



The Allstate Corporation

Third Quarter 2019 Earnings Presentation
October 30, 2019

Allstate[®]
You're in good hands.



Company Participants

Tom Wilson, Chair, President and Chief Executive Officer
Steve Shebik, Vice Chair
Mario Rizzo, Chief Financial Officer
Glenn Shapiro, President of Allstate Personal Lines
Don Civgin, President of Service Businesses
John Dugenske, Chief Investment and Corporate Strategy Officer
Mary Jane Fortin, President of Allstate Financial Businesses
John Pintozzi, Controller and Chief Accounting Officer
John Griek, Director of Investor Relations
Mark Nogal, Director of Investor Relations

This presentation contains forward-looking statements and information. Additional information on factors that could cause results to differ materially from those projected in this presentation is available in the 2018 Form 10-K, in our most recent earnings release, and at the end of these slides. These materials are available on our website, www.allstateinvestors.com, under the “Financials” link.

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



Allstate's Strategy Resonates with Consumers

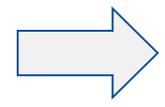
Increase Personal Property-Liability Market Share



- Differentiated Products
- Sophisticated Pricing
- Claims Expertise
- Integrated Digital Enterprise



Enterprise Capabilities and Resources



Expand Protection Businesses



- Circle of Protection for Customers
- Innovative Growth Platforms
- Broad Distribution
- Leveraging Allstate Brand and Capabilities
- Support the Property-Liability Businesses



Shareholder Value

- Customer Satisfaction
- Unit Growth
- Attractive Returns on Capital
- Sustainable Profitability
- Diversified Business Platform



Allstate Delivers Growth and Attractive Returns

- Total revenues were \$11.1 billion in the third quarter of 2019
 - Property-Liability insurance premiums grew \$462 million over prior year quarter
 - Service Businesses revenue grew 27.1% over prior year quarter to \$418 million
- Net income of \$889 million and adjusted net income* of \$2.84 per share

(\$ in millions, except per share data and ratios)	Three months ended Sept. 30,			Nine months ended Sept. 30,		
	2019	2018	Change	2019	2018	Change
Total revenues	\$11,069	\$10,465	5.8%	\$33,203	\$30,334	9.5%
Total revenues (excl. realized capital gains and losses)	10,872	10,289	5.7%	32,020	30,317	5.6%
Property-Liability insurance premiums	8,782	8,320	5.6%	25,970	24,528	5.9%
Net investment income	880	844	4.3%	2,470	2,454	0.7%
Realized capital gains and losses	197	176	11.9%	1,183	17	NM
Income applicable to common shareholders:						
Net income	889	942	(5.6)%	2,971	2,597	14.4%
<i>per diluted common share</i>	2.67	2.68	(0.4)%	8.85	7.31	21.1%
Adjusted net income*	946	759	24.6%	2,457	2,577	(4.7)%
<i>per diluted common share*</i>	2.84	2.16	31.5%	7.32	7.25	1.0%
Return on common shareholders' equity (trailing twelve months)						
Net income applicable to common shareholders				10.7%	18.6%	(7.9) pts
Adjusted net income*				14.2%	16.9%	(2.7) pts

NM = not meaningful



Better Serve Customers

- Enterprise Net Promoter Score increased

Grow Customer Base

- Property-Liability policies increased 2.0% from prior year quarter to 33.6 million
- Allstate Protection Plans grew to 89.8 million, reflecting a large new account added one year ago
- Total policies in force reached 136.1 million, a 40.7% increase from prior year quarter

Achieve Target Returns on Capital

- Strong results in Property-Liability insurance
- Adjusted net income return on equity* of 14.2% over the latest 12 months

Proactively Manage Investments

- Total return of 7.8% on portfolio for the latest 12 months
- Net investment income of \$880 million in the third quarter

Build Long-Term Growth Platforms

- Arity's capabilities and data supporting increased telematics usage in auto insurance
- Allstate Protection Plans achieving acquisition goals and investing in growth
- Integrating Allstate Identity Protection into customer value propositions



Property-Liability Results Remain Strong

- Net written premium increased by 5.8% in the third quarter, \$1.5 billion for first 9 months
 - Allstate and Esurance brand written premium growth of 5.8% and 8.3% in the quarter, respectively
- Underwriting income of \$737 million, substantially better than prior year quarter due to lower catastrophe losses
 - Recorded combined ratio of 91.6 and underlying combined ratio* of 86.3 as a planned improvement in the expense ratio offset an increased loss ratio

Property-Liability Results

(\$ in millions)	Q3	Var PY	2019	Var PY
Net Premiums Written	\$9,312	5.8%	\$26,682	5.9%
Premiums Earned	8,782	5.6%	25,970	5.9%
Policies in Force (in thousands)			33,648	2.0%
Underwriting Income	737	45.4%	1,804	(8.3)%
Catastrophe Losses	510	(18.4)%	2,262	19.6%
(% to premiums earned)				
Loss Ratio	67.9	(0.8) pts	69.2	2.1 pts
Expense Ratio	23.7	(1.5) pts	23.9	(1.0) pts
Combined Ratio	91.6	(2.3) pts	93.1	1.1 pts
Underlying Combined Ratio*	86.3	0.1 pts	85.0	-

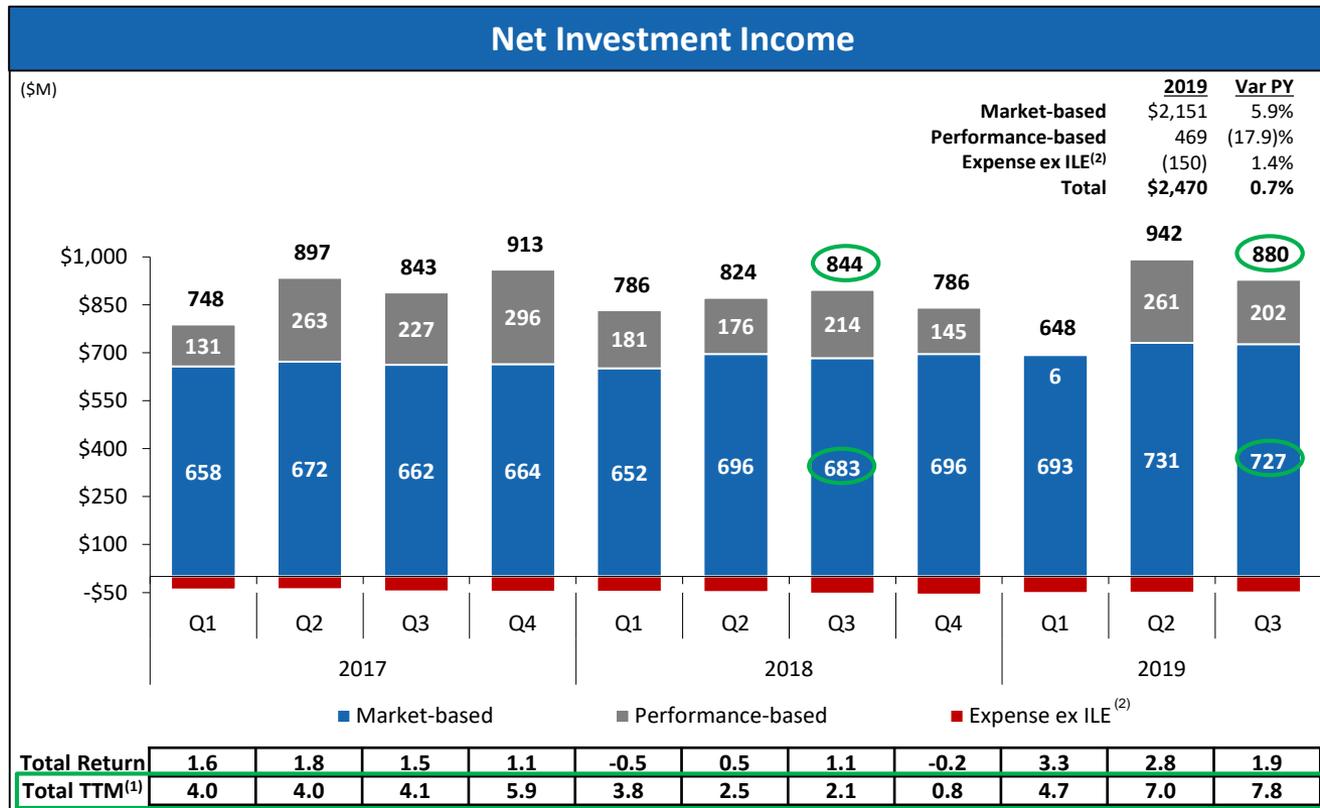
Results by Brand

(\$ in millions)	Q3	Var PY
Net Premiums Written		
Allstate Brand Auto	\$5,599	4.5%
Allstate Brand Homeowners	2,143	6.7%
Esurance Brand	562	8.3%
Encompass Brand	278	2.6%
(% to premiums earned)		
Underlying Combined Ratio*		
Allstate Brand Auto	92.5	0.5 pts
Allstate Brand Homeowners	65.0	(0.2) pts
Esurance Brand	97.9	(1.3) pts
Encompass Brand	87.9	(0.7) pts



Portfolio Total Return Benefiting From Overall Market Returns and Proactive Risk and Return Management

- Total return of 7.8% for the last 12 months
 - Included stable contribution from net investment income and higher fixed income valuations
- Net investment income for the quarter was \$880 million
 - Increased market-based income reflects investment above portfolio yields



⁽¹⁾ Trailing twelve months

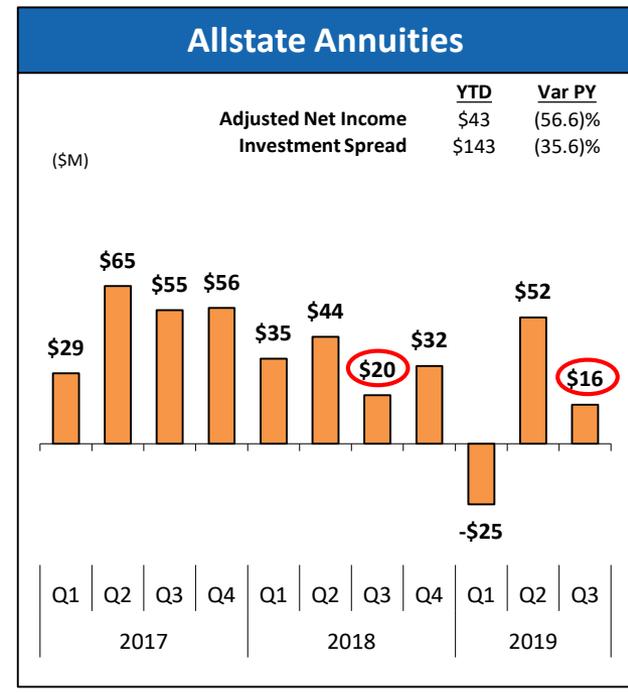
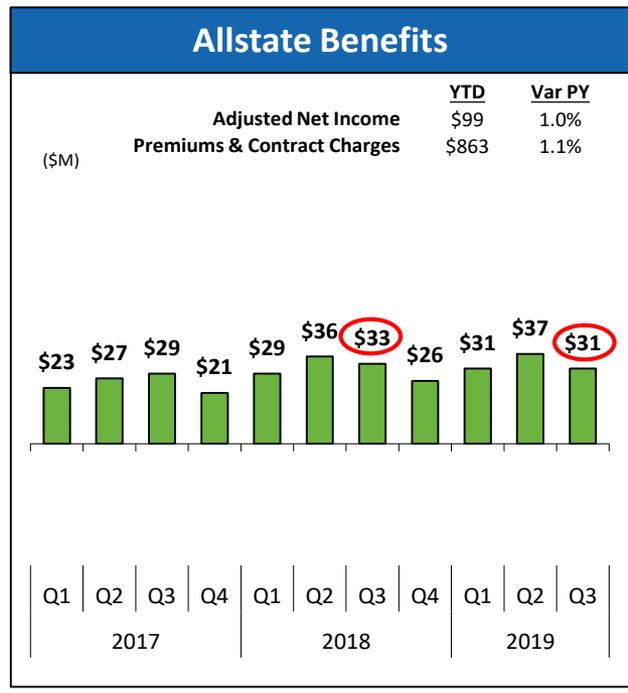
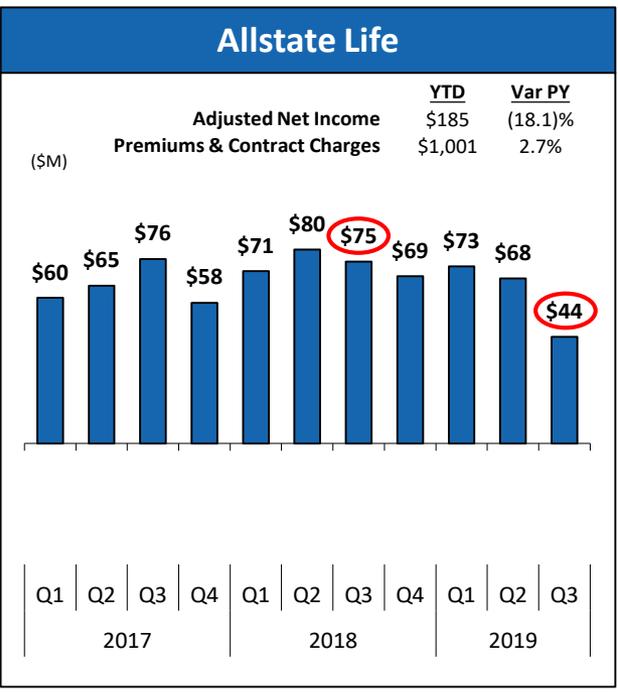
⁽²⁾ Investee level expenses (ILE) comprise depreciation and asset level operating expenses, which totaled \$59 million and are netted against market-based and performance-based income



Allstate Life and Benefits Income Impacted by Annual Review of Actuarial Assumptions

- Allstate Life third quarter adjusted net income of \$44 million was \$31 million below prior year quarter
 - Results impacted by \$42 million after-tax charge related to our annual actuarial assumption review, primarily due to accelerated amortization of deferred acquisition costs (“DAC”) driven by lower interest rates and model refinements
- Allstate Benefits adjusted net income was slightly lower than the prior year quarter as higher premiums were more than offset by the charge from the annual actuarial assumption review
- Allstate Annuities adjusted net income was below the prior year quarter, driven by higher contract benefits and lower net investment income

Adjusted Net Income

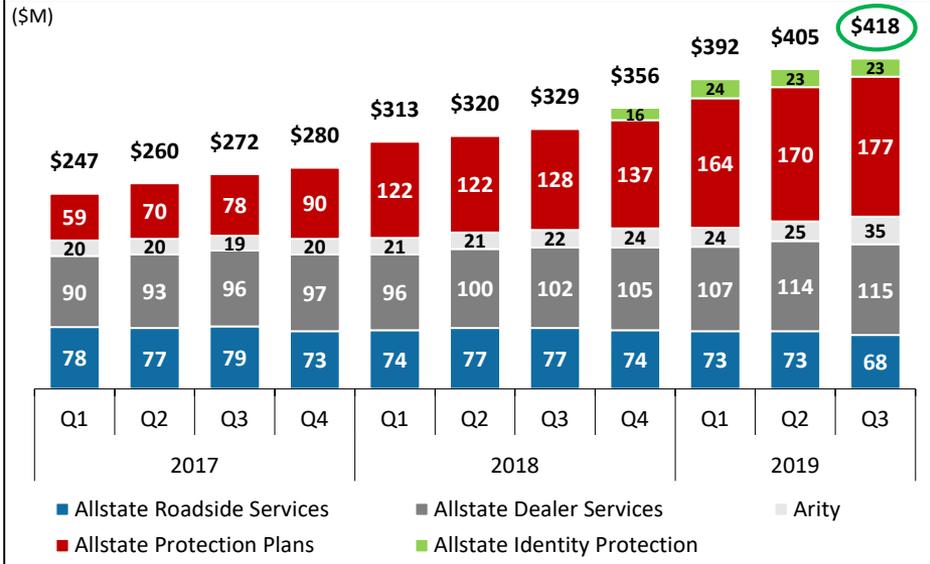




Service Businesses Segment Growing with Higher Adjusted Net Income

- Policies in force increased 67.7% to 95.9 million, primarily due to Allstate Protection Plans
- Revenues of \$418 million for the quarter (27.1% over the prior year quarter) and \$1.2 billion for the first 9 months
- Adjusted net income of \$8 million in the quarter due to favorable loss experience at Allstate Protection Plans and Allstate Dealer Services

Service Businesses Revenues



Service Businesses Results

(\$ in millions)

	Q3	Var PY	2019	Var PY
Revenues	\$418	27.1%	\$1,215	26.3%
Adjusted Net Income	\$8	\$7	\$35	\$35
Allstate Protection Plans	15	8	48	34
Arity	(1)	3	(4)	6
Allstate Roadside Services	(5)	-	(14)	-
Allstate Dealer Services	6	3	19	9
Allstate Identity Protection	(7)	NA	(14)	NA
Policies in Force (in thousands)			95,942	67.7%



Enhanced Capital Structure Efficiency and Excellent Cash Returns to Shareholders

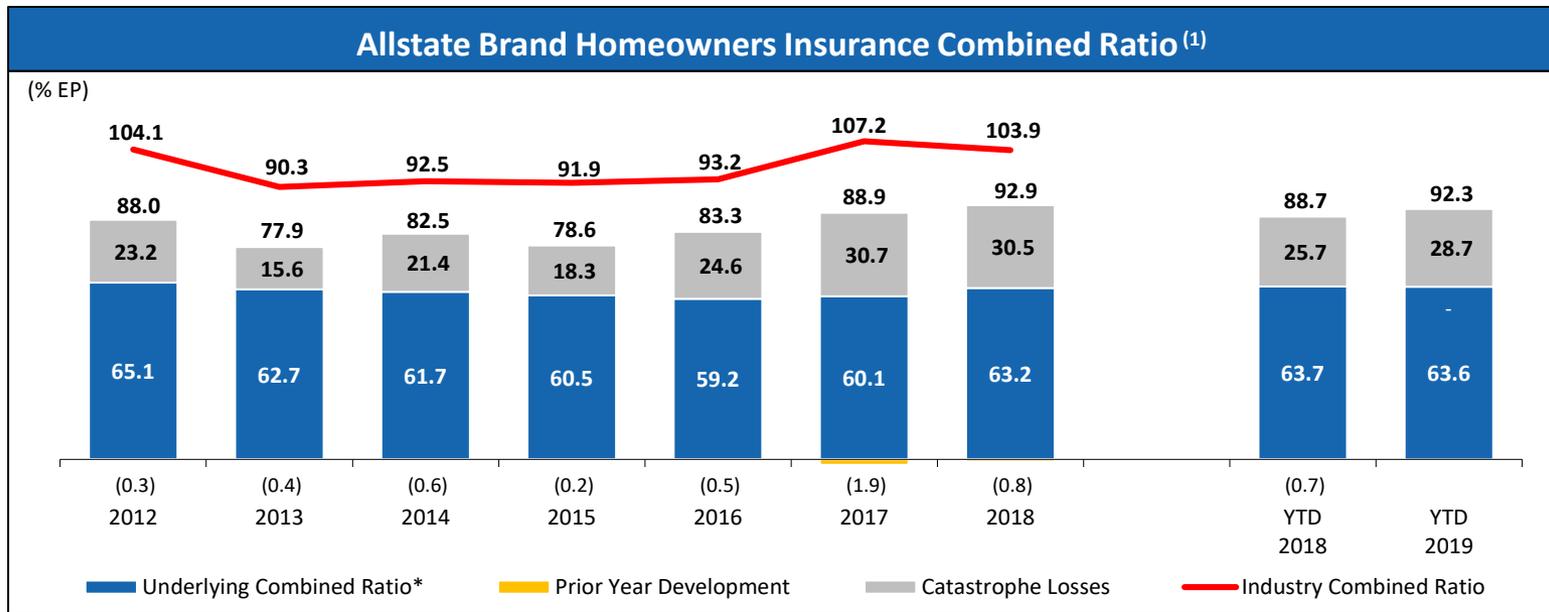
- Proactive capital management to reduce cost of capital
 - Issued \$1.15 billion of 5.10% fixed rate noncumulative perpetual preferred stock
 - Used proceeds to redeem \$1.13 billion of fixed rate noncumulative perpetual preferred stock with an average dividend yield of 6.54% on October 15, 2019
- Returned \$775 million to common shareholders in the third quarter
 - Repurchased 5.8 million common shares for \$609 million
 - Repurchased 6.7% of common shares outstanding over the latest twelve months

Capital Position		
	<u>9/30/19</u>	<u>9/30/18</u>
Total Shareholders' Equity (\$ in millions)	\$26,140	\$23,659
Debt-to-Capital Ratio	20.2%	21.4%
Book Value per Common Share	\$69.84	\$60.86
Deployable Holding Company Assets (\$ in billions)	\$3.5	\$3.4
Common shares outstanding (millions)	325.0	345.0



Allstate's Homeowners Insurance Generates Industry-Leading Returns

- Allstate is the second largest homeowners insurer in the United States, with 6.6 million policies in force
 - Allstate and Encompass brand homeowners written premium of \$7.6 billion and \$405 million, respectively, over the last twelve months
 - Esurance is expanding homeowners insurance sales to existing customer base
 - Significant cross-line sales in Allstate brand, which improves auto and homeowners insurance retention
- Homeowners insurance generates substantial underwriting income and attractive returns on capital
 - Underlying combined ratio targeted in the low 60's to manage profitability even with higher catastrophe losses
 - Averaging ~\$1 billion of underwriting income annually since 2012, including impact of catastrophe losses
 - Returns on capital consistently in the mid to high teens
 - Underwriting income provides diversification to auto insurance profitability
 - Allstate captured more than half of industry underwriting income over the past 7 years



⁽¹⁾ Industry and competitor information: Statutory results per S&P Global Market Intelligence; Allstate information: GAAP results per Investor Supplement.



Allstate Optimizes Returns Through Sophisticated Portfolio Management

- Allstate manages overall portfolio to optimize returns while minimizing large catastrophe losses

Allstate Homeowners Market Share Rankings



- Meet customer's protection needs while optimizing risk and return with a multifaceted approach:
 - Underwrite risk directly in areas where return objectives can be achieved
 - Broker business through our Ivantage company if we do not underwrite the risk
 - Leverage both traditional and capital market reinsurance capacity to limit exposure to individual large events
 - Expanded aggregate annual reinsurance cover using insurance linked securities market



Customer Value and Ease

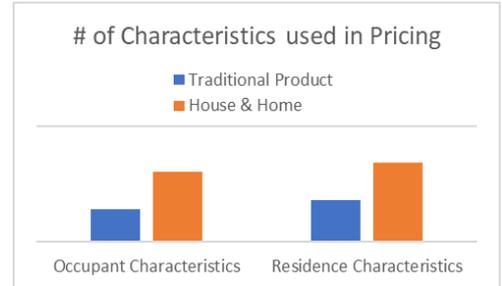
- Streamlining bundling capabilities during the quoting process through efficient use of internal and 3rd party data
- Enhancing the speed and efficiency of inspections through technology and predictive modeling

Questions required from auto customers to obtain a homeowners quote reduced:

FROM
40+ **TO**
3

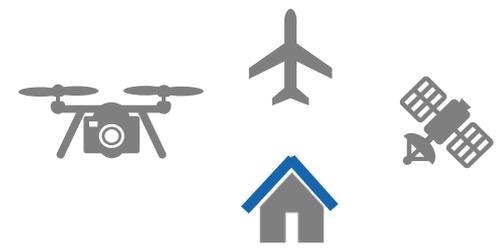
Pricing and Product Innovation

- Increased pricing sophistication, utilizing more occupant and residence characteristics
- House & Home product designed to address severe weather risks



Claims Efficiency and Effectiveness

- Dedicated Catastrophe Management team leveraging scale, data and analytics to rapidly deploy resources
- Expanding virtual claims handling capabilities by seamlessly integrating satellite, drone, and live video into processes







Forward-Looking Statements

This presentation contains “forward-looking statements” that anticipate results based on our estimates, assumptions and plans that are subject to uncertainty. These statements are made subject to the safe-harbor provisions of the Private Securities Litigation Reform Act of 1995. 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 include risks related to: (1) adverse changes in the nature and level of catastrophes and severe weather events; (2) our catastrophe management strategy on premium growth; (3) unexpected increases in the frequency or severity of claims; (4) the cyclical nature of the property and casualty businesses; (5) the availability of reinsurance at current levels and prices; (6) risk of our reinsurers; (7) changing climate and weather conditions; (8) changes in underwriting and actual experience; (9) changes in reserve estimates; (10) changes in estimates of profitability on interest-sensitive life products; (11) conditions in the global economy and capital markets; (12) a downgrade in financial strength ratings; (13) the effect of adverse capital and credit market conditions; (14) possible impairments in the value of goodwill; (15) the realization of deferred tax assets; (16) restrictions on our subsidiaries’ ability to pay dividends; (17) restrictions under the terms of certain of our securities on our ability to pay dividends or repurchase our stock; (18) market risk and declines in credit quality relating to our investment portfolio; (19) our subjective determination of the amount of realized capital losses recorded for impairments of our investments and the fair value of our fixed income and equity securities; (20) the influence of changes in market interest rates or performance-based investment returns on our annuity business; (21) impacts of new or changing technologies on our business; (22) failure in cyber or other information security controls, as well as the occurrence of events unanticipated in our disaster recovery systems and business continuity planning; (23) misconduct or fraudulent acts by employees, agents and third parties; (24) the impact of a large scale pandemic, the threat or occurrence of terrorism or military action; (25) loss of key vendor relationships or failure of a vendor to protect confidential, proprietary and personal information; (26) intellectual property infringement, misappropriation and third party claims; (27) regulatory changes, including limitations on rate increases and requirements to underwrite business and participate in loss sharing arrangements; (28) regulatory reforms and restrictive regulations; (29) changes in tax laws; (30) our ability to mitigate the capital impact associated with statutory reserving and capital requirements; (31) changes in accounting standards; (32) losses from legal and regulatory actions; (33) our participation in indemnification programs, including state industry pools and facilities; (34) impacts from the Covered Agreement, including changes in state insurance laws; (35) competition in the insurance industry and impact of new or changing technologies; (36) market convergence and regulatory changes on our risk segmentation and pricing; (37) acquisitions and divestitures of businesses; and (38) reducing our concentration in spread-based business and exiting certain distribution channels. Additional information concerning these and other factors may be found in our filings with the Securities and Exchange Commission, including the “Risk Factors” section in our most recent annual report on Form 10-K. 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.