(269)	(244)	(233)	(124)	(128)	(123)	(141)	(746)	(392)
Interest credited to contractholder funds	(8)	(8)	(9)	(7)	(8)	(9)	(9)	(25)	(26)
Amortization of deferred policy acquisition costs	(30)	(32)	(39)	(38)	(59)	(35)	(45)	(101)	(139)
Operating costs and expenses	(206)	(186)	(190)	(69)	(68)	(110) [1]	(75)	(582)	(253)
Restructuring and related charges	(8)	(1)	-	-	-	(1)	-	(9)	(1)
Income tax expense on operations	(9)	(16)	(18)	(10)	(9)	-	(8)	(43)	(17)
Adjusted net income ^	$ 33	$ 62	$ 65	$ 34	$ 33	$ 5	$ 24	$ 160	$ 62
Benefit ratio ^	58.5 %	54.6 %	51.2 %	47.3 %	44.6 %	46.8 %	50.0 %	54.8 %	47.1 %
Premiums and contract charges									
Employer voluntary benefits ^	$ 251	$ 255	$ 263	$ 262	$ 287	$ 263	$ 282	$ 769	$ 832
Group health ^	90	87	83	-	-	-	-	260	-
Individual accident and health ^	119	105	109	-	-	-	-	333	-
Total	$ 460	$ 447	$ 455	$ 262	$ 287	$ 263	$ 282	$ 1,362	$ 832

[1] Includes $41 million write-off of capitalized software costs associated with a billing system.

The Allstate Corporation
Corporate and Other Segment Results

($ in millions)	Three months ended							Nine months ended	
	Sept. 30, 2021	June 30, 2021	March 31, 2021	Dec. 31, 2020	Sept. 30, 2020	June 30, 2020	March 31, 2020	Sept. 30, 2021	Sept. 30, 2020
Other revenue	$ 1	$ 2	$ -	$ -	$ -	$ -	$ -	$ 3	$ -
Net investment income	26	12	6	10	12	11	14	44	37
Operating costs and expenses	(41)	(28)	(32)	(37)	(23)	(25)	(25)	(101)	(73)
Restructuring and related charges	(1)	-	(10)	(1)	(11)	-	-	(11)	(11)
Interest expense	(69)	(91)	(86)	(80)	(78)	(79)	(81)	(246)	(238)
Income tax benefit on operations	19	23	26	23	16	20	21	68	57
Preferred stock dividends	(30)	(30)	(27)	(26)	(27)	(26)	(36)	(87)	(89)
Adjusted net loss ^	$ (95)	$ (112)	$ (123)	$ (111)	$ (111)	$ (99)	$ (107)	$ (330)	$ (317)

The Allstate Corporation
Investment Position and Results

($ in millions)	As of or for the three months ended							As of or for the nine months ended	
	Sept. 30, 2021	June 30, 2021	March 31, 2021	Dec. 31, 2020	Sept. 30, 2020	June 30, 2020	March 31, 2020	Sept. 30, 2021	Sept. 30, 2020
Investment position									
Fixed income securities, at fair value	$ 39,989	$ 42,825	$ 40,594	$ 42,565	$ 43,683	$ 42,034	$ 38,447	$ 39,989	$ 43,683
Equity securities ^	3,807	3,059	3,154	3,168	2,977	2,638	2,331	3,807	2,977
Mortgage loans, net	752	786	902	746	788	805	766	752	788
Limited partnership interests ^	7,578	7,073	6,367	4,563	4,284	4,093	4,154	7,578	4,284
Short-term, at fair value	6,428	5,516	6,017	6,807	3,145	4,140	4,580	6,428	3,145
Other investments, net	3,286	3,311	3,042	1,691	1,860	1,949	1,841	3,286	1,860
Total	$ 61,840	$ 62,570	$ 60,076	$ 59,540	$ 56,737	$ 55,659	$ 52,119	$ 61,840	$ 56,737
Net investment income									
Fixed income securities	$ 279	$ 290	$ 301	$ 314	$ 314	$ 306	$ 298	$ 870	$ 918
Equity securities	24	13	14	29	18	21	10	51	49
Mortgage loans	9	12	10	9	8	8	9	31	25
Limited partnership interests	438	651	378	309	123	(117)	(77)	1,467	(71)
Short-term	1	1	1	2	2	2	11	3	15
Other	50	48	41	33	29	31	31	139	91
Investment income, before expense	801	1,015	745	696	494	251	282	2,561	1,027
Less: Investment expense	(37)	(41)	(37)	(36)	(30)	(31)	(36)	(115)	(97)
Net investment income	$ 764	$ 974	$ 708	$ 660	$ 464	$ 220	$ 246	$ 2,446	$ 930
Pre-tax yields on fixed income securities ^	2.8 %	2.9 %	3.1 %	3.1 %	3.1 %	3.1 %	3.2 %	3.0 %	3.1 %
Realized capital gains (losses), pre-tax by transaction type									
Sales	$ 80	$ 115	$ 246	$ 212	$ 214	$ 160	$ 388	$ 441	$ 762
Credit losses	(12)	12	2	(3)	7	1	(37)	2	(29)
Valuation of equity investments	(9)	163	167	294	128	265	(591)	321	(198)
Valuation and settlements of derivative instruments	46	(3)	11	(13)	(30)	14	78	54	62
Total	$ 105	$ 287	$ 426	$ 490	$ 319	$ 440	$ (162)	$ 818	$ 597
Total return on investment portfolio ^									
Net investment income	1.2 %	1.6 %	1.2 %	1.1 %	0.8 %	0.4 %	0.5 %	4.0 %	1.7 %
Valuation-interest bearing	(0.2)	0.7	(1.8)	1.0	0.8	3.9	(1.5)	(1.3)	3.3
Valuation-equity investments	-	0.3	0.4	0.6	0.2	0.5	(1.1)	0.6	(0.4)
Total	1.0 %	2.6 %	(0.2) %	2.7 %	1.8 %	4.8 %	(2.1) %	3.3 %	4.6 %
Fixed income securities portfolio duration ^ (in years)	4.75	4.64	4.81	5.17	5.14	5.15	5.10	4.75	5.14

The Allstate Corporation
Investment Position and Results by Strategy

($ in millions)	As of or for the three months ended							As of or for the nine months ended	
	Sept. 30, 2021	June 30, 2021	March 31, 2021	Dec. 31, 2020	Sept. 30, 2020	June 30, 2020	March 31, 2020	Sept. 30, 2021	Sept. 30, 2020
Investment Position									
Market-based ^									
Interest-bearing investments ^	$ 49,386	$ 51,367	$ 49,422	$ 50,975	$ 48,581	$ 48,062	$ 44,762	$ 49,386	$ 48,581
Equity securities ^	3,455	2,676	2,787	2,884	2,732	2,395	2,095	3,455	2,732
LP and other alternative investments ^	486	317	298	257	215	180	162	486	215
Total	$ 53,327	$ 54,360	$ 52,507	$ 54,116	$ 51,528	$ 50,637	$ 47,019	$ 53,327	$ 51,528
Performance-based ^									
Private equity	$ 6,589	$ 6,327	$ 5,702	$ 3,965	$ 3,689	$ 3,491	$ 3,608	$ 6,589	$ 3,689
Real estate	1,924	1,883	1,867	1,459	1,520	1,531	1,492	1,924	1,520
Total	$ 8,513	$ 8,210	$ 7,569	$ 5,424	$ 5,209	$ 5,022	$ 5,100	$ 8,513	$ 5,209
Investment income									
Market-based									
Interest-bearing investments	$ 319	$ 330	$ 331	$ 339	$ 339	$ 331	$ 336	$ 980	$ 1,006
Equity securities	17	17	15	28	19	20	24	49	63
LP and other alternative investments	17	9	9	4	1	2	1	35	4
Investment income, before expense	353	356	355	371	359	353	361	1,064	1,073
Investee level expenses	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(3)	(3)
Income for yield calculation	$ 352	$ 355	$ 354	$ 370	$ 358	$ 352	$ 360	$ 1,061	$ 1,070
Pre-tax yield	2.7 %	2.7 %	2.8 %	2.9 %	2.9 %	2.9 %	3.1 %	2.8 %	3.0 %
Performance-based									
Private equity	$ 400	$ 552	$ 330	$ 277	$ 134	$ (110)	$ (95)	$ 1,282	$ (71)
Real estate	48	107	60	48	1	8	16	215	25
Investment income, before expense	448	659	390	325	135	(102)	(79)	1,497	(46)
Investee level expenses	(11)	(10)	(12)	(11)	(6)	(8)	(7)	(33)	(21)
Income for yield calculation	$ 437	$ 649	$ 378	$ 314	$ 129	$ (110)	$ (86)	$ 1,464	$ (67)
Pre-tax yield	21.0 %	33.0 %	20.7 %	23.7 %	10.0 %	(8.7) %	(6.7) %	24.9 %	(1.8) %
Total return on investments portfolio									
Market-based	0.3 %	1.7 %	(1.1) %	2.3 %	1.8 %	5.5 %	(2.2) %	0.9 %	5.2 %
Performance-based	5.7	8.6	6.3	6.8	2.3	(2.3)	(1.2)	20.6	(1.1)
Internal rate of return [1] ^									
Performance-based									
10 year	12.4 %	12.1 %	11.7 %	11.5 %	11.5 %	11.3 %	12.1 %		
5 year	13.2	12.1	10.8	9.6	8.5	8.6	10.2		
3 year	12.4	10.7	8.5	8.0	7.2	7.5	10.4		
1 year	31.4	27.3	11.1	4.4	(1.1)	(2.2)	6.5		

[1] Calculations are based on consolidated results including held for sale investments.

Definitions of Non-GAAP Measures

We believe that investors' understanding of Allstate's performance is enhanced by our disclosure of the following non-GAAP measures. Our methods for calculating these measures may differ from those used by other companies and therefore comparability may be limited.

Adjusted net income is net income (loss) applicable to common shareholders, excluding:

- Realized capital gains and losses except for periodic settlements and accruals on non-hedge derivative instruments, which are reported with realized capital gains and losses but included in adjusted net income
- Pension and other postretirement remeasurement gains and losses
- Business combination expenses and the amortization or impairment of purchased intangibles
- Income or loss from discontinued operations
- Adjustments for other significant non-recurring, infrequent or unusual items, when (a) the nature of the charge or gain is such that it is reasonably unlikely to recur within two years, or (b) there has been no similar charge or gain within the prior two years
- Related income tax expense or benefit of these items

Net income (loss) applicable to common shareholders is the GAAP measure that is most directly comparable to adjusted net income. We use adjusted net income as an important measure to evaluate our results of operations. We believe that the measure provides investors with a valuable measure of the Company's ongoing performance because it reveals trends in our insurance and financial services business that may be obscured by the net effect of realized capital gains and losses, pension and other postretirement remeasurement gains and losses, business combination expenses and the amortization or impairment of purchased intangibles, income or loss from discontinued operations and adjustments for other significant non-recurring, infrequent or unusual items and the related tax expense or benefit of these items. Realized capital gains and losses, and pension and other postretirement remeasurement gains and losses may vary significantly between periods and are generally driven by business decisions and external economic developments such as capital market conditions, the timing of which is unrelated to the insurance underwriting process. Business combination expenses and income or loss from discontinued operations are excluded because they are non-recurring in nature and the amortization or impairment of purchased intangibles is excluded because it relates to the acquisition purchase price and is not indicative of our underlying business results or trends. Non-recurring items are excluded because, by their nature, they are not indicative of our business or economic trends. Accordingly, adjusted net income excludes the effect of items that tend to be highly variable from period to period and highlights the results from ongoing operations and the underlying profitability of our business. A byproduct of excluding these items to determine adjusted net income is the transparency and understanding of their significance to net income variability and profitability while recognizing these or similar items may recur in subsequent periods. Adjusted net income is used by management along with the other components of net income (loss) applicable to common shareholders to assess our performance. We use adjusted measures of adjusted net income in incentive compensation. Therefore, we believe it is useful for investors to evaluate net income (loss) applicable to common shareholders, adjusted net income and their components separately and in the aggregate when reviewing and evaluating our performance. We note that investors, financial analysts, financial and business media organizations and rating agencies utilize adjusted net income results in their evaluation of our and our industry's financial performance and in their investment decisions, recommendations and communications as it represents a reliable, representative and consistent measurement of the industry and the Company and management's performance. We note that the price to earnings multiple commonly used by insurance investors as a forward-looking valuation technique uses adjusted net income as the denominator. Adjusted net income should not be considered a substitute for net income (loss) applicable to common shareholders and does not reflect the overall profitability of our business. A reconciliation of adjusted net income to net income (loss) applicable to common shareholders is provided in the schedule, "Contribution to Income".

Underlying loss ratio is a non-GAAP ratio, which is computed as the difference between three GAAP operating ratios: the loss ratio, the effect of catastrophes on the combined ratio, and the effect of prior year non-catastrophe reserve reestimates on the combined ratio. We believe that this ratio is useful to investors and it is used by management to reveal the trends that may be obscured by catastrophe losses and prior year reserve reestimates. Catastrophe losses cause our loss trends to vary significantly between periods as a result of their incidence of occurrence and magnitude, and can have a significant impact on the combined ratio. Prior year reserve reestimates are caused by unexpected loss development on historical reserves. We believe it is useful for investors to evaluate these components separately and in the aggregate when reviewing our underwriting performance. The most directly comparable GAAP measure is the loss ratio. The underlying loss ratio should not be considered a substitute for the loss ratio and does not reflect the overall loss ratio of our business. A reconciliation of underlying loss ratio is provided in the schedules "Property-Liability Results", "Allstate Protection Profitability Measures", "Auto Profitability Measures" and "Homeowners Profitability Measures".

Underlying expense ratio is a non-GAAP ratio, which is computed as the difference between the expense ratio and the effect of amortization or impairment of purchased intangibles on the expense ratio. We believe that the measure provides investors with a valuable measure of ongoing performance because it reveals trends that may be obscured by the amortization or impairment of purchased intangible assets. Amortization or Impairment of purchased intangible assets is excluded because it relates to the acquisition purchase price and is not indicative of our business results or trends. We believe it is useful for investors to evaluate these components separately and in the aggregate when reviewing our underwriting performance. The most directly comparable GAAP measure is the expense ratio. The underlying expense ratio should not be considered a substitute for the expense ratio and does not reflect the overall expense ratio of our business. A reconciliation of underlying expense ratio is provided in the schedules "Property-Liability Results", "Allstate Protection Profitability Measures", "Auto Profitability Measures" and "Homeowners Profitability Measures".

Adjusted underwriting expense ratio is a non-GAAP ratio, which is computed as the difference between the expense ratio and the effect of advertising expense, restructuring and related charges, amortization or impairment of purchased intangibles and Coronavirus related expenses on the expense ratio. We believe that the measure provides investors with a valuable measure of ongoing performance because it reveals trends that may be obscured by the advertising expense, restructuring and related charges, amortization and impairment of purchased intangibles and Coronavirus related expenses. Advertising expense is excluded as it may vary significantly from period to period based on business decisions and competitive position. Restructuring and related charges are excluded because these items are not indicative of our business results or trends. Coronavirus related expenses are excluded because these items are related to programs offered during the peak of the pandemic that are no longer available. Amortization or impairment of purchased intangible assets is excluded because it relates to the acquisition purchase price. These are not indicative of our business results or trends. A reduction in expenses enables investment flexibility that can drive growth. We believe it is useful for investors to evaluate these components separately and in the aggregate when reviewing our underwriting performance. The most directly comparable GAAP measure is the expense ratio. The adjusted underwriting expense ratio should not be considered a substitute for the expense ratio and does not reflect the overall expense ratio of our business.

Adjusted expense ratio is a non-GAAP ratio, which is computed as the combination of adjusted underwriting expense ratio and claims expense ratio excluding catastrophe expense. We believe it is useful for investors to evaluate this ratio which is linked to a long-term expense ratio improvement commitment through 2024. The most directly comparable GAAP measure is the expense ratio. The adjusted expense ratio should not be considered a substitute for the expense ratio and does not reflect the overall expense ratio of our business.

Underlying combined ratio is a non-GAAP ratio, which is the sum of the underlying loss and underlying expense ratios. We believe that this ratio is useful to investors and it is used by management to reveal the trends in our Property-Liability business that may be obscured by catastrophe losses, prior year reserve reestimates and amortization or impairment of purchased intangibles. We believe it is useful for investors to evaluate these components separately and in the aggregate when reviewing our underwriting performance. The most directly comparable GAAP measure is the combined ratio. The underlying combined ratio should not be considered a substitute for the combined ratio and does not reflect the overall underwriting profitability of our business. A reconciliation of the underlying combined ratio to combined ratio is provided in the schedule "Property-Liability Results", "Auto Profitability Measures" and "Homeowners Profitability Measures".

Definitions of Non-GAAP Measures (continued)

Protection Services adjusted earnings before taxes, depreciation and restructuring, is a non-GAAP measure, which is computed as adjusted net income (loss), excluding taxes, depreciation and restructuring. Adjusted net income (loss) is the GAAP measure that is most directly comparable to adjusted earnings before taxes, depreciation and restructuring. We use adjusted earnings before taxes, depreciation and restructuring, as an important measure to evaluate Protection Services' results of operations. We believe that the measure provides investors with a valuable measure of Protection Services' ongoing performance because it reveals trends that may be obscured by the taxes,depreciation and restructuring expenses. Taxes, depreciation and restructuring are excluded because these are not directly attributable to the underlying operating performance of Protection Services' segment. Adjusted earnings before taxes, depreciation and restructuring highlights the results from ongoing operations and the underlying profitability of our business and is used by management along with the other components of adjusted net income (loss) to assess our performance. We believe it is useful for investors to evaluate adjusted net income (loss), adjusted earnings before taxes, depreciation and restructuring, and their components separately and in the aggregate when reviewing and evaluating Protection Services segment's performance. Adjusted earnings before taxes, depreciation and restructuring should not be considered a substitute for adjusted net income (loss) and does not reflect the overall profitability of our business. A reconciliation of adjusted net income (loss) to adjusted earnings before taxes, depreciation and restructuring, is provided in the schedule, "Protection Services Segment Results".

Adjusted net income return on Allstate common shareholders' equity is a ratio that uses a non-GAAP measure. It is calculated by dividing the rolling 12-month adjusted net income by the average of Allstate common shareholders' equity at the beginning and at the end of the 12-months, after excluding the effect of unrealized net capital gains and losses. Return on Allstate common shareholders' equity is the most directly comparable GAAP measure. We use adjusted net income as the numerator for the same reasons we use adjusted net income, as discussed previously. We use average Allstate common shareholders' equity excluding the effect of unrealized net capital gains and losses for the denominator as a representation of common shareholders' equity primarily applicable to Allstate's earned and realized business operations because it eliminates the effect of items that are unrealized and vary significantly between periods due to external economic developments such as capital market conditions like changes in equity prices and interest rates, the amount and timing of which are unrelated to the insurance underwriting process. We use it to supplement our evaluation of net income (loss) applicable to common shareholders and return on Allstate common shareholders' equity because it excludes the effect of items that tend to be highly variable from period to period. We believe that this measure is useful to investors and that it provides a valuable tool for investors when considered along with return on Allstate common shareholders' equity because it eliminates the after-tax effects of realized and unrealized net capital gains and losses that can fluctuate significantly from period to period and that are driven by economic developments, the magnitude and timing of which are generally not influenced by management. In addition, it eliminates non-recurring items that are not indicative of our ongoing business or economic trends. A byproduct of excluding the items noted above to determine adjusted net income return on Allstate common shareholders' equity from return on Allstate common shareholders' equity is the transparency and understanding of their significance to return on common shareholders' equity variability and profitability while recognizing these or similar items may recur in subsequent periods. We use adjusted measures of adjusted net income return on Allstate common shareholders' equity in incentive compensation. Therefore, we believe it is useful for investors to have adjusted net income return on Allstate common shareholders' equity and return on Allstate common shareholders' equity when evaluating our performance. We note that investors, financial analysts, financial and business media organizations and rating agencies utilize adjusted net income return on common shareholders' equity results in their evaluation of our and our industry's financial performance and in their investment decisions, recommendations and communications as it represents a reliable, representative and consistent measurement of the industry and the company and management's utilization of capital. Adjusted net income return on Allstate common shareholders' equity should not be considered a substitute for return on Allstate common shareholders' equity and does not reflect the overall profitability of our business. A reconciliation of return on Allstate common shareholders' equity and adjusted net income return on Allstate common shareholders' equity can be found in the schedule, "Return on Allstate Common Shareholders' Equity".

Book value per common share, excluding the impact of unrealized net capital gains and losses on fixed income securities, is a ratio that uses a non-GAAP measure. It is calculated by dividing Allstate common shareholders' equity after excluding the impact of unrealized net capital gains and losses on fixed income securities and related DAC, DSI and life insurance reserves by total common shares outstanding plus dilutive potential common shares outstanding. We use the trend in book value per common share, excluding the impact of unrealized net capital gains and losses on fixed income securities, in conjunction with book value per common share to identify and analyze the change in net worth applicable to management efforts between periods. We believe the non-GAAP ratio is useful to investors because it eliminates the effect of items that can fluctuate significantly from period to period and are generally driven by economic developments, primarily capital market conditions, the magnitude and timing of which are generally not influenced by management, and we believe it enhances understanding and comparability of performance by highlighting underlying business activity and profitability drivers. We note that book value per common share, excluding the impact of unrealized net capital gains and losses on fixed income securities, is a measure commonly used by insurance investors as a valuation technique. Book value per common share is the most directly comparable GAAP measure. Book value per common share, excluding the impact of unrealized net capital gains and losses on fixed income securities, should not be considered a substitute for book value per common share, and does not reflect the recorded net worth of our business. A reconciliation of book value per common share, excluding the impact of unrealized net capital gains on fixed income securities, and book value per common share can be found in the schedule, "Book Value per Common Share and Debt to Capital".

Glossary

Consolidated Operations

Accident and health insurance premiums and contract charges are reported in the Allstate Health and Benefits segment and include employer voluntary benefits, group health and individual accident and health products.

Adjusted net income is the GAAP segment measure used for the Protection Services, Allstate Health and Benefits, and Corporate and Other segments.

Average Allstate common shareholders' equity and average adjusted Allstate common shareholders' equity are determined using a two-point average, with the beginning and ending Allstate common shareholders' equity and Allstate adjusted common shareholders' equity, respectively, for the twelve-month period as data points.

Other revenue primarily represents fees collected from policyholders relating to premium installment payments, commissions on sales of non-proprietary products, sales of identity protection services, fee-based services and other revenue transactions.

Property and casualty insurance premiums are reported in the Allstate Protection and Protection Services segments and include auto, homeowners, other personal lines and commercial lines insurance products, as well as consumer product protection plans, roadside assistance and finance and insurance products.

Property-Liability

Average premium - gross written: Gross premiums written divided by issued item count. Gross premiums written include the impacts from discounts, surcharges and ceded reinsurance premiums and exclude the impacts from mid-term premium adjustments and premium refund accruals. Average premiums represent the appropriate policy term for each line, which is generally 6 months for auto and 12 months for homeowners.

Claims expense ratio excluding catastrophe expense: Incurred loss adjustment expenses, net of reinsurance, excluding expenses related to catastrophes. These expenses are embedded within the loss ratio.

Expense ratio: Other revenue is deducted from other costs and expenses in the expense ratio calculation.

Gross claim frequency is calculated as annualized notice counts received in the period divided by the average of policies in force with the applicable coverage during the period. It includes all actual notice counts, regardless of their current status (open or closed) or their ultimate disposition (closed with a payment or closed without payment). Frequency statistics exclude counts associated with catastrophe events. The percent change in gross claim frequency is calculated as the amount of increase or decrease in the gross claim frequency in the current period compared to the same period in the prior year; divided by the prior year gross claim frequency.

New issued applications: Item counts of automobiles or homeowners insurance applications for insurance policies that were issued during the period, regardless of whether the customer was previously insured by another Allstate Protection brand. Allstate brand includes automobiles added by existing customers when they exceed the number allowed (currently 10) on a policy.

Other business lines primarily represent commissions earned and other costs and expenses for Ivantage and non-proprietary life and annuity products.

Paid claim severity is calculated by dividing the sum of paid losses and loss expenses by claims closed with a payment during the period. The percent change in paid claim severity is calculated as the amount of increase or decrease in paid claim severity in the current period compared to the same period in the prior year; divided by the prior year paid claims severity.

Renewal ratio: Renewal policy item counts issued during the period, based on contract effective dates, divided by the total policy item counts issued generally 6 months prior for auto or 12 months prior for homeowners.

Protection Services

Other costs and expenses may include amortization of deferred policy acquisition costs, operating costs and expenses, and restructuring and related charges.

Revenue may include net premiums earned, intersegment insurance premiums and service fees, other revenue, revenue earned from external customers and net investment income.

Allstate Health and Benefits

Benefit ratio is contract benefits divided by premiums and contract charges.

Employer voluntary benefits includes supplemental life and health products offered through workplace enrollment.

Group health includes health products sold to employers for use by their employees.

Individual accident and health includes short-term medical and supplemental products sold directly to individuals.

Investments

Duration measures the price sensitivity of assets and liabilities to changes in interest rates.

Equity securities include investments in exchange traded and mutual funds whose underlying investments are fixed income securities.

Interest-bearing investments comprise fixed income securities, mortgage loans, short-term investments, and other investments including bank and agent loans and derivatives.

Internal rate of return is one of the measures we use to evaluate the performance of these investments. The IRR represents the rate of return on the investments considering the cash flows paid and received and, until the investment is fully liquidated, the estimated value of investment holdings at the end of the measurement period. The calculated IRR for any measurement period is highly influenced by the values of the portfolio at the beginning and end of the period, which reflect the estimated fair values of the investments as of such dates. As a result, the IRR can vary significantly for different measurement periods based on macroeconomic or other events that impact the estimated beginning or ending portfolio value, such as the global financial crisis. Our IRR calculation method may differ from those used by other investors. The timing of the recognition of income in the financial statements may differ significantly from the cash distributions and changes in the value of these investments.

Limited partnership interests: Income from equity method of accounting LP is generally recognized on a three-month delay due to the availability of the related financial statements from investees.

LP and other investments comprise limited partnership interests and other alternative investments, including real estate investments classified as other investments. Market-based investments include publicly traded equity securities classified as limited partnerships.

Market-based strategy seeks to deliver predictable earnings aligned to business needs and take advantage of short-term opportunities primarily through public and private fixed income investments and public equity securities.

Performance-based strategy seeks to deliver attractive risk-adjusted returns and supplement market risk with idiosyncratic risk primarily through investments in private equity and real estate.

Pre-tax yields: Quarterly pre-tax yield is calculated as annualized quarterly investment income, before investment expense divided by the average of the ending investment balances of the current and prior quarter. Year-to-date pre-tax yield is calculated as annualized year-to-date investment income, before investment expense divided by the average of investment balances at the beginning of the year and the end of each quarter during the year. For the purposes of the pre-tax yield calculation, income for directly held real estate and other investments is net of investee level expenses (asset level operating expenses reported in investment expense). Fixed income securities investment balances exclude unrealized capital gains and losses. Equity securities investment balances use cost in the calculation.

Total return on investment portfolio is calculated from GAAP results, including the total of net investment income, realized capital gains and losses, the change in unrealized net capital gains and losses, and the change in the difference between fair value and carrying value of mortgage loans, bank loans and agent loans divided by the average fair value balances.