

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 1, 2023
THE ALLSTATE CORPORATION
(Exact name of registrant as specified in its charter)

Delaware
(State or other
jurisdiction of incorporation)

1-11840
(Commission
File Number)

36-3871531
(IRS Employer
Identification No.)

3100 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
Depository Shares represent 1/1,000th of a share of 5.100% Noncumulative Preferred Stock, Series H		ALL.PR.H	New York Stock Exchange
Depository Shares represent 1/1,000th of a share of 4.750% Noncumulative Preferred Stock, Series I		ALL.PR.I	New York Stock Exchange
Depository Shares represent 1/1,000th of a share of 7.375% Noncumulative Preferred Stock, Series J		ALL.PR.J	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 1, 2023, announcing its financial results for the third quarter of 2023, and the Registrant's third quarter 2023 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 1, 2023](#)
- 99.2 [Third Quarter 2023 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 1, 2023



FOR IMMEDIATE RELEASE

Contacts:
 Al Scott Brent Vandermause
 Media Relations Investor Relations
 (847) 402-5600 (847) 402-2800

Allstate Reports Third Quarter 2023 Results
Pursuing Health and Benefits divestiture

NORTHBROOK, Ill., November 1, 2023 – The Allstate Corporation (NYSE: ALL) today reported financial results for the third quarter of 2023.

The Allstate Corporation Consolidated Highlights ⁽¹⁾						
(\$ in millions, except per share data and ratios)	Three months ended September 30,			Nine months ended September 30,		
	2023	2022	% / pts Change	2023	2022	% / pts Change
Consolidated revenues	\$ 14,497	\$ 13,208	9.8 %	\$ 42,262	\$ 37,763	11.9 %
Net loss applicable to common shareholders	(41)	(685)	(94.0)	(1,776)	(1,091)	62.8
per diluted common share ⁽²⁾	(0.16)	(2.55)	(93.7)	(6.76)	(3.99)	69.4
Adjusted net income (loss)*	214	(411)	NM	(1,290)	112	NM
per diluted common share* ⁽²⁾	0.81	(1.53)	NM	(4.91)	0.40	NM
Return on Allstate common shareholders' equity (trailing twelve months)						
Net income (loss) applicable to common shareholders				(14.7)%	(1.5)%	(13.2)
Adjusted net income (loss)*				(9.7)%	4.4 %	(14.1)
Common shares outstanding (in millions)				261.7	265.9	(1.6)
Book value per common share				47.79	58.39	(18.2)
Consolidated premiums written ⁽³⁾	14,425	13,157	9.6	41,021	37,660	8.9
Property-Liability insurance premiums earned	12,270	11,157	10.0	35,826	32,529	10.1
Property-Liability combined ratio						
Recorded	103.4	111.6	(8.2)	109.8	105.8	4.0
Underlying combined ratio*	91.9	96.4	(4.5)	92.7	93.6	(0.9)
Catastrophe losses	1,181	763	54.8	5,568	2,333	138.7
Total policies in force (in thousands)				190,089	185,007	2.7

⁽¹⁾ Prior periods have been recast to reflect the impact of the adoption of Financial Accounting Standard Board ("FASB") guidance revising the accounting for certain long-duration insurance contracts in the Health and Benefits segment.

⁽²⁾ In periods where a net loss or adjusted net loss is reported, weighted average shares for basic earnings per share is used for calculating diluted earnings per share because all dilutive potential common shares are anti-dilutive and are therefore excluded from the calculation.

⁽³⁾ Includes premiums and contract charges for the Health and Benefits segment.

* 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.

NM = not meaningful

"Allstate's focus on improving profitability while implementing our growth strategy made excellent progress this quarter," said Tom Wilson, Chair, President and CEO of The Allstate Corporation. "Improved underwriting performance, strong investment income and profits from Protection Services and Health and Benefits generated adjusted net income* of \$214 million, or \$0.81 per diluted common share in the quarter. Property-Liability earned premium growth of 10.0% and execution of other components of the profit improvement plan improved the

underlying combined ratio compared to the prior year quarter. Property-Liability had an underwriting loss in the quarter of \$414 million, however, reflecting continued increases in auto insurance loss costs, elevated catastrophe losses and adverse prior year loss development. In response, we continue to raise auto and homeowners insurance prices, improve expense efficiencies, restrict growth in profit challenged states and enhance claims practices. The execution of these comprehensive actions will restore margins to target levels."

"We are pursuing the sale of Allstate's Health and Benefits businesses since substantial value can be realized when aligned with a broader set of complementary businesses and product offerings. Allstate's voluntary workplace benefits business was combined with National General's group and individual health business, creating a broad-based benefits platform that serves 4.3 million policyholders and generated \$240 million of adjusted net income over the last twelve months. This value creation was integral to the National General acquisition plan and now positions the business for additional growth and value enhancement. A sale would likely be completed in 2024."

"Significant progress has also been made in executing the strategy to increase property-liability market share and broaden protection provided to customers. Providing lowest cost protection requires continued cost reductions which is reflected in a lower expense ratio. Allstate exclusive agent productivity increased, excluding three states where profit improvement actions have reduced new business, and National General is growing through independent agents. Plans to increase growth in states that are achieving target auto insurance margins are now being initiated with further expansion planned for 2024. Allstate Protection Plans continues to grow its embedded protection offerings with U.S. retailers and internationally. Shareholder value will continue to grow with higher profitability, strategic capital allocation and organic long-term growth," concluded Wilson.

Third Quarter 2023 Results

- Total revenues of \$14.5 billion in the third quarter of 2023 increased 9.8%, or \$1.3 billion, compared to the prior year quarter driven by a \$1.1 billion increase in Property-Liability earned premium due to higher average premiums.
- Net loss applicable to common shareholders was \$41 million in the third quarter of 2023 compared to \$685 million in the prior year quarter, due to improved Property-Liability underwriting results. Adjusted net income* was \$214 million, or \$0.81 per diluted share, in the third quarter of 2023, compared to an adjusted net loss* of \$411 million in the prior year quarter. Restructuring expenses of \$87 million were incurred during the third quarter of 2023 primarily related to the organizational component of Transformative Growth designed to streamline the organization and outsource operations.
- **Property-Liability** earned premium of \$12.3 billion increased 10.0% in the third quarter of 2023 compared to the prior year quarter, primarily driven by higher average premiums from rate increases. The \$414 million underwriting loss in the quarter decreased by \$878 million compared to the prior year quarter, due to increased premiums earned and lower unfavorable prior year reserve reestimates, partially offset by higher losses.

Property-Liability Results						
(\$ in millions)	Three months ended September 30,			Nine months ended September 30,		
	2023	2022	% / pts Change	2023	2022	% / pts Change
Premiums earned	\$ 12,270	\$ 11,157	10.0 %	\$ 35,826	\$ 32,529	10.1 %
Allstate brand	10,215	9,517	7.3	30,069	27,816	8.1
National General	2,055	1,640	25.3	5,757	4,713	22.2
Premiums written	\$ 13,304	\$ 12,037	10.5 %	\$ 37,707	\$ 34,307	9.9 %
Allstate brand	11,020	10,304	6.9	31,250	29,201	7.0
National General	2,284	1,733	31.8	6,457	5,106	26.5
Underwriting income (loss)	\$ (414)	\$ (1,292)	(68.0)%	\$ (3,509)	\$ (1,876)	87.0 %
Allstate brand	(168)	(1,049)	(84.0)	(2,987)	(1,623)	84.0
National General	(167)	(124)	34.7	(443)	(133)	NM
Recorded combined ratio	103.4	111.6	(8.2)	109.8	105.8	4.0
Underlying combined ratio*	91.9	96.4	(4.5)	92.7	93.6	(0.9)

- Premiums written of \$13.3 billion increased 10.5% compared to the prior year quarter driven by both the Allstate brand and National General. Allstate brand increased 6.9% primarily due to higher auto and homeowners average premium, partially offset by the impact of profitability actions on personal auto policies in force and commercial lines. National General increased 31.8% reflecting higher average premium and policies in force growth.
- Allstate brand underwriting loss in the third quarter of 2023 improved to \$168 million compared to \$1.0 billion in the prior year quarter, driven by higher earned premiums and favorable prior year reserve reestimates, excluding catastrophes, compared to unfavorable reestimates in the prior year, partially offset by higher catastrophe losses.
- National General underwriting loss of \$167 million in the third quarter of 2023 increased by \$43 million compared to the prior year quarter, reflecting higher incurred losses as well as unfavorable prior year reserve reestimates, primarily related to personal auto. These were partially offset by higher earned premiums and a 4.4 point improvement in the expense ratio.
- Property-Liability underlying combined ratio* of 91.9 in the third quarter of 2023 improved 4.5 points compared to the prior year quarter, primarily driven by improved loss and expense ratios in Allstate brand auto, reflecting higher earned premiums and operating efficiencies. While loss trends have stabilized, claim severity increases remain elevated relative to historical levels and auto accident frequency continues to normalize to pre-pandemic levels.
- **Allstate Protection auto** insurance results reflect the impact of inflation in loss costs and the comprehensive plan to restore margins through higher rates, lower expenses, underwriting actions and claims process enhancements. National General's distribution capacity and a broader product portfolio is generating growth through independent agents.

Allstate Protection Auto Results						
(\$ in millions, except ratios)	Three months ended September 30,			Nine months ended September 30,		
	2023	2022	% / pts Change	2023	2022	% / pts Change
Premiums earned	\$ 8,345	\$ 7,545	10.6 %	\$ 24,374	\$ 21,974	10.9 %
Allstate brand	6,910	6,416	7.7	20,342	18,742	8.5
National General	1,435	1,129	27.1	4,032	3,232	24.8
Premiums written	\$ 8,770	\$ 7,860	11.6 %	\$ 25,388	\$ 22,892	10.9 %
Allstate brand	7,206	6,704	7.5	20,853	19,386	7.6
National General	1,564	1,156	35.3	4,535	3,506	29.3
Policies in Force (in thousands)				25,376	26,131	(2.9)%
Allstate brand				20,546	21,853	(6.0)
National General				4,830	4,278	12.9
Recorded combined ratio	102.1	117.4	(15.3)	104.9	109.3	(4.4)
Underlying combined ratio*	98.8	104.0	(5.2)	101.2	101.7	(0.5)

- Earned and written premiums increased 10.6% and 11.6% compared to the prior year quarter, respectively. The increase was driven by higher average premium from rate increases, partially offset by a decline in policies in force.
- Allstate brand auto net written premium growth of 7.5% compared to the prior year quarter reflects a 15.7% increase in average gross written premium driven by rate increases, partially offset by a decline in policies in force from lower new business and retention.
- National General auto net written premium grew 35.3% compared to the prior year quarter driven by higher average premium and policies in force growth.
- Allstate brand auto rate increases were implemented in 25 locations in the third quarter at an average of 5.9%, resulting in an annualized total brand premium impact of 2.0% in the quarter and 9.5% through the first nine months of 2023. National General auto rate increases were implemented in 33 locations in the third quarter at an average of 6.2%, resulting in an annualized total brand premium impact of 3.3% in the

quarter and 8.8% through the first nine months of 2023. We remain committed to the pursuit of additional rate increases as a core component of the profit improvement plan.

- The recorded auto insurance combined ratio of 102.1 in the third quarter of 2023 was 15.3 points lower than the prior year quarter, reflecting higher earned premiums, lower unfavorable prior year reserve reestimates and lower catastrophe losses.
- Prior year non-catastrophe reserve reestimates were unfavorable \$27 million in the third quarter, reflecting adverse reserve development of \$95 million for National General, partially offset by favorable Allstate brand reserve reestimates of \$68 million.
- The underlying combined ratio* of 98.8 improved by 5.2 points from the prior year quarter as higher average premium and operating efficiencies were only partially offset by higher incurred losses from claim severity and accident frequency. Weighted average current report year incurred severity of Allstate brand major coverages is currently estimated to increase 9% compared to report year 2022, improving from estimates as of the second quarter 2023. The improvement in severity from claims reported in the first two quarters of the year represent a favorable impact of approximately 1.7 points on the third quarter underlying combined ratio. Excluding this impact, the third quarter underlying combined ratio* would have been 100.5.
- **Allstate Protection homeowners** insurance growth reflects higher rates and policies in force growth. Underwriting income was negatively impacted by elevated catastrophe losses and non-catastrophe claim severity.

Allstate Protection Homeowners Results						
(\$ in millions, except ratios)	Three months ended September 30,			Nine months ended September 30,		
	2023	2022	% / pts Change	2023	2022	% / pts Change
Premiums earned	\$ 2,969	\$ 2,642	12.4 %	\$ 8,662	\$ 7,698	12.5 %
Allstate brand	2,613	2,350	11.2	7,638	6,841	11.7
National General	356	292	21.9	1,024	857	19.5
Premiums written	\$ 3,525	\$ 3,145	12.1 %	\$ 9,440	\$ 8,434	11.9 %
Allstate brand	3,118	2,803	11.2	8,265	7,488	10.4
National General	407	342	19.0	1,175	946	24.2
Policies in Force (in thousands)				7,297	7,237	0.8 %
Allstate brand				6,627	6,599	0.4
National General				670	638	5.0
Recorded combined ratio	104.4	89.9	14.5	122.8	93.8	29.0
Catastrophe Losses	\$ 878	\$ 354	148.0 %	\$ 4,516	\$ 1,650	173.7 %
Underlying combined ratio*	72.9	74.1	(1.2)	69.4	70.6	(1.2)

- Earned premiums increased by 12.4% and written premiums increased 12.1% compared to the prior year quarter, primarily reflecting higher average premium and policies in force growth of 0.8% compared to the third quarter of 2022.
- Allstate brand net written premium increased 11.2% compared to the prior year quarter, primarily driven by an increase in average gross written premium due to implemented rate increases and inflation in insured home replacement costs.
- National General net written premium grew 19.0% compared to the prior year quarter primarily due to policies in force growth and higher average premium as rates were increased to improve underwriting margins.
- Allstate brand homeowners implemented rate increases in 12 locations in the third quarter at an average of 6.5%, resulting in an annualized total brand premium impact of 2.1% in the quarter and 9.5% through the first nine months of 2023. National General homeowners rate increases were implemented in 11 locations in the third quarter at an average of 17.6%, resulting in an annualized total brand premium impact of 1.2% in the quarter and 6.5% through the first nine months of 2023.

- The recorded homeowners insurance combined ratio of 104.4 was 14.5 points higher than the third quarter of 2022, due to higher catastrophe losses and severity, partially offset by premiums earned.
- Catastrophe losses of \$878 million in the quarter increased \$524 million compared to the prior year quarter, primarily related to the Maui wildfire and a large Texas hailstorm.
- The underlying combined ratio* of 72.9 decreased by 1.2 points compared to the prior year quarter, driven by higher earned premium and a lower expense ratio, partially offset by higher non-catastrophe claim severity reflecting increases in labor and materials costs.
- **Allstate business insurance** strategy is being advanced through an equity investment and commercial partnership with NEXT Insurance, a high-growth, digital-first insurer with a proprietary technology platform for small business insurance. The partnership will allow both companies to expand the availability of their products across a broad distribution network and provides opportunity to co-develop unique products to serve the unmet needs of 33 million U.S. small businesses that increasingly want to purchase insurance digitally.

- **Protection Services** continues to broaden the protection provided to an increasing number of customers largely through embedded distribution programs. Revenues increased to \$697 million in the third quarter of 2023, 8.9% higher than the prior year quarter, primarily due to Allstate Protection Plans. Adjusted net income of \$27 million decreased by \$8 million compared to the prior year quarter, primarily due to higher claim severity at Allstate Protection Plans.

Protection Services Results						
(\$ in millions)	Three months ended September 30,			Nine months ended September 30,		
	2023	2022	% / \$ Change	2023	2022	% / \$ Change
Total revenues ⁽⁴⁾	\$ 697	\$ 640	8.9 %	\$ 2,054	\$ 1,896	8.3 %
Allstate Protection Plans	416	349	19.2	1,200	1,016	18.1
Allstate Dealer Services	146	143	2.1	442	417	6.0
Allstate Roadside	69	65	6.2	199	194	2.6
Arity	29	49	(40.8)	101	163	(38.0)
Allstate Identity Protection	37	34	8.8	112	106	5.7
Adjusted net income (loss)	\$ 27	\$ 35	(\$ 8)	\$ 102	\$ 131	(\$ 29)
Allstate Protection Plans	20	29	(9)	79	108	(29)
Allstate Dealer Services	5	10	(5)	18	27	(9)
Allstate Roadside	7	1	6	17	4	13
Arity	(6)	(2)	(4)	(13)	(4)	(9)
Allstate Identity Protection	1	(3)	4	1	(4)	5

⁽⁴⁾ Excludes net gains and losses on investments and derivatives.

- **Allstate Protection Plans**' expanded products and international growth resulted in revenue of \$416 million, \$67 million or 19.2% higher than the prior year quarter. Adjusted net income of \$20 million in the third quarter of 2023 was \$9 million lower than the prior year quarter, primarily due to the proportion of lower margin business and higher appliance and furniture claim severity.
- **Allstate Dealer Services** generated revenue of \$146 million through auto dealers, which was 2.1% higher than the third quarter of 2022 due to higher earned premium. Adjusted net income of \$5 million in the third quarter was \$5 million lower than the prior year quarter driven by increased claim severity, higher expenses and restructuring charges.
- **Allstate Roadside** revenue of \$69 million in the third quarter of 2023 increased 6.2% compared to the prior year quarter driven by price increases and new business growth. Adjusted net income was \$6 million higher than the prior year quarter, primarily driven by increased pricing, lower loss severity from in-network sourcing and lower retail frequency.
- **Arity** revenue of \$29 million decreased \$20 million compared to the prior year quarter, primarily due to reductions in insurance client advertising. Adjusted net loss of \$6 million in the third quarter of 2023 compared to a \$2 million loss in the prior year quarter reflects lower revenue.

- **Allstate Identity Protection** revenue of \$37 million in the third quarter of 2023 was 8.8% higher than the prior year quarter due to growth from new and existing clients. Adjusted net income of \$1 million in the third quarter of 2023 compared to a \$3 million loss in the prior year quarter reflects lower expenses.

- **Allstate Health and Benefits** premiums and contract charges were flat compared to the prior year quarter as growth in group health was offset by lower individual health. Adjusted net income of \$69 million in the third quarter of 2023 increased \$6 million compared to the prior year quarter, primarily due to increases in group and individual health and lower operating expenses.

Allstate Health and Benefits Results ⁽¹⁾						
(\$ in millions)	Three months ended September 30,			Nine months ended September 30,		
	2023	2022	% Change	2023	2022	% Change
Premiums and contract charges	\$ 463	\$ 463	— %	\$ 1,379	\$ 1,396	(1.2)%
Employer voluntary benefits	253	257	(1.6)	753	777	(3.1)
Group health	111	96	15.6	328	285	15.1
Individual health	99	110	(10.0)	298	334	(10.8)
Adjusted net income	\$ 69	\$ 63	9.5 %	\$ 182	\$ 187	(2.7)%

⁽¹⁾ Prior periods have been recast to reflect the impact of the adoption of FASB guidance revising the accounting for certain long-duration insurance contracts.

- **Allstate Investments** \$63.4 billion portfolio generated net investment income of \$689 million in the third quarter of 2023, a decrease of \$1 million from the prior year quarter due to lower performance-based results, mostly offset by higher market-based income.

Allstate Investment Results						
(\$ in millions, except ratios)	Three months ended September 30,			Nine months ended September 30,		
	2023	2022	\$ / pts Change	2023	2022	\$ / pts Change
Net investment income	\$ 689	\$ 690	\$ (1)	\$ 1,874	\$ 1,846	\$ 28
Market-based ⁽¹⁾	567	402	165	1,610	1,093	517
Performance-based ⁽²⁾	186	335	(149)	439	877	(438)
Net gains (losses) on investments and derivatives	\$ (86)	\$ (167)	\$ 81	\$ (223)	\$ (1,167)	\$ 944
Change in unrealized net capital gains and losses, pre-tax	\$ (855)	\$ (1,009)	\$ 154	\$ (325)	\$ (4,506)	\$ 4,181
Total return on investment portfolio	(0.4)%	(0.8)%	0.4	2.1 %	(6.4)%	8.5
Total return on investment portfolio (trailing twelve months)				4.6 %	(5.3)%	9.9

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

- **Market-based investment income** was \$567 million in the third quarter of 2023, an increase of \$165 million, or 41.0%, compared to the prior year quarter, reflecting higher yields and extended duration of the \$46.8 billion fixed income portfolio. Investment portfolio allocations, including extending duration and lowering equity risk over the last year, are based on expected risk adjusted returns and the enterprise risk and return position.
- **Performance-based investment income** totaled \$186 million in the third quarter of 2023, a decrease of \$149 million compared to the prior year quarter. Current quarter results reflect lower net gains on the sale of underlying investments than the prior year quarter. The portfolio allocation to performance-based assets has remained stable as these investments provide a diversifying source of higher long-term returns, despite volatility in reported results. Performance-based total return for the third quarter was 2.8% and was 5.4% through the first nine months of 2023. Quarterly total returns over the past 5 years have ranged from (2.3)% to 8.6%, while the 5- and 10-year IRR as of September 30, 2023 were 12.2% and 12.5%, respectively.
- **Net losses on investments and derivatives** totaled \$86 million in the third quarter of 2023, compared to \$167 million in the prior year quarter. Net losses in the third quarter of 2023 were driven by sales of fixed

income securities.

- **Unrealized net capital losses** were \$3.2 billion, \$855 million more than the prior quarter, as higher interest rates resulted in lower fixed income valuations.
- **Total return** on the investment portfolio was negative 0.4% in the quarter and positive 4.6% over the latest twelve months ended September 30, 2023.

Proactive Capital Management

"Allstate continues to proactively manage capital and has the financial flexibility, liquidity and capital resources to navigate the challenging operating environment and invest in growth. Our capital position remains sound with statutory surplus in the insurance companies of \$13.5 billion and over \$2.9 billion of assets are held at the holding company, representing 2.2 times annual fixed charges," said Jess Merten, Chief Financial Officer. "We are making progress on the comprehensive profit improvement plan and remain confident strategic actions will result in profitable growth and attractive shareholder returns," concluded Merten.

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 11 a.m. ET on Wednesday, November 2. 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, 2023	December 31, 2022
Assets		
Investments		
Fixed income securities, at fair value (amortized cost, net \$49,979 and \$45,370)	\$ 46,771	\$ 42,485
Equity securities, at fair value (cost \$2,393 and \$4,253)	2,419	4,567
Mortgage loans, net	830	762
Limited partnership interests	8,363	8,114
Short-term, at fair value (amortized cost \$3,369 and \$4,174)	3,368	4,173
Other investments, net	1,608	1,728
Total investments	63,359	61,829
Cash	860	736
Premium installment receivables, net	10,102	9,165
Deferred policy acquisition costs	5,824	5,442
Reinsurance and indemnification recoverables, net	9,083	9,619
Accrued investment income	525	423
Deferred income taxes	816	382
Property and equipment, net	909	987
Goodwill	3,502	3,502
Other assets, net	6,196	5,904
Total assets	\$ 101,176	\$ 97,989
Liabilities		
Reserve for property and casualty insurance claims and claims expense	\$ 40,659	\$ 37,541
Reserve for future policy benefits	1,309	1,322
Contractholder funds	884	879
Unearned premiums	24,518	22,299
Claim payments outstanding	1,480	1,268
Other liabilities and accrued expenses	9,933	9,353
Debt	7,946	7,964
Total liabilities	86,729	80,626
Equity		
Preferred stock and additional capital paid-in, \$1 par value, 25 million shares authorized, 82.0 thousand and 81.0 thousand shares issued and outstanding, \$2,050 and \$2,025 aggregate liquidation preference	2,001	1,970
Common stock, \$.01 par value, 2.0 billion shares authorized and 900 million issued, 262 million and 263 million shares outstanding	9	9
Additional capital paid-in	3,811	3,788
Retained income	48,491	50,970
Treasury stock, at cost (638 million and 637 million shares)	(37,149)	(36,857)
Accumulated other comprehensive income:		
Unrealized net capital gains and losses	(2,512)	(2,255)
Unrealized foreign currency translation adjustments	(101)	(165)
Unamortized pension and other postretirement prior service credit	15	29
Discount rate for reserve for future policy benefits	28	(1)
Total accumulated other comprehensive loss	(2,570)	(2,392)
Total Allstate shareholders' equity	14,593	17,488
Noncontrolling interest	(146)	(125)
Total equity	14,447	17,363
Total liabilities and equity	\$ 101,176	\$ 97,989

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,	
	2023	2022	2023	2022
Revenues				
Property and casualty insurance premiums	\$ 12,839	\$ 11,661	\$ 37,482	\$ 34,004
Accident and health insurance premiums and contract charges	463	463	1,379	1,396
Other revenue	592	561	1,750	1,684
Net investment income	689	690	1,874	1,846
Net gains (losses) on investments and derivatives	(86)	(167)	(223)	(1,167)
Total revenues	14,497	13,208	42,262	37,763
Costs and expenses				
Property and casualty insurance claims and claims expense	10,237	10,073	32,290	27,262
Accident, health and other policy benefits (including remeasurement (gains) losses of \$0, \$(4), \$0 and \$(4))	262	252	785	785
Amortization of deferred policy acquisition costs	1,841	1,683	5,374	4,909
Operating costs and expenses	1,771	1,842	5,273	5,594
Pension and other postretirement remeasurement (gains) losses	149	79	56	91
Restructuring and related charges	87	14	141	27
Amortization of purchased intangibles	83	90	246	264
Interest expense	88	85	272	251
Total costs and expenses	14,518	14,118	44,437	39,183
Loss from operations before income tax expense	(21)	(910)	(2,175)	(1,420)
Income tax benefit	(17)	(236)	(475)	(374)
Net loss	(4)	(674)	(1,700)	(1,046)
Less: Net income (loss) attributable to noncontrolling interest	1	(15)	(23)	(34)
Net loss attributable to Allstate	(5)	(659)	(1,677)	(1,012)
Less: Preferred stock dividends	36	26	99	79
Net loss applicable to common shareholders	\$ (41)	\$ (685)	\$ (1,776)	\$ (1,091)
Earnings per common share:				
Net loss applicable to common shareholders per common share - Basic	\$ (0.16)	\$ (2.55)	\$ (6.76)	\$ (3.99)
Weighted average common shares - Basic	261.8	268.7	262.6	273.5
Net loss applicable to common shareholders per common share - Diluted	\$ (0.16)	\$ (2.55)	\$ (6.76)	\$ (3.99)
Weighted average common shares - Diluted	261.8	268.7	262.6	273.5

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:

- Net gains and losses on investments and derivatives
- Pension and other postretirement rereasurement gains and losses
- Amortization or impairment of purchased intangibles
- Gain or loss on disposition
- 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 net gains and losses on investments and derivatives, pension and other postretirement rereasurement gains and losses, amortization or impairment of purchased intangibles, gain or loss on disposition and adjustments for other significant non-recurring, infrequent or unusual items and the related tax expense or benefit of these items. Net gains and losses on investments and derivatives, and pension and other postretirement rereasurement 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. Gain or loss on disposition is excluded because it is 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 (loss) generally use a 21% effective tax rate.

(\$ in millions, except per share data)

	Three months ended September 30,			
	Consolidated		Per diluted common share	
	2023	2022	2023	2022
Net loss applicable to common shareholders ⁽¹⁾	\$ (41)	\$ (685)	\$ (0.16)	\$ (2.55)
Net (gains) losses on investments and derivatives	86	167	0.33	0.62
Pension and other postretirement remeasurement (gains) losses	149	79	0.57	0.29
Amortization of purchased intangibles	83	90	0.31	0.34
(Gain) loss on disposition	5	5	0.02	0.02
Income tax expense (benefit)	(68)	(67)	(0.26)	(0.25)
Adjusted net income (loss) * ⁽¹⁾	<u>\$ 214</u>	<u>\$ (411)</u>	<u>\$ 0.81</u>	<u>\$ (1.53)</u>
Weighted average dilutive potential common shares excluded due to net loss applicable to common shareholders ⁽¹⁾			1.5	2.9

	Nine months ended September 30,			
	Consolidated		Per diluted common share	
	2023	2022	2023	2022
Net loss applicable to common shareholders ⁽¹⁾	\$ (1,776)	\$ (1,091)	\$ (6.76)	\$ (3.99)
Net (gains) losses on investments and derivatives	223	1,167	0.85	4.23
Pension and other postretirement remeasurement (gains) losses	56	91	0.21	0.34
Amortization of purchased intangibles	246	264	0.94	0.96
(Gain) loss on disposition	4	(6)	0.02	(0.02)
Non-recurring costs ⁽²⁾	90	—	0.34	—
Income tax expense (benefit)	(133)	(313)	(0.51)	(1.12)
Adjusted net income (loss) * ⁽¹⁾	<u>\$ (1,290)</u>	<u>\$ 112</u>	<u>\$ (4.91)</u>	<u>\$ 0.40</u>
Weighted average dilutive potential common shares excluded due to net loss applicable to common shareholders ⁽¹⁾			1.9	3.3

⁽¹⁾ In periods where a net loss or adjusted net loss is reported, weighted average shares for basic earnings per share is used for calculating diluted earnings per share because all dilutive potential common shares are anti-dilutive and are therefore excluded from the calculation.

⁽²⁾ Relates to settlement costs for non-recurring litigation that is outside of the ordinary course of business.

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 (loss) return on Allstate common shareholders' equity.

(\$ in millions)	For the twelve months ended September 30,	
	2023	2022
Return on Allstate common shareholders' equity		
Numerator:		
Net income (loss) applicable to common shareholders	\$ (2,079)	\$ (294)
Denominator:		
Beginning Allstate common shareholders' equity	\$ 15,713	\$ 24,515
Ending Allstate common shareholders' equity ⁽¹⁾	12,592	15,713
Average Allstate common shareholders' equity	\$ 14,153	\$ 20,114
Return on Allstate common shareholders' equity	(14.7)%	(1.5)%
Adjusted net income (loss) return on Allstate common shareholders' equity		
Numerator:		
Adjusted net income (loss) *	\$ (1,641)	\$ 915
Denominator:		
Beginning Allstate common shareholders' equity	\$ 15,713	\$ 24,515
Less: Unrealized net capital gains and losses	(2,929)	1,829
Adjusted beginning Allstate common shareholders' equity	18,642	22,686
Ending Allstate common shareholders' equity ⁽¹⁾	12,592	15,713
Less: Unrealized net capital gains and losses	(2,512)	(2,929)
Adjusted ending Allstate common shareholders' equity	15,104	18,642
Average adjusted Allstate common shareholders' equity	\$ 16,873	\$ 20,664
Adjusted net income (loss) return on Allstate common shareholders' equity *	(9.7)%	4.4 %

⁽¹⁾ Excludes equity related to preferred stock of \$2,001 million and \$1,970 million as of September 30, 2023 and 2022, respectively.

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. 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,	
	2023	2022	2023	2022
Combined ratio	103.4	111.6	109.8	105.8
Effect of catastrophe losses	(9.6)	(6.8)	(15.5)	(7.2)
Effect of prior year non-catastrophe reserve reestimates	(1.4)	(7.8)	(1.1)	(4.5)
Effect of amortization of purchased intangibles	(0.5)	(0.6)	(0.5)	(0.5)
Underlying combined ratio*	<u>91.9</u>	<u>96.4</u>	<u>92.7</u>	<u>93.6</u>
Effect of prior year catastrophe reserve reestimates	0.1	(0.1)	—	0.1

Allstate Protection - Auto Insurance

	Three months ended September 30,		Nine months ended September 30,	
	2023	2022	2023	2022
Combined ratio	102.1	117.4	104.9	109.3
Effect of catastrophe losses	(2.6)	(4.4)	(2.7)	(2.2)
Effect of prior year non-catastrophe reserve reestimates	(0.3)	(8.5)	(0.5)	(4.9)
Effect of amortization of purchased intangibles	(0.4)	(0.5)	(0.5)	(0.5)
Underlying combined ratio*	<u>98.8</u>	<u>104.0</u>	<u>101.2</u>	<u>101.7</u>
Effect of prior year catastrophe reserve reestimates	0.1	(0.1)	(0.1)	(0.3)

Allstate Protection - Homeowners Insurance

	Three months ended September 30,		Nine months ended September 30,	
	2023	2022	2023	2022
Combined ratio	104.4	89.9	122.8	93.8
Effect of catastrophe losses	(29.6)	(13.4)	(52.1)	(21.4)
Effect of prior year non-catastrophe reserve reestimates	(1.5)	(1.9)	(0.9)	(1.3)
Effect of amortization of purchased intangibles	(0.4)	(0.5)	(0.4)	(0.5)
Underlying combined ratio*	<u>72.9</u>	<u>74.1</u>	<u>69.4</u>	<u>70.6</u>
Effect of prior year catastrophe reserve reestimates	0.6	0.1	0.7	1.0

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The Allstate Corporation

**Investor Supplement
Third Quarter 2023**

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 2023

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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 ⁽¹⁾

(In millions, except per share data)

	Three months ended					Nine months ended			
	Sept. 30, 2023	June 30, 2023	March 31, 2023	Dec. 31, 2022	Sept. 30, 2022	June 30, 2022	March 31, 2022	Sept. 30, 2022	Sept. 30, 2022
Revenues									
Property and casualty insurance premiums ^A	\$ 12,839	\$ 12,470	\$ 12,173	\$ 11,900	\$ 11,661	\$ 11,362	\$ 10,981	\$ 37,482	\$ 34,004
Accident and health insurance premiums and contract charges ^A	463	453	463	436	463	465	488	1,379	1,396
Other revenue ^A	592	597	561	660	561	563	560	1,750	1,684
Net investment income	689	610	575	557	690	562	594	1,874	1,846
Net gains (losses) on investments and derivatives	(86)	(151)	14	95	(187)	(733)	(267)	(223)	(1,167)
Total revenues	14,497	13,979	13,796	13,648	13,208	12,219	12,338	42,262	37,763
Costs and expenses									
Property and casualty insurance claims and claims expense	10,237	11,727	10,326	10,002	10,073	9,367	7,822	32,290	27,262
Accident, health and other policy benefits	262	258	265	257	252	265	288	785	785
Amortization of deferred policy acquisition costs	1,841	1,789	1,744	1,725	1,663	1,618	1,608	5,374	4,909
Operating costs and expenses	1,771	1,766	1,716	1,852	1,842	1,850	1,902	5,273	5,584
Pension and other postretirement remeasurement (gains) losses	149	(40)	(53)	25	79	259	(247)	56	91
Restructuring and related charges	87	27	27	24	14	1	12	141	27
Amortization of purchased intangibles	83	82	81	89	90	87	87	246	264
Interest expense	88	98	86	84	85	83	83	272	251
Total costs and expenses	14,518	15,727	14,192	14,056	14,118	13,530	11,535	44,437	39,183
Income (loss) from operations before income tax expense	(21)	(1,748)	(406)	(410)	(910)	(1,311)	801	(2,175)	(1,420)
Income tax expense (benefit)	(17)	(373)	(85)	(114)	(236)	(289)	151	(475)	(374)
Net income (loss)	(4)	(1,375)	(321)	(296)	(674)	(1,022)	650	(1,700)	(1,046)
Less: Net income (loss) attributable to noncontrolling interest	1	(23)	(1)	(19)	(15)	(9)	(10)	(23)	(34)
Net income (loss) attributable to Allstate	(5)	(1,352)	(320)	(277)	(659)	(1,013)	660	(1,677)	(1,012)
Less: Preferred stock dividends	36	37	26	26	26	27	26	99	79
Net income (loss) applicable to common shareholders	\$ (41)	\$ (1,389)	\$ (346)	\$ (303)	\$ (685)	\$ (1,040)	\$ 634	\$ (1,776)	\$ (1,091)
Earnings per common share									
Net income (loss) applicable to common shareholders per common share - Basic	\$ (0.16)	\$ (5.29)	\$ (1.31)	\$ (1.15)	\$ (2.55)	\$ (3.80)	\$ 2.28	\$ (6.76)	\$ (3.99)
Weighted average common shares - Basic	261.8	262.6	263.5	264.4	268.7	273.8	278.1	262.6	273.5
Net income (loss) applicable to common shareholders per common share - Diluted ⁽²⁾	\$ (0.16)	\$ (5.29)	\$ (1.31)	\$ (1.15)	\$ (2.55)	\$ (3.80)	\$ 2.25	\$ (6.76)	\$ (3.99)
Weighted average common shares - Diluted ⁽²⁾	261.8	262.6	263.5	264.4	268.7	273.8	281.8	262.6	273.5
Weighted average dilutive potential common shares excluded due to net loss applicable to common shareholders ⁽²⁾	1.5	1.7	2.6	3.1	2.9	3.2	-	1.9	3.3
Cash dividends declared per common share	\$ 0.89	\$ 0.89	\$ 0.89	\$ 0.85	\$ 0.85	\$ 0.85	\$ 0.85	\$ 2.67	\$ 2.55

⁽¹⁾ 2022 periods have been revised to reflect the impact of the adoption of the Financial Accounting Standards Board ("FASB") guidance revising the accounting for certain long-duration insurance contracts.

⁽²⁾ In periods where a net loss is reported, weighted average shares for basic earnings per share is used for calculating diluted earnings per share because all dilutive potential common shares are anti-dilutive and are therefore excluded from the calculation.

The Allstate Corporation
Contribution to Income⁽¹⁾

(In millions, except per share data)

	Three months ended				Nine months ended				
	Sept. 30, 2023	June 30, 2023	March 31, 2023	Dec. 31, 2022	Sept. 30, 2022	June 30, 2022	March 31, 2022	Sept. 30, 2022	
Contribution to income									
Net income (loss) applicable to common shareholders	\$ (41)	\$ (1,389)	\$ (346)	\$ (303)	\$ (685)	\$ (1,040)	\$ 634	\$ (1,776)	\$ (1,091)
Net (gains) losses on investments and derivatives	86	151	(14)	(95)	167	733	267	223	1,167
Pension and other postretirement rereasurement (gains) losses	149	(40)	(53)	25	79	259	(247)	56	91
Amortization of purchased intangibles	83	82	81	89	90	87	87	246	264
(Gain) loss on disposition	5	8	(9)	(83) ⁽⁴⁾	5	(27)	16	4	(6)
Non-recurring costs ⁽²⁾	-	80	-	-	-	-	-	80	-
Income tax expense (benefit)	(68)	(64)	(1)	16	(67)	(219)	(27)	(133)	(313)
Adjusted net income (loss)⁽³⁾	\$ 214	\$ (1,162)	\$ (342)	\$ (351)	\$ (411)	\$ (207)	\$ 730	\$ (1,290)	\$ 112
Income per common share - Diluted									
Net income (loss) applicable to common shareholders ⁽³⁾	\$ (0.16)	\$ (5.29)	\$ (1.31)	\$ (1.15)	\$ (2.55)	\$ (3.80)	\$ 2.25	\$ (6.76)	\$ (3.99)
Net (gains) losses on investments and derivatives	0.33	0.58	(0.05)	(0.36)	0.62	2.68	0.95	0.85	4.23
Pension and other postretirement rereasurement (gains) losses	0.57	(0.15)	(0.20)	0.09	0.29	0.95	(0.88)	0.21	0.34
Amortization of purchased intangibles	0.31	0.31	0.31	0.34	0.34	0.32	0.31	0.94	0.96
(Gain) loss on disposition	0.02	0.03	(0.04)	(0.32)	0.02	(0.10)	0.06	0.02	(0.02)
Non-recurring costs ⁽²⁾	-	0.34	-	-	-	-	-	0.34	-
Income tax expense (benefit)	(0.26)	(0.24)	(0.01)	0.07	(0.25)	(0.80)	(0.10)	(0.51)	(1.12)
Adjusted net income (loss)⁽³⁾	\$ 0.81	\$ (4.42)	\$ (1.30)	\$ (1.33)	\$ (1.53)	\$ (0.75)	\$ 2.59	\$ (4.81)	\$ 0.40
Weighted average common shares - Diluted ⁽³⁾	263.3	262.6	263.5	264.4	268.7	273.8	281.8	262.6	276.8
Weighted average dilutive potential common shares excluded due to net loss applicable to common shareholders ⁽³⁾	1.5	1.7	2.6	3.1	2.9	3.2	-	1.9	3.3

⁽¹⁾ 2022 periods have been restated to reflect the impact of the adoption of the FASB guidance revising the accounting for certain long-duration insurance contracts.

⁽²⁾ Relates to settlement costs for non-recurring litigation that is outside of the ordinary course of business.

⁽³⁾ In periods where a net loss or adjusted net loss is reported, weighted average shares for basic earnings per share is used for calculating diluted earnings per share because all dilutive potential common shares are anti-dilutive and are therefore excluded from the calculation.

⁽⁴⁾ Includes \$83 million related to the gain on sale of headquarters in the fourth quarter of 2022 reported as other revenue in Corporate and Other segment.

The Allstate Corporation
Book Value per Common Share and Debt to Capital ⁽¹⁾

(\$ in millions, except per share data)	Sept. 30, 2023	June 30, 2023	March 31, 2023	Dec. 31, 2022	Sept. 30, 2022	June 30, 2022	March 31, 2022
Book value per common share							
Numerator:							
Allstate common shareholders' equity ⁽²⁾	\$ 12,592	\$ 13,516	\$ 15,524	\$ 15,518	\$ 15,713	\$ 18,094	\$ 21,105
Denominator:							
Common shares outstanding and dilutive potential common shares outstanding ⁽³⁾	263.5	263.5	264.7	267.0	269.1	274.3	279.7
Book value per common share	\$ 47.79	\$ 51.29	\$ 58.65	\$ 58.12	\$ 58.39	\$ 65.96	\$ 75.46
Book value per common share, excluding the impact of unrealized net capital gains and losses on fixed income securities							
Numerator:							
Allstate common shareholders' equity ⁽²⁾	\$ 12,592	\$ 13,516	\$ 15,524	\$ 15,518	\$ 15,713	\$ 18,094	\$ 21,105
Less: Unrealized net capital gains and losses on fixed income securities	(2,509)	(1,843)	(1,575)	(2,254)	(2,933)	(2,143)	(966)
Adjusted Allstate common shareholders' equity	\$ 15,101	\$ 15,359	\$ 17,099	\$ 17,772	\$ 18,646	\$ 20,237	\$ 22,101
Denominator:							
Common shares outstanding and dilutive potential common shares outstanding ⁽³⁾	263.5	263.5	264.7	267.0	269.1	274.3	279.7
Book value per common share, excluding the impact of unrealized net capital gains and losses on fixed income securities *	\$ 57.31	\$ 58.29	\$ 64.60	\$ 66.56	\$ 69.29	\$ 73.78	\$ 79.02
Total debt	\$ 7,946	\$ 7,949	\$ 8,452	\$ 7,964	\$ 7,967	\$ 7,970	\$ 7,973
Total capital resources	\$ 22,539	\$ 23,466	\$ 25,946	\$ 25,452	\$ 25,650	\$ 28,034	\$ 31,048
Ratio of debt to Allstate shareholders' equity	54.5 %	51.2 %	48.3 %	45.5 %	45.1 %	39.7 %	34.6 %
Ratio of debt to capital resources	35.3 %	33.9 %	32.6 %	31.3 %	31.1 %	28.4 %	25.7 %

⁽¹⁾ 2022 periods have been recast to reflect the impact of the adoption of the FASB guidance revising the accounting for certain long-duration insurance contracts.

⁽²⁾ Excludes equity related to preferred stock of \$2,001 million as of September 30, 2023 and June 30, 2023 and \$1,970 million for all other periods shown.

⁽³⁾ Common shares outstanding were 261,664,120 and 263,458,276 as of September 30, 2023 and December 31, 2022, respectively.

The Allstate Corporation
Return on Allstate Common Shareholders' Equity ⁽¹⁾

(\$ in millions)

	Twelve months ended						
	Sept. 30, 2023	June 30, 2023	March 31, 2023	Dec. 31, 2022	Sept. 30, 2022	June 30, 2022	March 31, 2022
Return on Allstate common shareholders' equity							
Numerator:							
Net income (loss) applicable to common shareholders ⁽²⁾	\$ (2,079)	\$ (2,723)	\$ (2,374)	\$ (1,394)	\$ (294)	\$ 913	\$ 3,545
Denominator:							
Beginning Allstate common shareholders' equity	\$ 15,713	\$ 18,094	\$ 21,105	\$ 22,974	\$ 24,515	\$ 25,774	\$ 24,421
Ending Allstate common shareholders' equity ⁽³⁾	12,592	13,516	15,524	15,518	15,713	18,094	21,105
Average Allstate common shareholders' equity ⁴	\$ 14,153	\$ 15,805	\$ 18,315	\$ 19,246	\$ 20,114	\$ 21,934	\$ 22,763
Return on Allstate common shareholders' equity	(14.7) %	(17.2) %	(13.0) %	(7.2) %	(1.5) %	4.2 %	15.6 %
Adjusted net income (loss) return on Allstate common shareholders' equity							
Numerator:							
Adjusted net income (loss) ⁽²⁾	\$ (1,641)	\$ (2,266)	\$ (1,311)	\$ (239)	\$ 915	\$ 1,557	\$ 2,910
Denominator:							
Beginning Allstate common shareholders' equity	\$ 15,713	\$ 18,094	\$ 21,105	\$ 22,974	\$ 24,515	\$ 25,774	\$ 24,421
Less: Unrealized net capital gains and losses	(2,929)	(2,140)	(996)	598	1,829	2,165	1,681
Adjusted beginning Allstate common shareholders' equity	18,642	20,234	22,101	22,376	22,686	23,609	22,740
Ending Allstate common shareholders' equity ⁽³⁾	12,592	13,516	15,524	15,518	15,713	18,094	21,105
Less: Unrealized net capital gains and losses	(2,512)	(1,845)	(1,573)	(2,255)	(2,929)	(2,140)	(996)
Adjusted ending Allstate common shareholders' equity	15,104	15,361	17,097	17,773	18,642	20,234	22,101
Average adjusted Allstate common shareholders' equity ⁴	\$ 16,873	\$ 17,798	\$ 19,599	\$ 20,075	\$ 20,664	\$ 21,922	\$ 22,421
Adjusted net income (loss) return on Allstate common shareholders' equity ⁴	(9.7) %	(12.7) %	(6.7) %	(1.2) %	4.4 %	7.1 %	13.0 %

⁽¹⁾ 2022 periods have been recast to reflect the impact of the adoption of the FASB guidance revising the accounting for certain long-duration insurance contracts.

⁽²⁾ Net income (loss) applicable to common shareholders and adjusted net income (loss) reflect a trailing twelve-month period.

⁽³⁾ Excludes equity related to preferred stock of \$2,001 million as of September 30, 2023 and June 30, 2023 and \$1,970 million for all other periods shown.

The Allstate Corporation
Policies in Force

	Sept. 30, 2023	June 30, 2023	March 31, 2023	Dec. 31, 2022	Sept. 30, 2022	June 30, 2022	March 31, 2022
Policies in force statistics (in thousands) ⁽¹⁾							
Allstate Protection							
Auto	25,376	25,520	25,733	26,034	26,131	26,192	26,071
Homeowners	7,297	7,268	7,262	7,260	7,237	7,197	7,165
Other personal lines	4,884	4,890	4,913	4,936	4,930	4,919	4,894
Commercial lines	296	307	307	311	310	311	312
Total	37,853	37,985	38,215	38,541	38,608	38,619	38,442
Allstate brand							
Auto	20,546	20,821	21,142	21,658	21,853	21,979	21,968
Homeowners	6,627	6,614	6,621	6,622	6,599	6,566	6,536
National General							
Auto	4,830	4,699	4,591	4,376	4,278	4,213	4,103
Homeowners	670	654	641	638	638	631	629
Protection Services							
Allstate Protection Plans	140,648	138,172	136,591	138,726	134,700	137,292	139,992
Allstate Dealer Services	3,813	3,825	3,839	3,865	3,888	3,921	3,924
Allstate Roadside	554	545	536	531	523	519	518
Allstate Identity Protection	2,965	3,222	3,206	3,112	2,969	2,961	2,949
Total	147,980	145,764	144,172	146,234	142,079	144,693	147,383
Allstate Health and Benefits	4,256	4,273	4,339	4,296	4,320	4,368	4,484
Total policies in force	190,089	188,022	186,726	189,071	185,007	187,680	190,309

- ⁽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.

The Allstate Corporation
Property-Liability Results

(\$ in millions, except ratios)

	Three months ended						Nine months ended		
	Sept. 30, 2022	June 30, 2023	March 31, 2023	Dec. 31, 2022	Sept. 30, 2022	June 30, 2022	March 31, 2022	Sept. 30, 2022	Sept. 30, 2022
Premiums written	\$ 13,304	\$ 12,620	\$ 11,783	\$ 11,480	\$ 12,037	\$ 11,509	\$ 10,761	\$ 37,707	\$ 34,307
(Increase) decrease in unearned premiums	(1,082)	(753)	(127)	(67)	(852)	(599)	(258)	(1,962)	(1,709)
Other	48	54	(21)	(33)	(28)	(36)	(5)	81	(69)
Premiums earned	12,270	11,921	11,635	11,380	11,157	10,874	10,498	35,826	32,529
Other revenue	393	389	353	350	364	355	347	1,135	1,066
Claims and claims expense	(10,077)	(11,575)	(10,180)	(9,865)	(9,504)	(9,211)	(7,702)	(31,832)	(28,867)
Amortization of deferred policy acquisition costs	(1,533)	(1,496)	(1,452)	(1,453)	(1,414)	(1,355)	(1,348)	(4,481)	(4,117)
Operating costs and expenses	(1,333)	(1,249)	(1,279)	(1,365)	(1,390)	(1,450)	(1,445)	(3,661)	(4,285)
Restructuring and related charges	(14)	(26)	(21)	(20)	(14)	2	(12)	(121)	(24)
Amortization of purchased intangibles	(60)	(58)	(57)	(62)	(59)	(58)	(58)	(175)	(178)
Underwriting income (loss) ⁽¹⁾	\$ (414)	\$ (2,064)	\$ (1,051)	\$ (1,035)	\$ (1,292)	\$ (864)	\$ 280	\$ (3,959)	\$ (1,876)
Catastrophe losses	\$ (1,181)	\$ (2,696)	\$ (1,691)	\$ (779)	\$ (763)	\$ (1,108)	\$ (462)	\$ (5,568)	\$ (2,333)
Claims expense excluding catastrophe expense ²	(707)	(687)	(670)	(701)	(679)	(651)	(621)	(2,064)	(1,951)
Operating ratios and reconciliations to underlying ratios									
Loss ratio	82.2	87.1	87.5	86.7	89.0	84.9	73.3	88.9	82.6
Effect of catastrophe losses	(9.6)	(22.6)	(14.5)	(6.8)	(6.8)	(10.2)	(4.4)	(15.5)	(7.2)
Effect of non-catastrophe prior year reserve reestimates	(1.4)	(1.5)	(0.3)	(2.5)	(7.8)	(3.5)	(1.5)	(1.1)	(4.5)
Underlying loss ratio ³	71.2	72.9	72.7	77.4	74.4	70.9	67.4	72.3	70.9
Expense ratio ⁴	21.2	20.5	21.1	22.4	22.6	23.0	24.0	20.9	23.2
Effect of amortization of purchased intangibles	(0.5)	(0.5)	(0.5)	(0.6)	(0.6)	(0.5)	(0.5)	(0.5)	(0.5)
Underlying expense ratio ⁵	20.7	20.0	20.6	21.8	22.0	22.5	23.5	20.4	22.7
Effect of advertising expense	(1.4)	(0.9)	(1.3)	(1.3)	(1.7)	(2.3)	(3.3)	(1.2)	(2.4)
Effect of restructuring and related charges	(0.6)	(0.2)	(0.2)	(0.1)	(0.1)	-	(0.1)	(0.3)	(0.1)
Adjusted underlying expense ratio ⁶	18.7	18.8	19.1	20.4	20.2	20.2	20.1	18.9	20.2
Claims expense ratio excluding catastrophe expense ⁷	5.8	5.8	5.8	6.2	6.1	6.0	5.9	5.8	6.0
Adjusted expense ratio ⁸	24.5	24.7	24.9	26.6	26.3	26.2	26.0	24.7	26.2
Combined ratio	103.4	117.6	108.6	109.1	111.6	107.9	97.3	109.8	105.8
Effect of catastrophe losses	(9.6)	(22.6)	(14.5)	(6.8)	(6.8)	(10.2)	(4.4)	(15.5)	(7.2)
Effect of non-catastrophe prior year reserve reestimates	(1.4)	(1.5)	(0.3)	(2.5)	(7.8)	(3.5)	(1.5)	(1.1)	(4.5)
Effect of amortization of purchased intangibles	(0.5)	(0.5)	(0.5)	(0.6)	(0.6)	(0.5)	(0.5)	(0.5)	(0.5)
Underlying combined ratio ⁹	91.9	92.6	93.3	99.2	96.4	93.4	90.3	92.7	93.6
Effect of Run-off Property-Liability on combined ratio	0.7	0.1	-	-	1.1	-	-	0.3	0.4
⁽¹⁾ Underwriting income (loss)									
Allstate brand	\$ (188)	\$ (1,847)	\$ (972)	\$ (880)	\$ (1,049)	\$ (825)	\$ 251	\$ (2,987)	\$ (1,823)
National General	(167)	(246)	(28)	(44)	(124)	(38)	29	(443)	(133)
Answer Financial	4	3	2	1	3	2	2	9	7
Total underwriting income (loss) for Allstate Protection	(331)	(2,092)	(998)	(1,033)	(1,170)	(861)	262	(3,421)	(1,749)
Run-off Property-Liability	(83)	(2)	(3)	(2)	(122)	(3)	(2)	(88)	(127)
Total underwriting income (loss) for Property-Liability	\$ (414)	\$ (2,064)	\$ (1,051)	\$ (1,035)	\$ (1,292)	\$ (864)	\$ 280	\$ (3,959)	\$ (1,876)
Other financial information									
Net investment income	\$ 627	\$ 544	\$ 509	\$ 494	\$ 632	\$ 506	\$ 558	\$ 1,680	\$ 1,696
Income tax (expense) benefit on operations	(43)	320	91	115	179	79	(175)	368	83
Net income (loss) attributable to noncontrolling interest, after-tax	2	(23)	(1)	(17)	(15)	(10)	(10)	(22)	(35)
Amortization of purchased intangibles	(60)	(58)	(57)	(62)	(61)	(59)	(58)	(175)	(178)

The Allstate Corporation 3Q23 Supplement

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The Allstate Corporation
Allstate Protection Profitability Measures

(\$ in millions, except ratios)

	Three months ended				Nine months ended				
	Sept. 30, 2023	June 30, 2023	March 31, 2023	Dec. 31, 2022	Sept. 30, 2022	June 30, 2022	March 31, 2022	Sept. 30, 2021	Sept. 30, 2022
Premiums written									
Auto	\$ 8,770	\$ 8,289	\$ 8,349	\$ 7,774	\$ 7,860	\$ 7,470	\$ 7,562	\$ 25,388	\$ 22,892
Homeowners	3,525	3,381	2,534	2,775	3,145	3,008	2,281	9,440	8,434
Other personal lines	676	675	548	530	606	609	504	1,899	1,719
Commercial lines	140	200	227	248	285	297	294	967	876
Other business lines *	193	95	125	153	141	125	120	413	386
Total	\$ 13,304	\$ 12,620	\$ 11,783	\$ 11,480	\$ 12,037	\$ 11,509	\$ 10,761	\$ 37,707	\$ 34,307
Net premiums earned									
Auto	\$ 8,345	\$ 8,121	\$ 7,908	\$ 7,741	\$ 7,545	\$ 7,348	\$ 7,081	\$ 24,374	\$ 21,974
Homeowners	2,869	2,883	2,810	2,700	2,842	2,566	2,460	8,862	7,698
Other personal lines	608	587	562	543	540	545	531	1,757	1,616
Commercial lines	194	202	232	249	296	296	283	626	574
Other business lines	154	128	123	127	134	120	113	455	387
Total	\$ 12,270	\$ 11,921	\$ 11,635	\$ 11,380	\$ 11,157	\$ 10,874	\$ 10,468	\$ 35,826	\$ 32,529
Underwriting income (loss)									
Auto	\$ (178)	\$ (878)	\$ (346)	\$ (974)	\$ (1,315)	\$ (578)	\$ (147)	\$ (1,202)	\$ (2,040)
Homeowners	(131)	(1,307)	(534)	(87)	286	(192)	400	(1,972)	(74)
Other personal lines	6	(70)	(89)	(107)	11	11	18	(153)	19
Commercial lines	(60)	(61)	(80)	(190)	(177)	(135)	(22)	(191)	(274)
Other business lines	28	21	29	40	3	31	31	78	65
Answer Financial	4	3	2	1	3	2	2	9	7
Total	\$ (337)	\$ (2,092)	\$ (988)	\$ (1,033)	\$ (1,170)	\$ (651)	\$ (282)	\$ (3,427)	\$ (1,749)
Claims expense excluding catastrophe expense	\$ 703	\$ 685	\$ 688	\$ 699	\$ 675	\$ 650	\$ 619	\$ 2,056	\$ 1,944
Operating ratios and reconciliations to underlying ratios									
Loss ratio	81.5	97.0	87.5	86.7	88.0	84.9	73.3	88.6	82.2
Effect of catastrophe losses	(8.6)	(22.8)	(14.5)	(6.8)	(6.8)	(10.2)	(4.4)	(15.5)	(7.2)
Effect of non-catastrophe prior year reserve reestimates	(0.7)	(1.5)	(0.3)	(0.5)	(0.8)	(0.8)	(1.5)	(0.8)	(4.1)
Underlying loss ratio *	71.2	72.9	72.7	77.4	74.4	70.9	67.4	72.3	70.9
Expense ratio	21.2	20.5	21.1	22.4	22.5	23.0	24.0	20.9	23.2
Effect of amortization of purchased intangibles	(0.5)	(0.5)	(0.5)	(0.6)	(0.6)	(0.5)	(0.5)	(0.5)	(0.5)
Underlying expense ratio *	20.7	20.0	20.6	21.8	21.9	22.5	23.5	20.4	22.7
Effect of underwriting expense	(1.4)	(0.9)	(1.3)	(1.3)	(1.7)	(2.3)	(3.3)	(1.2)	(2.4)
Effect of restructuring and related charges	(0.8)	(0.2)	(0.2)	(0.2)	(0.1)	—	(0.1)	(0.3)	(0.1)
Adjusted underlying expense ratio *	18.7	18.5	19.1	20.3	20.2	20.1	19.5	18.5	20.2
Combined ratio	102.7	117.5	108.6	109.1	110.5	107.9	97.3	109.5	105.4
Underlying combined ratio *	91.9	92.9	93.3	99.2	96.3	93.4	90.9	92.7	91.6
Claims expense ratio excluding catastrophe expense	5.7	5.7	5.7	6.1	6.1	6.0	5.9	5.7	6.0

The Allstate Corporation
Allstate Protection Impact of Net Rate Changes Implemented on Premiums Written

	Three months ended September 30, 2023			Three months ended June 30, 2023		
	Number of locations ⁽¹⁾	Total brand (%) ⁽²⁾⁽³⁾	Location specific (%) ⁽⁴⁾	Number of locations	Total brand (%) ⁽³⁾	Location specific (%)
Allstate brand						
Auto	25	2.0	5.9	34	5.8	10.0
Homeowners ⁽⁵⁾	12	2.1	6.5	20	2.5	12.3
National General						
Auto	33	3.3	6.2	27	3.6	13.9
Homeowners ⁽⁵⁾	11	1.2	17.6	10	3.8	23.5
	Three months ended March 31, 2023			Three months ended December 31, 2022		
	Number of locations	Total brand (%) ⁽³⁾	Location specific (%)	Number of locations	Total brand (%) ⁽³⁾	Location specific (%)
Allstate brand						
Auto	28	1.7	8.4	38	6.1	11.2
Homeowners ⁽⁵⁾	18	4.9	13.7	16	2.1	11.3
National General						
Auto	28	1.9	5.6	26	4.3	8.5
Homeowners ⁽⁵⁾	7	1.5	12.2	16	4.4	15.7

⁽¹⁾ Refers to the number of U.S. states, the District of Columbia or Canadian provinces where rate changes have been implemented. Allstate brand operates in 50 states, the District of Columbia, and 5 Canadian provinces. National General operates in 50 states and the District of Columbia.

⁽²⁾ Represents the impact in the locations where rate changes were implemented during the period as a percentage of total brand prior year-end premiums written.

⁽³⁾ Total Allstate brand implemented auto insurance rate increases totaled \$517 million in the third quarter of 2023, after implementing \$1.49 billion and \$454 million of rate increases in the second and first quarters of 2023, respectively, and \$1.48 billion of rate increases in the fourth quarter of 2022.

⁽⁴⁾ Represents the impact in the locations where rate changes were implemented during the period as a percentage of its respective total prior year-end premiums written in those same locations.

⁽⁵⁾ Excludes the impact to average premium from inflation in insured home replacement costs and other aging factor adjustments.

The Allstate Corporation
Auto Profitability Measures and Statistics

(\$ in millions, except ratios)

	Three months ended				Nine months ended				
	Sept. 30, 2023	June 30, 2023	March 31, 2023	Dec. 31, 2022	Sept. 30, 2022	June 30, 2022	March 31, 2022	Sept. 30, 2022	Sept. 30, 2022
Allstate Protection									
Premiums written	\$ 8,770	\$ 8,209	\$ 8,349	\$ 7,774	\$ 7,660	\$ 7,470	\$ 7,562	\$ 25,388	\$ 22,892
Net premiums earned	8,345	8,121	7,908	7,741	7,545	7,348	7,081	24,374	21,974
Underwriting income (loss)	(176)	(678)	(246)	(974)	(1,315)	(318)	(147)	(1,202)	(2,246)
Operating ratios and reconciliations to underlying ratios									
Loss ratio	81.4	87.9	83.4	90.6	95.3	84.9	77.6	84.2	86.1
Effect of catastrophe losses	(2.8)	(4.2)	(1.2)	(6.5)	(4.4)	(1.5)	(6.8)	(2.7)	(2.2)
Effect of non-catastrophe prior year reserve readjustments ("PYRR")	(0.3)	(1.4)	(0.1)	(2.3)	(8.5)	(3.8)	(2.1)	(0.5)	(4.9)
Underlying loss ratio⁽¹⁾	78.5	82.3	82.1	87.8	82.4	79.6	74.9	81.0	79.0
Expense ratio	20.7	20.4	21.0	22.0	22.1	23.0	24.5	20.7	23.2
Effect of amortization of purchased intangibles	(0.4)	(0.5)	(0.5)	(0.6)	(0.5)	(0.5)	(0.6)	(0.5)	(0.5)
Underlying expense ratio⁽²⁾	20.3	19.9	20.5	21.4	21.6	22.5	23.9	20.2	22.7
Combined ratio	102.1	108.3	104.4	112.6	117.4	107.9	102.1	104.9	109.3
Effect of catastrophe losses	(2.6)	(4.2)	(1.2)	(6.5)	(4.4)	(1.5)	(6.8)	(2.7)	(2.2)
Effect of non-catastrophe PYRR	(0.3)	(1.4)	(0.1)	(2.3)	(8.5)	(3.8)	(2.1)	(0.5)	(4.9)
Effect of amortization of purchased intangibles ("APIA")	(0.4)	(0.5)	(0.5)	(0.6)	(0.5)	(0.5)	(0.6)	(0.5)	(0.5)
Underlying combined ratio⁽³⁾	98.8	102.2	102.6	106.2	104.0	102.1	98.6	101.2	101.7
Allstate brand									
Premiums written	\$ 7,208	\$ 6,821	\$ 6,826	\$ 6,560	\$ 6,704	\$ 6,374	\$ 6,308	\$ 20,853	\$ 19,388
Net premiums earned	6,910	6,772	6,660	6,544	6,416	6,263	6,072	20,242	18,742
Underwriting income (loss)	(175)	(546)	(332)	(609)	(1,222)	(678)	(117)	(603)	(1,637)
Loss ratio	80.3	87.7	84.3	92.2	97.1	86.4	78.3	84.1	87.4
Effect of catastrophe losses and non-catastrophe PYRR	(1.7)	(4.5)	(0.6)	(3.0)	(13.6)	(5.5)	(2.0)	(2.3)	(7.4)
Underlying loss ratio⁽¹⁾	78.6	83.2	83.7	89.2	83.5	80.9	75.4	81.8	80.0
Combined ratio	101.1	106.1	106.0	113.9	119.0	109.2	102.3	104.7	110.3
Effect of catastrophe losses, non-catastrophe PYRR and APIA	(1.9)	(4.7)	(0.9)	(3.1)	(13.7)	(5.6)	(3.0)	(2.9)	(7.5)
Underlying combined ratio⁽³⁾	99.2	101.4	105.1	110.8	105.3	103.6	99.3	101.8	102.8
Average premium - gross written ⁽¹⁾ (\$)	772	737	726	808	667	644	626	745	648
Annualized average earned premium ⁽¹⁾ (\$)	1,345	1,301	1,260	1,209	1,174	1,138	1,106	1,320	1,144
Annualized average earned premium ⁽¹⁾ (% change year-over-year)	14.9	14.3	13.9	10.1	7.2	3.4	0.4	15.4	4.3
Average underlying loss (incurred pure premium) ⁽¹⁾ (%) (2) ⁽¹⁾	1,007	1,082	1,055	1,078	961	921	834	1,090	915
Average underlying loss (incurred pure premium) ⁽¹⁾ (%) (3) change year-over-year	7.7	17.5	26.5	29.3	23.6	25.1	34.7	18.0	37.6
Average underlying loss (incurred pure premium) and expense ⁽¹⁾ (%) (3)	1,335	1,345	1,313	1,339	1,237	1,179	1,096	1,349	1,176
Renewal ratio ⁽¹⁾ (%)	84.9	85.0	85.7	86.0	87.0	87.5	87.5	85.4	87.3
National General									
Premiums written	\$ 1,564	\$ 1,448	\$ 1,523	\$ 1,214	\$ 1,156	\$ 1,096	\$ 1,254	\$ 4,535	\$ 3,508
Net premiums earned	1,435	1,349	1,248	1,197	1,129	1,095	1,008	4,032	3,232
Underwriting income (loss)	(103)	(132)	(14)	(85)	(93)	-	(10)	(249)	(103)
Combined ratio	107.2	109.8	101.1	105.4	108.2	100.0	101.0	106.2	103.2
Effect of catastrophe losses, non-catastrophe PYRR and APIA ⁽¹⁾	(10.4)	(13.7)	(7.1)	(6.8)	(11.4)	(6.6)	(5.6)	(10.9)	(8.0)
Underlying combined ratio⁽³⁾	96.8	96.1	94.0	100.6	96.8	93.4	95.4	95.3	95.2

⁽¹⁾ Average underlying loss per policy increased 9.7% in the first quarter of 2023, 12.5% in the second quarter of 2023 and 9.9% in the third quarter of 2023, from \$962 for the twelve months ended December 31, 2022.

⁽²⁾ Includes 2.0 points and 2.1 points in the third quarter and first nine months of 2023, respectively, and 2.6 points and 3.0 points in the third quarter and first nine months of 2022, respectively, related to the effect of amortization of purchased intangibles.

The Allstate Corporation
Homeowners Profitability Measures and Statistics

(\$ in millions, except ratios)

	Three months ended				Nine months ended				
	Sept. 30, 2023	June 30, 2023	March 31, 2023	Dec. 31, 2022	Sept. 30, 2022	June 30, 2022	March 31, 2022	Sept. 30, 2022	Sept. 30, 2022
Allstate Protection									
Premiums written	\$ 3,525	\$ 3,381	\$ 2,534	\$ 2,775	\$ 3,145	\$ 3,008	\$ 2,281	\$ 9,440	\$ 8,434
Net premiums earned	2,869	2,883	2,810	2,720	2,542	2,566	2,490	8,662	7,688
Underwriting income (loss)	(131)	(1,307)	(534)	197	266	(192)	400	(1,972)	474
Operating ratios and reconciliations to underlying ratios									
Loss ratio	82.4	125.0	98.5	70.4	67.4	84.5	61.8	101.8	71.3
Effect of catastrophe losses	(28.6)	(75.9)	(51.6)	(22.2)	(13.4)	(35.6)	(15.4)	(52.1)	(21.4)
Effect of non-catastrophe prior year reserve reestimates ("PYRR")	(1.5)	(1.4)	0.5	(0.7)	(1.9)	(1.9)	(0.1)	(0.9)	(1.3)
Underlying loss ratio *	<u>51.3</u>	<u>47.7</u>	<u>47.4</u>	<u>47.5</u>	<u>52.1</u>	<u>47.0</u>	<u>46.3</u>	<u>48.8</u>	<u>48.6</u>
Expense ratio	22.0	20.3	20.5	22.4	22.5	23.0	22.1	21.0	22.5
Effect of amortization of purchased intangibles	(0.4)	(0.4)	(0.3)	(0.4)	(0.5)	(0.5)	(0.4)	(0.4)	(0.5)
Underlying expense ratio *	<u>21.6</u>	<u>19.9</u>	<u>20.2</u>	<u>22.0</u>	<u>22.0</u>	<u>22.5</u>	<u>21.7</u>	<u>20.6</u>	<u>22.0</u>
Combined ratio	104.4	145.3	119.0	92.8	89.9	107.5	83.9	122.8	93.8
Effect of catastrophe losses	(28.6)	(75.9)	(51.6)	(22.2)	(13.4)	(35.6)	(15.4)	(52.1)	(21.4)
Effect of non-catastrophe PYRR	(1.5)	(1.4)	0.5	(0.7)	(1.9)	(1.9)	(0.1)	(0.9)	(1.3)
Effect of amortization of purchased intangibles ("APIA")	(0.4)	(0.4)	(0.3)	(0.4)	(0.5)	(0.5)	(0.4)	(0.4)	(0.5)
Underlying combined ratio *	<u>72.9</u>	<u>67.6</u>	<u>67.6</u>	<u>68.5</u>	<u>74.1</u>	<u>69.5</u>	<u>68.0</u>	<u>69.4</u>	<u>70.6</u>
Allstate brand									
Premiums written	\$ 3,118	\$ 2,937	\$ 2,210	\$ 2,448	\$ 2,803	\$ 2,665	\$ 2,020	\$ 8,265	\$ 7,488
Net premiums earned	2,813	2,537	2,488	2,408	2,350	2,281	2,210	7,638	6,841
Underwriting income (loss)	(69)	(1,195)	(508)	197	396	(132)	368	(1,772)	504
Combined ratio	102.6	147.1	120.4	91.8	88.6	105.8	83.3	123.2	92.8
Effect of catastrophe losses, non-catastrophe PYRR and APIA	(20.9)	(79.9)	(54.5)	(23.7)	(16.0)	(39.8)	(16.6)	(54.9)	(23.8)
Underlying combined ratio *	<u>71.7</u>	<u>67.2</u>	<u>65.9</u>	<u>68.1</u>	<u>72.6</u>	<u>67.0</u>	<u>66.7</u>	<u>68.3</u>	<u>68.8</u>
Average premium - gross written (\$)	1,851	1,800	1,706	1,668	1,635	1,590	1,554	1,792	1,596
Renewal ratio (%)	86.8	86.3	86.3	86.7	87.4	86.9	86.2	86.5	86.9
National General									
Premiums written	\$ 407	\$ 444	\$ 324	\$ 327	\$ 342	\$ 343	\$ 281	\$ 1,175	\$ 946
Net premiums earned	356	346	322	312	292	285	280	1,024	857
Underwriting income (loss)	(62)	(112)	(28)	-	(2)	(60)	32	(200)	(30)
Combined ratio	117.4	132.4	108.1	100.0	100.7	121.1	88.6	119.5	103.5
Effect of catastrophe losses, non-catastrophe PYRR and APIA ⁽¹⁾	(35.7)	(61.9)	(27.4)	(20.2)	(13.7)	(31.8)	(10.7)	(41.9)	(18.7)
Underlying combined ratio *	<u>81.7</u>	<u>70.5</u>	<u>80.7</u>	<u>79.8</u>	<u>87.0</u>	<u>89.5</u>	<u>77.9</u>	<u>77.6</u>	<u>84.8</u>

⁽¹⁾ Includes 1.7 points and 1.5 points in the third quarter and first nine months of 2023, respectively, and 3.1 points and 2.9 points in the third quarter and first nine months of 2022, 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, 2023	June 30, 2023	March 31, 2023	Dec. 31, 2022	Sept. 30, 2022	June 30, 2022	March 31, 2022	Sept. 30, 2022	Sept. 30, 2022
Protection Services									
Net premiums written	\$ 658	\$ 658	\$ 619	\$ 742	\$ 657	\$ 670	\$ 630	\$ 1,935	\$ 1,957
Premiums earned	\$ 569	\$ 549	\$ 538	\$ 520	\$ 504	\$ 488	\$ 483	\$ 1,556	\$ 1,475
Other revenue	75	84	84	78	84	91	94	243	269
Intersegment insurance premiums and service fees	34	35	33	31	39	38	41	102	118
Net investment income	19	18	16	14	13	12	9	53	34
Claims and claims expense	(166)	(153)	(153)	(140)	(141)	(128)	(123)	(472)	(392)
Amortization of deferred policy acquisition costs	(269)	(259)	(251)	(243)	(236)	(228)	(221)	(779)	(685)
Operating costs and expenses	(225)	(218)	(221)	(229)	(214)	(213)	(216)	(664)	(645)
Restructuring and related charges	(3)	-	(1)	(1)	(1)	-	-	(4)	(1)
Income tax (expense) benefit on operations	(8)	(15)	(11)	6	(13)	(16)	(12)	(34)	(41)
Less: net income (loss) attributable to noncontrolling interest	(1)	-	-	(2)	-	1	-	(1)	1
Adjusted net income⁽¹⁾	27	41	34	36	35	43	53	102	131
Depreciation	6	6	6	6	6	6	6	18	18
Restructuring and related charges	3	-	1	1	1	-	-	4	1
Income tax expense (benefit) on operations	8	15	11	(6)	12	16	12	34	41
Adjusted earnings before taxes, depreciation and restructuring^a	\$ 44	\$ 62	\$ 52	\$ 39	\$ 55	\$ 65	\$ 71	\$ 158	\$ 191
Allstate Protection Plans									
Net premiums written	\$ 487	\$ 481	\$ 439	\$ 570	\$ 452	\$ 456	\$ 429	\$ 1,407	\$ 1,337
Premiums earned	\$ 392	\$ 373	\$ 361	\$ 345	\$ 330	\$ 318	\$ 313	\$ 1,126	\$ 961
Revenue ^a	416	399	385	367	349	338	329	1,200	1,016
Claims and claims expense	(116)	(106)	(105)	(94)	(92)	(82)	(77)	(327)	(251)
Amortization of deferred policy acquisition costs	(159)	(148)	(141)	(134)	(128)	(123)	(119)	(448)	(371)
Other costs and expenses ^a	(114)	(103)	(103)	(102)	(90)	(83)	(80)	(320)	(253)
Restructuring and related charges	(1)	-	-	(1)	-	-	-	(1)	-
Income tax (expense) benefit on operations	(7)	(11)	(8)	4	(8)	(13)	(10)	(28)	(32)
Less: net income (loss) attributable to noncontrolling interest	(1)	-	-	(2)	-	1	-	(3)	1
Adjusted net income	\$ 20	\$ 31	\$ 28	\$ 42	\$ 29	\$ 36	\$ 43	\$ 79	\$ 108
Allstate Dealer Services									
Revenue	\$ 146	\$ 148	\$ 148	\$ 145	\$ 143	\$ 139	\$ 135	\$ 442	\$ 417
Adjusted net income	5	6	7	8	10	8	9	18	27
Allstate Roadside									
Revenue	\$ 69	\$ 66	\$ 64	\$ 64	\$ 65	\$ 64	\$ 65	\$ 199	\$ 194
Adjusted net income	7	6	4	3	1	1	2	17	4
Arly									
Revenue	\$ 29	\$ 35	\$ 37	\$ 33	\$ 49	\$ 52	\$ 62	\$ 101	\$ 163
Adjusted net loss	(6)	(3)	(4)	(7)	(2)	(1)	(1)	(13)	(4)
Allstate Identity Protection									
Revenue	\$ 37	\$ 38	\$ 37	\$ 34	\$ 34	\$ 36	\$ 36	\$ 112	\$ 106
Adjusted net income (loss)	1	1	(1)	(8)	(3)	(1)	-	1	(4)

⁽¹⁾ Adjusted net income is the GAAP segment measure.

The Allstate Corporation
Allstate Health and Benefits Segment Results and Other Statistics ⁽¹⁾

(\$ in millions)

	Three months ended								Nine months ended	
	Sept. 30, 2023	June 30, 2023	March 31, 2023	Dec. 31, 2022	Sept. 30, 2022	June 30, 2022	March 31, 2022	Sept. 30, 2022	Sept. 30, 2022	
	Allstate Health and Benefits									
Accident and health insurance premiums and contract charges	\$ 463	\$ 453	\$ 463	\$ 436	\$ 463	\$ 465	\$ 468	\$ 1,379	\$ 1,396	
Other revenue ⁽²⁾	104	101	101	125	90	92	95	306	277	
Net investment income	20	21	19	19	17	16	17	65	50	
Accident, health and other policy benefits	(262)	(258)	(265)	(257)	(252)	(265)	(268)	(785)	(785)	
Amortization of deferred policy acquisition costs	(39)	(34)	(41)	(29)	(33)	(35)	(39)	(114)	(107)	
Operating costs and expenses	(197)	(210)	(203)	(220)	(207)	(185)	(202)	(610)	(594)	
Restructuring and related charges	(2)	-	(4)	(1)	1	(2)	-	(6)	(1)	
Income tax expense on operations	(18)	(16)	(14)	(15)	(16)	(19)	(14)	(48)	(49)	
Adjusted net income [*]	\$ 66	\$ 97	\$ 96	\$ 58	\$ 63	\$ 67	\$ 57	\$ 162	\$ 137	
Interest credited to contractholder funds	(8)	(9)	(8)	(8)	(8)	(9)	(8)	(25)	(25)	
Benefit ratio [*]	54.9%	55.0%	55.5%	57.1%	52.7%	55.1%	55.6%	55.1%	54.4%	
Premiums and contract charges										
Employer voluntary benefits [*]	\$ 253	\$ 245	\$ 295	\$ 256	\$ 257	\$ 257	\$ 263	\$ 753	\$ 777	
Group health [*]	111	110	107	100	96	94	94	328	285	
Individual health [*]	99	98	101	80	110	113	111	296	334	
Total	\$ 463	\$ 453	\$ 463	\$ 436	\$ 463	\$ 465	\$ 468	\$ 1,379	\$ 1,396	

⁽¹⁾ 2022 periods have been recast to reflect the impact of the adoption of the FASB guidance revising the accounting for certain long-duration insurance contracts.
⁽²⁾ Reflects commission revenue, administrative fees, agency fees and technology fees from the group health and individual health business.

The Allstate Corporation
Corporate and Other Segment Results

(\$ in millions)

	Three months ended				Nine months ended				
	Sept. 30, 2023	June 30, 2023	March 31, 2023	Dec. 31, 2022	Sept. 30, 2022	June 30, 2022	March 31, 2022	Sept. 30, 2022	Sept. 30, 2022
Other revenue	\$ 20	\$ 23	\$ 23	\$ 23 ⁽¹⁾	\$ 23	\$ 25	\$ 24	\$ 66	\$ 72
Net investment income	23	27	31	30	28	28	10	81	66
Operating costs and expenses	(30)	(45) ⁽¹⁾	(44)	(53)	(65)	(72)	(59)	(132) ⁽¹⁾	(159)
Restructuring and related charges	(8)	(1)	(1)	(2)	-	(1)	-	(10)	(1)
Interest expense	(88)	(88)	(85)	(86)	(83)	(82)	(83)	(272)	(249)
Income tax benefit on operations	18	20	19	24	19	26	23	56	68
Preferred stock dividends	(36)	(37)	(26)	(20)	(26)	(27)	(26)	(86)	(79)
Adjusted net loss ⁽²⁾	\$ (110)	\$ (111)	\$ (89)	\$ (100)	\$ (102)	\$ (107)	\$ (111)	\$ (310)	\$ (322)

⁽¹⁾ Excludes settlement costs for non-recurring litigation that is outside of the ordinary course of business.

⁽²⁾ Excludes \$83 million related to the gain on sale of headquarters in the fourth quarter of 2022 reported as other revenue.

The Allstate Corporation
Investment Position and Results

(\$ in millions)

	As of or for the three months ended								
	Sept. 30, 2023	June 30, 2023	March 31, 2023	Dec. 31, 2022	Sept. 30, 2022	June 30, 2022	March 31, 2022	Sept. 30, 2021	Sept. 30, 2022
Investment position									
Fixed income securities, at fair value	\$ 46,771	\$ 45,500	\$ 44,103	\$ 42,485	\$ 41,715	\$ 41,282	\$ 40,745	\$ 46,771	\$ 41,715
Equity securities *	2,419	2,290	2,174	4,587	4,723	4,681	5,335	2,419	4,723
Mortgage loans, net	830	823	781	782	833	848	855	830	833
Limited partnership interests *	8,363	8,150	7,971	8,114	7,907	7,943	7,977	8,363	7,907
Short-term, at fair value	3,368	5,137	6,722	4,173	4,030	4,384	4,344	3,368	4,030
Other investments, net	1,608	1,718	1,724	1,728	1,788	1,917	2,522	1,608	1,788
Total	\$ 63,359	\$ 63,588	\$ 63,475	\$ 61,887	\$ 61,006	\$ 61,955	\$ 61,768	\$ 63,359	\$ 61,006
Net investment income									
Fixed income securities	\$ 457	\$ 422	\$ 390	\$ 366	\$ 323	\$ 299	\$ 267	\$ 1,269	\$ 889
Equity securities	15	21	11	32	30	34	36	47	108
Mortgage loans	9	8	8	8	8	8	8	25	25
Limited partnership interests	190	122	134	144	325	224	292	446	841
Short-term investments	59	68	66	69	30	10	2	184	42
Other investments	41	39	41	42	38	42	40	121	120
Investment income, before expense	711	661	650	652	754	618	645	2,102	2,017
Investment expense	(82)	(71)	(75)	(75)	(64)	(66)	(81)	(228)	(171)
Net investment income	\$ 629	\$ 610	\$ 575	\$ 577	\$ 690	\$ 562	\$ 564	\$ 1,874	\$ 1,846
Pre-tax yields on fixed income securities *	3.7 %	3.6 %	3.4 %	3.2 %	2.9 %	2.8 %	2.6 %	3.6 %	2.7 %
Net gains (losses) on investments and derivatives, pre-tax by transaction type									
Sales	\$ (83)	\$ (130)	\$ (130)	\$ (227)	\$ (175)	\$ (303)	\$ (127)	\$ (313)	\$ (605)
Credit losses	(20)	(27)	(12)	(24)	(8)	(13)	(11)	(89)	(20)
Valuation change of equity investments	(34)	23	198	361	(285)	(899)	(447)	187	(1,421)
Valuation change and settlements of derivatives	31	(7)	(52)	(155)	299	272	318	(28)	895
Total	\$ (86)	\$ (151)	\$ 14	\$ 95	\$ (187)	\$ (733)	\$ (287)	\$ (223)	\$ (1,187)
Total return on investment portfolio *									
Net investment income	1.1 %	1.0 %	0.9 %	0.9 %	1.1 %	0.9 %	0.9 %	3.0 %	3.0 %
Valuation-changes bearing	(1.5)	(0.8)	1.1	1.0	(1.4)	(2.4)	(2.1)	(1.2)	(7.2)
Valuation-equity investments	-	-	0.4	0.6	(0.5)	(1.1)	(0.6)	0.3	(2.2)
Total	(0.4) %	0.2 %	2.4 %	2.5 %	(0.8) %	(2.6) %	(2.8) %	2.1 %	(6.4) %
Fixed income securities portfolio duration * (in years)	4.5	4.4	4.0	3.6	3.6	3.8	3.8	3.8	3.8
Fixed income securities portfolio duration including interest rate derivative positions (in years)	4.6	4.4	4.0	3.4	3.0	3.2	3.1	3.1	3.1
Fixed income and short-term investments duration including interest rate derivative positions (in years)	4.3	3.9	3.5	3.1	2.9	2.9	2.8	2.8	2.8

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, 2023	June 30, 2023	March 31, 2023	Dec. 31, 2022	Sept. 30, 2022	June 30, 2022	March 31, 2022	Sept. 30, 2023	Sept. 30, 2022
Investment Position									
Market-based ⁽¹⁾									
Interest-bearing investments ⁽¹⁾	\$ 51,861	\$ 52,191	\$ 52,337	\$ 48,114	\$ 47,364	\$ 47,457	\$ 47,480	\$ 51,661	\$ 47,364
Equity securities	1,986	1,800	1,765	4,112	4,263	4,269	4,915	1,986	4,263
LP and other alternative investments ⁽¹⁾	198	201	214	519	489	485	548	198	469
Total	\$ 53,845	\$ 54,242	\$ 54,316	\$ 52,745	\$ 52,116	\$ 52,201	\$ 52,943	\$ 53,845	\$ 52,116
Performance-based ⁽¹⁾									
Private equity ⁽¹⁾	\$ 7,331	\$ 7,381	\$ 7,168	\$ 6,985	\$ 6,890	\$ 6,996	\$ 6,943	\$ 7,251	\$ 6,990
Real estate	1,963	2,045	1,991	2,119	1,910	1,858	1,882	1,963	1,910
Total	\$ 9,514	\$ 9,426	\$ 9,159	\$ 9,084	\$ 8,890	\$ 8,854	\$ 8,825	\$ 9,514	\$ 8,890
Investment income									
Market-based									
Interest-bearing investments	\$ 548	\$ 519	\$ 481	\$ 432	\$ 378	\$ 338	\$ 296	\$ 1,548	\$ 1,008
Equity securities	15	16	14	34	25	29	26	45	80
LP and other alternative investments	8	3	13	—	5	4	3	24	12
Investment income, before expense	569	538	508	466	408	369	325	1,617	1,100
Investee level expenses	(2)	(2)	(1)	(2)	(4)	(1)	(2)	(5)	(7)
Income for yield calculation	\$ 567	\$ 536	\$ 507	\$ 464	\$ 402	\$ 368	\$ 323	\$ 1,610	\$ 1,093
Pre-tax yield	4.0 %	3.8 %	3.6 %	3.3 %	2.9 %	2.7 %	2.4 %	3.8 %	2.7 %
Performance-based									
Private equity	\$ 131	\$ 112	\$ 105	\$ 110	\$ 311	\$ 129	\$ 248	\$ 348	\$ 688
Real estate	71	31	37	56	37	120	72	139	229
Investment income, before expense	202	143	142	166	348	249	320	487	917
Investee level expenses	(16)	(16)	(16)	(19)	(13)	(13)	(14)	(48)	(40)
Income for yield calculation	\$ 186	\$ 127	\$ 126	\$ 147	\$ 335	\$ 236	\$ 306	\$ 439	\$ 877
Pre-tax yield	7.9 %	5.5 %	5.5 %	6.5 %	15.2 %	10.7 %	14.1 %	6.3 %	13.3 %
Total return on investments portfolio									
Market-based	(0.8) %	0.1 %	2.6 %	2.8 %	(1.5) %	(3.7) %	(3.8) %	1.9 %	(9.0) %
Performance-based	2.8	1.0	1.6	0.9	3.6	3.1	4.0	5.4	10.7
Internal rate of return ⁽¹⁾									
Performance-based									
10 year	12.5 %	12.6 %	12.7 %	12.9 %	13.0 %	13.0 %	13.0 %		
5 year	12.2	12.1	12.1	13.1	13.3	14.1	13.9		
3 year	19.3	19.6	16.0	15.7	14.9	15.2	15.0		
1 year	5.7	4.2	5.9	11.2	17.4	24.6	27.7		

⁽¹⁾ Includes infrastructure investments of \$1.12 billion as of September 30, 2023.

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:

- Net gains and losses on investments and derivatives
- Pension and other postretirement remeasurement gains and losses
- Amortization or impairment of purchased intangibles
- Gain or loss on disposition
- 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 net gains and losses on investments and derivatives, pension and other postretirement remeasurement gains and losses, amortization or impairment of purchased intangibles, gain or loss on disposition and adjustments for other significant non-recurring, infrequent or unusual items and the related tax expense or benefit of these items. Net gains and losses on investments and derivatives, 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. Gain or loss on disposition is excluded because it is 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".

Average underlying loss (incurred pure premium) and average underlying loss (incurred pure premium) and expense per policy are calculated as the underlying loss ratio and the underlying combined ratio (non-GAAP ratios), respectively, multiplied by the annualized GAAP earned premium ("annualized average earned premium"). We believe that this measure is useful to investors, and it is used by management for the same reasons noted above for the underlying loss and underlying combined ratios. The components of the calculation are available on the "Auto Profitability Measures and Statistics" page.

Definitions of Non-GAAP Measures (continued)

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 and 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 advertising expense, restructuring and related charges and amortization or impairment of purchased intangibles. 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. 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 the 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".

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 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 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 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, commercial lines and other business lines insurance products, as well as consumer product protection plans, roadside assistance and finance and insurance products.

Property-Liability

Annualized average earned premium is calculated by annualizing net earned premium reported in the quarter and year-to-date divided by policies in force at quarter end.

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.

Other business lines primarily represent commissions earned and other costs and expenses for venture, non-proprietary life and annuity products, and tender-placed products and related services.

Renewal ratio: Renewal policy term counts issued during the period, based on contract effective dates, divided by the total policy term 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 accident, health and other policy benefits less interest credited to contractholder funds, divided by premiums and contract charges.

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

Group health includes health products and administrative services sold to employees.

Individual health includes short-term medical and other health 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 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 value of the investments at each date. 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 investee financial statements.

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, including infrastructure investments, and real estate, most of which were limited partnerships.

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 expenses). 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, net gains and losses on investments and derivative instruments, the change in unrealized net capital gains and losses, and the change in the difference between fair value and carrying value of mortgage and bank loans divided by the average fair value balances.

