

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): August 4, 2020

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.)

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

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

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

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

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

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

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 August 4, 2020, announcing its financial results for the second quarter of 2020, and the Registrant's second quarter 2020 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 August 4, 2020](#)
- 99.2 [Second quarter 2020 Investor Supplement of The Allstate Corporation](#)
- 104 Cover Page Interactive Data File (formatted as inline XBRL).



FOR IMMEDIATE RELEASE

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Allstate Quickly Adapts to Pandemic and Delivers Excellent Operating Results

NORTHBROOK, Ill., August 4, 2020 – The Allstate Corporation (NYSE: ALL) today reported financial results for the second quarter of 2020.

The Allstate Corporation Consolidated Highlights						
(\$ in millions, except per share data and ratios)	Three months ended June 30,			Six months ended June 30,		
	2020	2019	% / pts Change	2020	2019	% / pts Change
Consolidated revenues	\$ 11,197	\$ 11,144	0.5	\$ 21,273	\$ 22,134	(3.9)
Net income applicable to common shareholders	1,224	821	49.1	1,737	2,082	(16.6)
per diluted common share	3.86	2.44	58.2	5.43	6.17	(12.0)
Adjusted net income*	780	735	6.1	1,920	1,511	27.1
per diluted common share*	2.46	2.18	12.8	6.00	4.48	33.9
Return on common shareholders' equity (trailing twelve months)						
Net income applicable to common shareholders				18.2%	11.2%	7.0
Adjusted net income*				17.9%	13.5%	4.4
Book value per common share				79.21	67.28	17.7
Property-Liability combined ratio						
Recorded	89.8	95.8	(6.0)	87.3	93.8	(6.5)
Underlying combined ratio*	76.8	84.4	(7.6)	79.5	84.3	(4.8)
Property-Liability insurance premiums earned	8,863	8,681	2.1	17,744	17,188	3.2
Catastrophe losses	1,186	1,072	10.6	1,397	1,752	(20.3)
Shelter-in-Place Payback expense	738	—	NA	948	—	NA
Total policies in force (in thousands)				167,540	130,131	28.7

* 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.

NA = not applicable

"Allstate's strong results reflect a resilient strategy and rapid adaptation to the coronavirus pandemic," said Tom Wilson, Chair, President and CEO of The Allstate Corporation. "Customer satisfaction increased as we maintained high service levels and helped customers, including almost \$1.0 billion in Shelter-in-Place Payback, payment deferrals and extended coverage. The Allstate brand personal property-liability Transformative Growth Plan is gaining momentum with broader customer access and continued expense ratio reductions, excluding the impacts of customer-facing coronavirus programs. Allstate Protection Plans continued its rapid growth through major retailers with policies in force increasing 43% from the prior year to over 120 million. The independent agent personal property-liability business' strategic position will be significantly improved with the pending acquisition of National General Holdings Corp., which will be accretive to earnings."

"Financial results for the quarter were excellent, with revenues of \$11.2 billion generating net income of \$1.2 billion and adjusted net income* of \$2.46 per common share. The Property-Liability combined ratio was 89.8 in the second quarter, which more than offset the negative pandemic impact on reported investment income and life mortality. The total return on the \$89.6 billion investment portfolio was 5.0% in the quarter and 5.7% over the last 12 months. Allstate Protection Plans' adjusted net income of \$35 million in the quarter was 84% higher than the prior year quarter. Shareholders also benefited from the 17.9% adjusted net income return on equity* with \$563 million of dividends and share repurchases in the quarter," concluded Wilson.

Second Quarter 2020 Results

- Total revenue of \$11.2 billion in the second quarter of 2020 increased 0.5% compared to the prior year quarter, primarily driven by net realized capital gains of \$704 million, compared to \$324 million in the second quarter of 2019 and a 2.1% increase in Property-Liability insurance premiums earned. Net investment income decreased 56.6% in the second quarter on lower performance-based portfolio results.
- Net income applicable to common shareholders was \$1.22 billion, or \$3.86 per diluted share, in the second quarter of 2020, compared to net income of \$821 million, or \$2.44 per diluted share, in the second quarter of 2019, primarily due to increased underwriting income and higher net realized capital gains. Adjusted net income* of \$780 million, or \$2.46 per diluted share, was 6.1% above the prior year quarter, primarily due to improved underlying loss experience in auto insurance, partially offset by the Shelter-in-Place Payback expense, lower net investment income and higher catastrophe losses.

Property-Liability Results						
(\$ in millions, except ratios)	Three months ended June 30,			Six months ended June 30,		
	2020	2019	% / pts Change	2020	2019	% / pts Change
Premiums written	9,172	9,043	1.4%	17,764	17,370	2.3%
Underwriting income	904	367	146.3	2,249	1,067	110.8
Recorded Combined Ratio	89.8	95.8	(6.0)	87.3	93.8	(6.5)
Allstate Brand Auto	83.9	92.8	(8.9)	86.0	91.6	(5.6)
Allstate Brand Homeowners	106.1	104.3	1.8	88.6	98.3	(9.7)
Esurance Brand	86.2	100.6	(14.4)	91.3	100.0	(8.7)
Encompass Brand	97.6	97.2	0.4	96.1	99.0	(2.9)
Underlying Combined Ratio*	76.8	84.4	(7.6)	79.5	84.3	(4.8)
Allstate Brand Auto	82.5	91.1	(8.6)	85.1	90.7	(5.6)
Allstate Brand Homeowners	60.1	62.1	(2.0)	61.0	62.9	(1.9)
Esurance Brand	82.4	96.2	(13.8)	89.0	96.8	(7.8)
Encompass Brand	74.7	89.8	(15.1)	82.3	89.2	(6.9)

- Property-Liability** written premium of \$9.17 billion increased 1.4% in the second quarter of 2020 compared to the prior year, driven by premium and policy growth in Allstate brand personal lines. The recorded combined ratio of 89.8 in the second quarter of 2020 generated underwriting income of \$904 million, an increase of \$537 million compared to the prior year quarter, primarily due to a decline in auto losses from fewer accidents and increased premiums earned, partially offset by the Shelter-in-Place Payback expense and higher catastrophe losses.
 - In response to the coronavirus pandemic, Allstate extended the Shelter-in-Place Payback to auto insurance customers through June 30, 2020, recording \$738 million of the total \$948 million expense in the second quarter of 2020. Allstate also extended auto insurance coverage to customers using their personal vehicles for commercial purposes and offered auto and homeowners insurance customers more flexible payment options, including the option to delay payments without penalty.
 - The underlying combined ratio* of 76.8 for the second quarter of 2020 was 7.6 points below the prior year quarter, reflecting higher premiums earned and lower non-catastrophe losses. This was partially offset by the Shelter-in-Place Payback and increased bad debt from billing flexibility options, which increased the

second quarter expense ratio by 8.3 points and 0.5 points, respectively. Excluding these impacts, the expense ratio improved by 0.5 points to 23.0, compared to the prior year quarter.

- **Allstate brand auto** insurance net written premium grew 1.8%, and policies in force increased 0.8% in the second quarter of 2020 compared to the prior year quarter. The recorded combined ratio of 83.9 in the second quarter of 2020 was 8.9 points below the prior year quarter, and the underlying combined ratio* of 82.5 in the quarter was 8.6 points below the second quarter of 2019, primarily due to higher premiums earned and lower loss costs from reduced miles driven. This was partially offset by an 11.9-point impact from the Shelter-in-Place Payback and a 0.5-point impact from higher bad debt expense related to special payment plans.
- **Allstate brand homeowners** insurance net written premium grew 3.3%, and policies in force increased 1.0% in the second quarter of 2020 compared to the prior year quarter. The recorded combined ratio of 106.1 in the second quarter of 2020 was 1.8 points above the second quarter of 2019, primarily driven by higher catastrophe losses. The underlying combined ratio* of 60.1 was 2.0 points better than the prior year quarter, primarily due to lower underlying loss and expense ratios.
- **Esurance brand** net written premium increased 3.0% in the second quarter of 2020 compared to the prior year quarter as higher average premiums were partially offset by a decline in auto policies in force. The recorded combined ratio of 86.2 in the second quarter of 2020 was 14.4 points below the prior year quarter due to lower auto losses from fewer accidents, partially offset by the Shelter-in-Place Payback and higher bad debt expense. The underlying combined ratio* of 82.4 was 13.8 points lower than the second quarter of 2019.
- **Encompass brand** net written premium decreased 5.4% in the second quarter of 2020 compared to the prior year quarter driven by a decline in policies in force, partially offset by higher average premiums. The recorded combined ratio of 97.6 in the second quarter of 2020 was 0.4 points higher than the prior year quarter, primarily driven by higher catastrophe losses. The underlying combined ratio* of 74.7 in the second quarter was 15.1 points lower than the prior year quarter, driven by lower auto insurance losses from fewer accidents, partially offset by the Shelter-in-Place Payback.

Allstate Investment Results						
(\$ in millions, except ratios)	Three months ended June 30,			Six months ended June 30,		
	2020	2019	% / pts Change	2020	2019	% / pts Change
Net investment income	\$ 409	\$ 942	(56.6)	\$ 830	\$ 1,590	(47.8)
Market-based investment income ⁽¹⁾	654	731	(10.5)	1,328	1,424	(6.7)
Performance-based investment (loss) income ⁽¹⁾	(211)	261	NM	(419)	267	NM
Realized capital gains (losses)	704	324	117.3	242	986	(75.5)
Change in unrealized net capital gains and losses, pre-tax	2,997	1,104	171.5	1,160	2,439	(52.4)
Total return on investment portfolio	5.0%	2.8%	2.2	2.6%	6.1%	(3.5)
Total return on investment portfolio (trailing twelve months)				5.7%	7.0%	(1.3)

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

NM = not meaningful

- **Allstate Investments** \$89.6 billion portfolio generated net investment income of \$409 million in the second quarter of 2020, a decrease of \$533 million from the prior year quarter, primarily due to lower performance-based results.

- **Market-based investments** contributed \$654 million of investment income in the second quarter of 2020, a decrease of \$77 million, or 10.5%, compared to the prior year quarter, due to lower interest-bearing portfolio yields.
- **Performance-based investment** losses were \$211 million in the second quarter of 2020, compared to income of \$261 million in the prior year quarter. Losses of \$419 million year-to-date include losses

recorded in the first quarter of 2020 that normally would have been recognized in the second quarter of 2020.

- **Net realized capital gains** were \$704 million in the second quarter of 2020, compared to \$324 million in the prior year quarter, driven mainly by higher equity valuations.
- **Unrealized net capital gains** increased \$3.0 billion from the first quarter of 2020, as fixed income valuations increased, reflecting tighter credit spreads.
- **Total return** on the investment portfolio was 5.0% for the quarter, reflecting higher valuations for interest-bearing and equity investments.

Allstate Life, Benefits and Annuities Results						
(\$ in millions)	Three months ended June 30,			Six months ended June 30,		
	2020	2019	% Change	2020	2019	% Change
Premiums and Contract Charges						
Allstate Life	\$ 339	\$ 333	1.8 %	\$ 672	\$ 670	0.3 %
Allstate Benefits	263	284	(7.4)	545	572	(4.7)
Allstate Annuities	2	4	(50.0)	4	7	(42.9)
Adjusted Net Income (Loss)						
Allstate Life	\$ 72	\$ 68	5.9 %	\$ 152	\$ 141	7.8 %
Allstate Benefits	5	37	(86.5)	29	68	(57.4)
Allstate Annuities	(111)	52	NM	(250)	27	NM

- **Allstate Life** adjusted net income was \$72 million in the second quarter of 2020, a \$4 million increase from the prior year quarter, driven by lower operating expenses partially offset by higher contract benefits due to coronavirus death claims.
- **Allstate Benefits** premium declined 7.4% compared to the prior year quarter, primarily driven by the non-renewal of a large underperforming account in the fourth quarter of 2019, lower sales and economic impacts from the coronavirus. Adjusted net income of \$5 million in the second quarter of 2020 was \$32 million lower than the prior year quarter, driven by a \$32 million, after-tax, write-off of capitalized software costs associated with a billing system.
- **Allstate Annuities** adjusted net loss was \$111 million in the second quarter of 2020, compared to adjusted net income of \$52 million in the prior year quarter, primarily due to lower performance-based investment results.

Service Businesses Results						
(\$ in millions)	Three months ended June 30,			Six months ended June 30,		
	2020	2019	% / \$ Change	2020	2019	% / \$ Change
Total Revenues	\$ 476	\$ 405	17.5 %	\$ 906	\$ 797	13.7 %
Allstate Protection Plans	241	170	41.8	441	334	32.0
Allstate Dealer Services	128	114	12.3	240	221	8.6
Allstate Roadside Services	53	73	(27.4)	113	146	(22.6)
Arity	26	25	4.0	56	49	14.3
Allstate Identity Protection	28	23	21.7	56	47	19.1
Adjusted Net Income (Loss)	\$ 38	\$ 16	\$ 22	\$ 75	\$ 27	\$ 48
Allstate Protection Plans	35	19	16	69	33	36
Allstate Dealer Services	8	7	1	15	13	2
Allstate Roadside Services	2	(3)	5	4	(9)	13
Arity	(3)	(1)	(2)	(6)	(3)	(3)
Allstate Identity Protection	(4)	(6)	2	(7)	(7)	—

- **Service Businesses** policies in force grew to 127.3 million, and revenues increased to \$476 million in the second quarter of 2020, 17.5% higher than the prior year quarter. Adjusted net income of \$38 million increased by \$22 million compared to the prior year quarter, primarily due to growth at Allstate Protection Plans and improved results at Allstate Roadside Services.
 - **Allstate Protection Plans** revenue of \$241 million increased \$71 million (41.8%) due to policy growth of 36.3 million (43.3%) compared to the prior year quarter. Adjusted net income of \$35 million in the second quarter of 2020 was \$16 million higher than the prior year quarter due to increased revenue and improved loss experience.
 - **Allstate Dealer Services** revenue of \$128 million was 12.3% higher than the second quarter of 2019. Adjusted net income of \$8 million was \$1 million higher than the prior year quarter, reflecting lower losses from fewer claims.
 - **Allstate Roadside Services** revenue of \$53 million in the second quarter of 2020 decreased 27.4% compared to the second quarter of 2019, primarily reflecting declines in wholesale business. Adjusted net income of \$2 million in the second quarter was \$5 million higher than the prior year quarter, driven by improved loss experience and lower operating expenses.
 - **Arity** revenue was \$26 million in the second quarter of 2020, primarily from contracts with affiliates. The adjusted net loss of \$3 million in the quarter includes investments in capabilities and growth.
 - **Allstate Identity Protection** had revenue of \$28 million and an adjusted net loss of \$4 million in the second quarter of 2020 related to growth and integration expenses. Policies in force of 2.3 million reflect an increase of 1.1 million from the prior year quarter and include subscribers receiving free service for the remainder of 2020.

Proactive Capital Management

"Allstate's strong capital position and earnings power enable us to invest in profitable growth and provide ongoing cash returns to our shareholders," said Mario Rizzo, Chief Financial Officer. "In the second quarter, we returned \$563 million in cash to shareholders through \$172 million in common shareholder dividends and the repurchase of \$391 million in common shares. We also announced an agreement to acquire National General Holdings Corp., which will enhance our strategic position in the independent agent channel. The acquisition will not impact our \$3 billion share repurchase program, which is expected to be completed by the end of 2021."

Visit www.allstateinvestors.com to view additional information about Allstate's results, including a webcast of its quarterly conference call and the call presentation. The conference call will be held at 9 a.m. ET on Wednesday, August 5. 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)

	June 30, 2020	December 31, 2019
Assets		
Investments:		
Fixed income securities, at fair value (amortized cost, net \$60,534 and \$56,293)	\$ 64,448	\$ 59,044
Equity securities, at fair value (cost \$3,817 and \$6,568)	4,212	8,162
Mortgage loans, net	4,774	4,817
Limited partnership interests	6,941	8,078
Short-term, at fair value (amortized cost \$5,343 and \$4,256)	5,344	4,256
Other, net	3,918	4,005
Total investments	89,637	88,362
Cash	547	338
Premium installment receivables, net	6,367	6,472
Deferred policy acquisition costs	4,683	4,699
Reinsurance and indemnification recoverables, net	9,290	9,211
Accrued investment income	605	600
Property and equipment, net	1,100	1,145
Goodwill	2,544	2,545
Other assets, net	3,587	3,534
Separate Accounts	2,906	3,044
Total assets	\$ 121,266	\$ 119,950
Liabilities		
Reserve for property and casualty insurance claims and claims expense	\$ 27,426	\$ 27,712
Reserve for life-contingent contract benefits	12,471	12,300
Contractholder funds	17,396	17,692
Unearned premiums	15,448	15,343
Claim payments outstanding	882	929
Deferred income taxes	842	1,154
Other liabilities and accrued expenses	10,275	9,147
Long-term debt	6,634	6,631
Separate Accounts	2,906	3,044
Total liabilities	94,280	93,952
Shareholders' equity		
Preferred stock and additional capital paid-in, \$1 par value, 25 million shares authorized, 81.0 thousand and 92.5 thousand shares issued and outstanding, \$2,025 and \$2,313 aggregate liquidation preference	1,970	2,248
Common stock, \$.01 par value, 3.0 billion shares authorized and 900 million issued, 313 million and 319 million shares outstanding	9	9
Additional capital paid-in	3,541	3,463
Retained income	49,380	48,074
Treasury stock, at cost (587 million and 581 million shares)	(30,542)	(29,746)
Accumulated other comprehensive income:		
Unrealized net capital gains and losses on fixed income securities with credit losses	(1)	70
Other unrealized net capital gains and losses	3,079	2,094
Unrealized adjustment to DAC, DSI and insurance reserves	(476)	(277)
Total unrealized net capital gains and losses	2,602	1,887
Unrealized foreign currency translation adjustments	(89)	(59)
Unamortized pension and other postretirement prior service credit	115	122
Total accumulated other comprehensive income	2,628	1,950
Total shareholders' equity	26,986	25,998
Total liabilities and shareholders' equity	\$ 121,266	\$ 119,950

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

(\$ in millions, except per share data)

	Three months ended June 30,		Six months ended June 30,	
	2020	2019	2020	2019
Revenues				
Property and casualty insurance premiums	\$ 9,223	\$ 8,986	\$ 18,458	\$ 17,788
Life premiums and contract charges	604	621	1,221	1,249
Other revenue	257	271	522	521
Net investment income	409	942	830	1,590
Realized capital gains (losses)	704	324	242	986
Total revenues	11,197	11,144	21,273	22,134
Costs and expenses				
Property and casualty insurance claims and claims expense	5,222	6,356	10,563	12,176
Shelter-in-Place Payback expense	738	—	948	—
Life contract benefits	497	511	998	1,008
Interest credited to contractholder funds	200	156	332	318
Amortization of deferred policy acquisition costs	1,349	1,362	2,750	2,726
Operating costs and expenses	1,451	1,380	2,850	2,760
Pension and other postretirement remeasurement (gains) losses	73	125	391	140
Restructuring and related charges	14	9	19	27
Amortization of purchased intangibles	29	32	57	64
Impairment of purchased intangibles	—	55	—	55
Interest expense	79	82	160	165
Total costs and expenses	9,652	10,068	19,068	19,439
Gain on disposition of operations	1	2	2	3
Income from operations before income tax expense	1,546	1,078	2,207	2,698
Income tax expense	296	227	408	555
Net income	1,250	851	1,799	2,143
Preferred stock dividends	26	30	62	61
Net income applicable to common shareholders	\$ 1,224	\$ 821	\$ 1,737	\$ 2,082
Earnings per common share:				
Net income applicable to common shareholders per common share – Basic	\$ 3.90	\$ 2.47	\$ 5.50	\$ 6.27
Weighted average common shares – Basic	313.7	332.0	315.6	332.3
Net income applicable to common shareholders per common share – Diluted	\$ 3.86	\$ 2.44	\$ 5.43	\$ 6.17
Weighted average common shares – Diluted	317.0	336.9	319.8	337.2

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 applicable to common shareholders, excluding:

- realized capital gains and losses, after-tax, except for periodic settlements and accruals on non-hedge derivative instruments, which are reported with realized capital gains and losses but included in adjusted net income,
- pension and other postretirement remeasurement gains and losses, after-tax,
- valuation changes on embedded derivatives not hedged, after-tax,
- amortization of deferred policy acquisition costs ("DAC") and deferred sales inducements ("DSI"), to the extent they resulted from the recognition of certain realized capital gains and losses or valuation changes on embedded derivatives not hedged, after-tax,
- business combination expenses and the amortization or impairment of purchased intangibles, after-tax,
- gain (loss) on disposition of operations, after-tax, and
- 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.

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

We use adjusted net income as an important measure to evaluate our results of operations. We believe that the measure provides investors with a valuable measure of the company's ongoing performance because it reveals trends in our insurance and financial services business that may be obscured by the net effect of realized capital gains and losses, pension and other postretirement remeasurement gains and losses, valuation changes on embedded derivatives not hedged, business combination expenses and the amortization or impairment of purchased intangibles, gain (loss) on disposition of operations and adjustments for other significant non-recurring, infrequent or unusual items. Realized capital gains and losses, pension and other postretirement remeasurement gains and losses, valuation changes on embedded derivatives not hedged and gain (loss) on disposition of operations 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. Consistent with our intent to protect results or earn additional income, adjusted net income includes periodic settlements and accruals on certain derivative instruments that are reported in realized capital gains and losses because they do not qualify for hedge accounting or are not designated as hedges for accounting purposes. These instruments are used for economic hedges and to replicate fixed income securities, and by including them in adjusted net income, we are appropriately reflecting their trends in our performance and in a manner consistent with the economically hedged investments, product attributes (e.g. net investment income and interest credited to contractholder funds) or replicated investments. Business combination expenses are excluded because they are non-recurring in nature and the amortization or impairment of purchased intangibles is excluded because it relates to the acquisition purchase price and is not indicative of our underlying business results or trends. Non-recurring items are excluded because, by their nature, they are not indicative of our business or economic trends. Accordingly, adjusted net income excludes the effect of items that tend to be highly variable from period to period and highlights the results from ongoing operations and the underlying profitability of our business. A byproduct of excluding these items to determine adjusted net income is the transparency and understanding of their significance to net income variability and profitability while recognizing these or similar items may recur in subsequent periods. Adjusted net income is used by management along with the other components of net income 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 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 applicable to common shareholders and does not reflect the overall profitability of our business.

The following tables reconcile net income applicable to common shareholders and adjusted net income. Taxes on adjustments to reconcile net income applicable to common shareholders and adjusted net income generally use a 21% effective tax rate and are reported net of income taxes as the reconciling adjustment.

(\$ in millions, except per share data)

	Three months ended June 30,			
	Consolidated		Per diluted common share	
	2020	2019	2020	2019
Net income applicable to common shareholders	\$ 1,224	\$ 821	\$ 3.86	\$ 2.44
Realized capital (gains) losses, after-tax	(554)	(256)	(1.75)	(0.76)
Pension and other postretirement remeasurement (gains) losses, after-tax	58	99	0.18	0.29
Valuation changes on embedded derivatives not hedged, after-tax	41	2	0.13	—
DAC and DSI amortization relating to realized capital gains and losses and valuation changes on embedded derivatives not hedged, after-tax	(11)	1	(0.03)	—
Business combination expenses and the amortization of purchased intangibles, after-tax	23	26	0.07	0.08
Impairment of purchased intangibles, after-tax	—	43	—	0.13
Gain on disposition of operations, after-tax	(1)	(1)	—	—
Adjusted net income*	\$ 780	\$ 735	\$ 2.46	\$ 2.18

	Six months ended June 30,			
	Consolidated		Per diluted common share	
	2020	2019	2020	2019
Net income applicable to common shareholders	\$ 1,737	\$ 2,082	\$ 5.43	\$ 6.17
Realized capital (gains) losses, after-tax	(188)	(780)	(0.59)	(2.31)
Pension and other postretirement remeasurement (gains) losses, after-tax	309	110	0.97	0.33
Valuation changes on embedded derivatives not hedged, after-tax	27	5	0.08	0.01
DAC and DSI amortization relating to realized capital gains and losses and valuation changes on embedded derivatives not hedged, after-tax	(8)	3	(0.02)	0.01
Reclassification of periodic settlements and accruals on non-hedge derivative instruments, after-tax	—	(1)	—	—
Business combination expenses and the amortization of purchased intangibles, after-tax	45	51	0.14	0.15
Impairment of purchased intangibles, after-tax	—	43	—	0.13
Gain on disposition of operations, after-tax	(2)	(2)	(0.01)	(0.01)
Adjusted net income*	\$ 1,920	\$ 1,511	\$ 6.00	\$ 4.48

Adjusted net income return on 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 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 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 above. We use average common shareholders' equity excluding the effect of unrealized net capital gains and losses for the denominator as a representation of common shareholders' equity primarily attributable to the company'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 applicable to common shareholders and return on 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 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 common shareholders' equity from return on 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 common shareholders' equity in incentive compensation. Therefore, we believe it is useful for investors to have adjusted net income return on common shareholders' equity and return on 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 common shareholders' equity goal. Adjusted net income return on common shareholders' equity should not be considered a substitute for return on common shareholders' equity and does not reflect the overall profitability of our business.

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

(\$ in millions)	For the twelve months ended June 30,	
	2020	2019
Return on common shareholders' equity		
Numerator:		
Net income applicable to common shareholders	\$ 4,333	\$ 2,439
Denominator:		
Beginning common shareholders' equity ⁽¹⁾	\$ 22,546	\$ 20,819
Ending common shareholders' equity ⁽¹⁾	25,016	22,546
Average common shareholders' equity	\$ 23,781	\$ 21,683
Return on common shareholders' equity	18.2%	11.2%
(\$ in millions)	For the twelve months ended June 30,	
	2020	2019
Adjusted net income return on common shareholders' equity		
Numerator:		
Adjusted net income *	\$ 3,886	\$ 2,822
Denominator:		
Beginning common shareholders' equity ⁽¹⁾	\$ 22,546	\$ 20,819
Less: Unrealized net capital gains and losses	1,654	54
Adjusted beginning common shareholders' equity	20,892	20,765
Ending common shareholders' equity ⁽¹⁾	25,016	22,546
Less: Unrealized net capital gains and losses	2,602	1,654
Adjusted ending common shareholders' equity	22,414	20,892
Average adjusted common shareholders' equity	\$ 21,653	\$ 20,829
Adjusted net income return on common shareholders' equity *	17.9%	13.5%

⁽¹⁾ Excludes equity related to preferred stock of \$1,970 million as of June 30, 2020, \$1,930 million as of June 30, 2019 and \$2,303 million as of June 30, 2018.

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

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

Property-Liability

	Three months ended June 30,		Six months ended June 30,	
	2020	2019	2020	2019
Combined ratio	89.8	95.8	87.3	93.8
Effect of catastrophe losses	(13.4)	(12.3)	(7.9)	(10.2)
Effect of prior year non-catastrophe reserve reestimates	0.4	0.9	0.1	0.7
Underlying combined ratio*	76.8	84.4	79.5	84.3
Effect of prior year catastrophe reserve reestimates	0.3	—	—	0.3

Allstate brand - Total

	Three months ended June 30,		Six months ended June 30,	
	2020	2019	2020	2019
Combined ratio	89.7	95.4	86.8	93.2
Effect of catastrophe losses	(13.7)	(13.0)	(8.1)	(10.7)
Effect of prior year non-catastrophe reserve reestimates	0.5	1.0	0.1	0.8
Underlying combined ratio*	76.5	83.4	78.8	83.3
Effect of prior year catastrophe reserve reestimates	0.3	—	0.1	0.3

Allstate brand - Auto Insurance

	Three months ended June 30,		Six months ended June 30,	
	2020	2019	2020	2019
Combined ratio	83.9	92.8	86.0	91.6
Effect of catastrophe losses	(2.2)	(3.3)	(1.2)	(2.3)
Effect of prior year non-catastrophe reserve reestimates	0.8	1.6	0.3	1.4
Underlying combined ratio*	82.5	91.1	85.1	90.7
Effect of prior year catastrophe reserve reestimates	(0.1)	(0.1)	(0.1)	—

Allstate brand - Homeowners Insurance

	Three months ended June 30,		Six months ended June 30,	
	2020	2019	2020	2019
Combined ratio	106.1	104.3	88.6	98.3
Effect of catastrophe losses	(46.3)	(42.6)	(27.7)	(35.5)
Effect of prior year non-catastrophe reserve reestimates	0.3	0.4	0.1	0.1
Underlying combined ratio*	60.1	62.1	61.0	62.9
Effect of prior year catastrophe reserve reestimates	1.4	0.3	0.6	1.3

Esurance brand - Total

Combined ratio
Effect of catastrophe losses
Effect of prior year non-catastrophe reserve reestimates
Effect of amortization of purchased intangibles
Underlying combined ratio*
Effect of prior year catastrophe reserve reestimates

Three months ended June 30,		Six months ended June 30,	
2020	2019	2020	2019
86.2	100.6	91.3	100.0
(3.4)	(4.8)	(2.0)	(3.0)
(0.2)	0.4	(0.2)	(0.1)
(0.2)	—	(0.1)	(0.1)
82.4	96.2	89.0	96.8
—	0.4	—	0.2

Encompass brand - Total

Combined ratio
Effect of catastrophe losses
Effect of prior year non-catastrophe reserve reestimates
Underlying combined ratio*
Effect of prior year catastrophe reserve reestimates

Three months ended June 30,		Six months ended June 30,	
2020	2019	2020	2019
97.6	97.2	96.1	99.0
(23.3)	(10.2)	(13.9)	(11.0)
0.4	2.8	0.1	1.2
74.7	89.8	82.3	89.2
—	1.6	(0.4)	1.6

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The Allstate Corporation
Investor Supplement
Second Quarter 2020

The condensed consolidated financial statements and financial exhibits included herein are unaudited. These condensed consolidated financial statements and exhibits 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 - Second Quarter 2020

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The Allstate Corporation
Condensed Consolidated Statements of Operations

(\$ in millions, except per share data)

	Three months ended				Six months ended			
	June 30, 2020	March 31, 2020	Dec. 31, 2019	Sept. 30, 2019	June 30, 2019	March 31, 2019	June 30, 2020	June 30, 2019
Revenues								
Property and casualty insurance premiums ⁽¹⁾	\$ 9,223	\$ 9,235	\$ 9,194	\$ 9,094	\$ 8,986	\$ 8,802	\$ 18,458	\$ 17,788
Life premiums and contract charges ⁽²⁾	604	617	627	625	621	628	1,221	1,249
Other revenue ⁽³⁾	257	265	260	273	271	250	522	521
Net investment income	409	421	689	880	942	648	830	1,590
Realized capital gains (losses)	704	(662)	702	197	324	662	242	986
Total revenues	<u>11,197</u>	<u>10,076</u>	<u>11,472</u>	<u>11,069</u>	<u>11,144</u>	<u>10,990</u>	<u>21,273</u>	<u>22,134</u>
Costs and expenses								
Property and casualty insurance claims and claims expense	5,222	5,341	5,749	6,051	6,356	5,820	10,563	12,176
Shareholder-in-place payback expense	738	210	-	-	-	-	948	-
Life contract benefits	497	501	518	513	511	497	988	1,008
Interest credited to contractholder funds	200	132	153	169	156	162	332	318
Amortization of deferred policy acquisition costs	1,349	1,401	1,382	1,425	1,362	1,364	2,750	2,726
Operating costs and expenses	1,451	1,399	1,516	1,414	1,380	1,380	2,850	2,760
Pension and other postretirement remeasurement (gains) losses	73	318	(251)	225	125	15	391	140
Restructuring and related charges	14	5	14	-	9	18	19	27
Amortization of purchased intangibles	29	28	30	32	32	32	57	64
Impairment of purchased intangibles	-	-	51	-	55	-	-	55
Interest expense	79	81	82	80	82	83	160	165
Total costs and expenses	<u>9,652</u>	<u>9,416</u>	<u>9,244</u>	<u>9,906</u>	<u>10,068</u>	<u>9,371</u>	<u>19,068</u>	<u>19,439</u>
Gain on disposition of operations	1	1	3	-	2	1	2	3
Income from operations before income tax expense	<u>1,546</u>	<u>661</u>	<u>2,231</u>	<u>1,160</u>	<u>1,078</u>	<u>1,620</u>	<u>2,207</u>	<u>2,698</u>
Income tax expense	296	112	458	229	227	328	408	555
Net income	<u>1,250</u>	<u>549</u>	<u>1,773</u>	<u>931</u>	<u>851</u>	<u>1,292</u>	<u>1,799</u>	<u>2,143</u>
Preferred stock dividends	26	36	66	42	30	31	62	61
Net income applicable to common shareholders	<u>\$ 1,224</u>	<u>\$ 513</u>	<u>\$ 1,707</u>	<u>\$ 889</u>	<u>\$ 821</u>	<u>\$ 1,261</u>	<u>\$ 1,737</u>	<u>\$ 2,082</u>
Earnings per common share⁽⁴⁾								
Net income applicable to common shareholders per common share - Basic	\$ 3.90	\$ 1.62	\$ 5.32	\$ 2.71	\$ 2.47	\$ 3.79	\$ 5.50	\$ 6.27
Weighted average common shares - Basic	313.7	317.4	320.7	327.7	332.0	332.6	315.6	332.3
Net income applicable to common shareholders per common share - Diluted	\$ 3.86	\$ 1.59	\$ 5.23	\$ 2.67	\$ 2.44	\$ 3.74	\$ 5.43	\$ 6.17
Weighted average common shares - Diluted	317.0	322.4	326.3	333.0	336.9	337.5	319.8	337.2
Cash dividends declared per common share	\$ 0.54	\$ 0.54	\$ 0.50	\$ 0.50	\$ 0.50	\$ 0.50	\$ 1.08	\$ 1.00

⁽¹⁾ Property and casualty insurance premiums are reported in the Property-Liability and Service Businesses results and include auto, homeowners, other personal lines and commercial lines insurance products, including shared economy, as well as consumer product protection plans, roadside assistance, and finance and insurance products.

⁽²⁾ Life premiums and contract charges are reported in the Allstate Life, Allstate Benefits and Allstate Annuities results and include life insurance, voluntary accident and health insurance, and annuity products.

⁽³⁾ 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.

⁽⁴⁾ In accordance with GAAP, the quarter and year-to-date per share amounts are calculated discretely. Therefore, the sum of each quarter may not equal the year-to-date amount.

The Allstate Corporation
Contribution to Income

(\$ in millions, except per share data)

	Three months ended				Six months ended			
	June 30, 2020	March 31, 2020	Dec. 31, 2019	Sept. 30, 2019	June 30, 2019	March 31, 2019	June 30, 2020	June 30, 2019
Contribution to income								
Net income applicable to common shareholders	\$ 1,224	\$ 513	\$ 1,707	\$ 889	\$ 821	\$ 1,261	\$ 1,737	\$ 2,082
Realized capital (gains) losses, after-tax	(554)	366	(553)	(155)	(256)	(524)	(188)	(780)
Pension and other postretirement remeasurement (gains) losses, after-tax	58	251	(199)	179	99	11	309	110
Valuation changes on embedded derivatives not hedged, after-tax	41	(14)	-	10	2	3	27	5
DAC and DSI amortization relating to realized capital gains and losses and valuation changes on embedded derivatives not hedged, after-tax	(11)	3	3	(1)	1	2	(8)	3
Reclassification of periodic settlements and accruals on non-hedge derivative instruments, after-tax	-	-	-	(1)	-	(1)	-	(1)
Business combination expenses and the amortization of purchased intangibles, after-tax	23	22	24	25	26	25	45	51
Impairment of purchased intangibles, after-tax	-	-	40	-	43	-	-	43
Gain on disposition of operations, after-tax	(1)	(1)	(2)	-	(1)	(1)	(2)	(2)
Adjusted net income*	\$ 780	\$ 1,140	\$ 1,020	\$ 946	\$ 735	\$ 776	\$ 1,920	\$ 1,511
Income per common share - Diluted								
Net income applicable to common shareholders	\$ 3.86	\$ 1.59	\$ 5.23	\$ 2.67	\$ 2.44	\$ 3.74	\$ 5.43	\$ 6.17
Realized capital (gains) losses, after-tax	(1.75)	1.13	(1.69)	(0.47)	(0.76)	(1.55)	(0.59)	(2.31)
Pension and other postretirement remeasurement (gains) losses, after-tax	0.18	0.78	(0.61)	0.54	0.29	0.03	0.97	0.33
Valuation changes on embedded derivatives not hedged, after-tax	0.13	(0.04)	-	0.03	-	0.01	0.08	0.01
DAC and DSI amortization relating to realized capital gains and losses and valuation changes on embedded derivatives not hedged, after-tax	(0.03)	0.01	0.01	-	-	-	(0.02)	0.01
Reclassification of periodic settlements and accruals on non-hedge derivative instruments, after-tax	-	-	-	-	-	-	-	-
Business combination expenses and the amortization of purchased intangibles, after-tax	0.07	0.07	0.07	0.07	0.08	0.07	0.14	0.15
Impairment of purchased intangibles, after-tax	-	-	0.12	-	0.13	-	-	0.13
Gain on disposition of operations, after-tax	-	-	-	-	-	-	(0.01)	(0.01)
Adjusted net income*	\$ 2.46	\$ 3.54	\$ 3.13	\$ 2.84	\$ 2.18	\$ 2.30	\$ 6.00	\$ 4.48
Weighted average common shares - Diluted	317.0	322.4	326.3	333.0	336.9	337.5	319.8	337.2

The Allstate Corporation
Consolidating Segment Results

(In millions)	Allstate Protection	Discontinued Lines	Property-Liability	Service Businesses	Allstate Life	Three months ended June 30, 2020			Corporate and Other	Intersegment Eliminations	Consolidated
						Allstate Benefits	Allstate Annuities				
Premiums and contract charges	\$ 8,883	\$ -	\$ 8,883	\$ 360	\$ 339	\$ 263	\$ 2	\$ -	\$ -	\$ -	\$ 9,827
Investment insurance premiums and service fees	-	-	-	35	-	-	-	-	-	(33)	-
Other revenue	182	-	182	51	24	-	-	-	-	-	257
Claims and claims expense	(5,137)	(2)	(5,139)	(85)	-	-	-	-	-	2	(5,222)
Shelter-in-Place Payback expense	(738)	-	(738)	-	-	-	-	-	-	-	(738)
Contract benefits and interest credited to contractholder funds	-	-	-	-	(252)	(132)	(213)	-	-	-	(637)
Amortization of deferred policy acquisition costs	(1,149)	-	(1,149)	(160)	(4)	(35)	(1)	-	-	-	(1,349)
Operating costs and expenses	(1,103)	(1)	(1,104)	(163)	(75)	(110)	(7)	(25)	33	-	(1,411)
Pension and other postretirement remeasurement gains (losses)	-	-	-	-	-	-	-	(73)	-	-	(73)
Restructuring and related charges	(8)	-	(8)	(3)	(2)	(1)	-	-	-	-	(14)
Amortization of purchased intangibles	(3)	-	(3)	(26)	-	-	-	-	-	-	(29)
Impairment of purchased intangibles	-	-	-	-	-	-	-	-	-	-	-
Interest expense	-	-	-	-	-	-	-	-	(79)	-	(79)
Underwriting income (loss)	\$ 907	\$ (3)	904	-	-	-	-	-	-	-	(79)
Net investment income	178	-	178	11	123	20	66	11	-	-	409
Realized capital gains (losses)	382	-	382	19	19	11	245	28	-	-	704
Gain on disposition of operations	-	-	-	-	-	-	-	1	-	-	1
Income tax (expense) benefit	(292)	-	(292)	(7)	(8)	(4)	(15)	30	-	-	(296)
Preferred stock dividends	-	-	-	-	-	-	-	(26)	-	-	(26)
Net income (loss) applicable to common shareholders	\$ 1,172	\$ -	\$ 1,172	\$ 32	\$ 64	\$ 12	\$ 78	\$ (134)	\$ -	\$ -	\$ 1,224
Realized capital (gains) losses, after-tax	(299)	-	(299)	(15)	(16)	(7)	(194)	(23)	-	-	(554)
Pension and other postretirement remeasurement (gains) losses, after-tax	-	-	-	-	-	-	-	58	-	-	58
Valuation changes on embedded derivatives not hedged, after-tax	-	-	-	-	35	-	6	-	-	-	41
DAC and DSI amortization relating to realized capital gains and losses and valuation changes on embedded derivatives not hedged, after-tax	-	-	-	-	(11)	-	-	-	-	-	(11)
Reclassification of periodic settlements and accruals on non-hedge derivative instruments, after-tax	-	-	-	-	-	-	-	-	-	-	-
Business combination expenses and the amortization of purchased intangibles, after-tax	2	-	2	21	-	-	-	-	-	-	23
Impairment of purchased intangibles, after-tax	-	-	-	-	-	-	-	-	-	-	-
Gain on disposition of operations, after-tax	-	-	-	-	-	-	-	(1)	-	-	(1)
Adjusted net income (loss) *	\$ 875	\$ 38 ⁽¹⁾	\$ 913	\$ 72 ⁽¹⁾	\$ 72 ⁽¹⁾	\$ 5 ⁽¹⁾	\$ (111) ⁽¹⁾	\$ (99) ⁽¹⁾	\$ -	\$ -	\$ 780
Three months ended June 30, 2019											
Premiums and contract charges	\$ 8,681	\$ -	\$ 8,681	\$ 305	\$ 333	\$ 284	\$ 4	\$ -	\$ -	\$ -	\$ 9,607
Investment insurance premiums and service fees	-	-	-	33	-	-	-	-	-	(33)	-
Other revenue	190	-	190	48	33	-	-	-	-	-	271
Claims and claims expense	(6,209)	(3)	(6,212)	(80)	-	-	-	-	-	2	(6,356)
Contract benefits and interest credited to contractholder funds	-	-	-	-	(286)	(151)	(239)	-	-	-	(676)
Amortization of deferred policy acquisition costs	(1,163)	-	(1,163)	(134)	(29)	(35)	(1)	-	-	-	(1,362)
Operating costs and expenses	(1,659)	-	(1,659)	(158)	(91)	(71)	(8)	(24)	31	-	(1,906)
Pension and other postretirement remeasurement gains (losses)	-	-	-	-	-	-	-	(125)	-	-	(125)
Restructuring and related charges	(9)	-	(9)	1	(1)	-	-	-	-	-	(9)
Amortization of purchased intangibles	(1)	-	(1)	(31)	-	-	-	-	-	-	(32)
Impairment of purchased intangibles	-	-	-	(55)	-	-	-	-	-	-	(55)
Interest expense	-	-	-	-	-	-	-	(82)	-	-	(82)
Underwriting income (loss)	\$ 370	\$ (3)	367	471	10	125	21	296	19	-	942
Net investment income	256	-	256	9	1	2	48	8	-	-	314
Gain on disposition of operations	-	-	-	-	-	-	-	2	-	-	2
Income tax (expense) benefit	(231)	-	(231)	12	(18)	(11)	(23)	44	-	-	(227)
Preferred stock dividends	-	-	-	-	-	-	-	(30)	-	-	(30)
Net income (loss) applicable to common shareholders	\$ 863	\$ (3)	\$ 860	\$ 67	\$ 67	\$ 39	\$ 88	\$ (190)	\$ -	\$ -	\$ 921
Realized capital (gains) losses, after-tax	(204)	-	(204)	(6)	-	(2)	(37)	(7)	-	-	(256)
Pension and other postretirement remeasurement (gains) losses, after-tax	-	-	-	-	-	-	-	99	-	-	99
Valuation changes on embedded derivatives not hedged, after-tax	-	-	-	-	-	-	2	-	-	-	2
DAC and DSI amortization relating to realized capital gains and losses and valuation changes on embedded derivatives not hedged, after-tax	-	-	-	-	1	-	-	-	-	-	1
Reclassification of periodic settlements and accruals on non-hedge derivative instruments, after-tax	-	-	-	-	-	-	-	-	-	-	-
Business combination expenses and the amortization of purchased intangibles, after-tax	1	-	1	25	-	-	-	-	-	-	26
Impairment of purchased intangibles, after-tax	-	-	-	43	-	-	-	-	-	-	43
Gain on disposition of operations, after-tax	-	-	-	-	-	-	-	(1)	-	-	(1)
Adjusted net income (loss) *	\$ 660	\$ 16 ⁽¹⁾	\$ 676	\$ 68 ⁽¹⁾	\$ 68 ⁽¹⁾	\$ 37 ⁽¹⁾	\$ 52 ⁽¹⁾	\$ (98) ⁽¹⁾	\$ -	\$ -	\$ 735

⁽¹⁾ Adjusted net income is the segment measure used for each business.

The Allstate Corporation
Consolidating Segment Results

(5 in millions)	Allstate Protection	Discontinued Lines	Property-Liability	Service Businesses	Allstate Life	Allstate Benefits	Allstate Annuities	Corporate and Other	Intersegment Eliminations	Consolidated
Premiums and contract charges	\$ 17,744	\$ -	\$ 17,744	\$ 714	\$ 672	\$ 545	\$ 4	\$ -	\$ -	\$ 19,679
Investment insurance premiums and service fees	-	-	-	73	-	-	-	-	(73)	-
Other revenue	263	-	263	103	56	-	-	-	-	522
Claims and claims expense	(10,388)	(4)	(10,390)	(177)	-	-	-	-	4	(10,563)
Shareholder Plan Payback expense	(948)	-	(948)	-	-	-	-	-	-	(948)
Contract benefits and interest credited to contractholder funds	-	-	-	-	(628)	(282)	(428)	-	-	(1,338)
Amortization of deferred policy acquisition costs	(2,316)	-	(2,316)	(313)	(38)	(80)	(9)	-	-	(2,750)
Opening costs and expenses	(2,186)	(2)	(2,188)	(24)	(159)	(185)	(13)	(50)	69	(2,550)
Pension and other postretirement remeasurement gains (losses)	-	-	-	-	-	-	-	(281)	-	(281)
Restructuring and related charges	(12)	-	(12)	(3)	(3)	(1)	-	-	-	(19)
Amortization of purchased intangibles	(4)	-	(4)	(53)	-	-	-	-	-	(57)
Impairment of purchased intangibles	-	-	-	-	-	-	-	-	-	-
Interest expense	-	-	-	-	-	-	-	(166)	-	(166)
Underwriting income (loss)	\$ 2,255	\$ (6)	2,249	-	-	-	-	(166)	-	(166)
Net investment income	-	-	-	380	21	251	40	113	25	830
Realized capital gains (losses)	-	-	-	279	(5)	(12)	(3)	(24)	7	242
Gain on disposition of operations	-	-	-	-	-	-	-	2	-	2
Income tax (expense) benefit	-	-	(574)	(7)	(19)	(8)	78	122	-	(408)
Preferred stock dividends	-	-	-	-	-	-	-	(62)	-	(62)
Net income (loss) applicable to common shareholders	\$ 2,334	\$ 29	\$ 128	\$ 29	\$ 26	\$ (271)	\$ (598)	\$ -	\$ -	\$ 1,737
Realized capital (gains) losses, after-tax	(217)	-	4	9	3	19	(6)	-	-	(186)
Pension and other postretirement remeasurement (gains) losses, after-tax	-	-	-	-	-	-	-	309	-	309
Valuation changes on embedded derivatives not hedged, after-tax	-	-	-	-	23	-	-	4	-	27
DAC and DSI amortization relating to realized capital gains and losses and valuation changes on embedded derivatives not hedged, after-tax	-	-	-	-	(8)	-	-	-	-	(8)
Reclassification of periodic settlements and accruals on non-hedge derivative instruments, after-tax	-	-	-	-	-	-	-	-	-	-
Business combination expenses and the amortization of purchased intangibles, after-tax	-	-	3	42	-	-	-	-	-	45
Impairment of purchased intangibles, after-tax	-	-	-	-	-	-	-	-	-	-
Gain on disposition of operations, after-tax	-	-	-	-	-	-	(2)	-	-	(2)
Adjusted net income (loss) *	\$ 2,120	\$ 75	\$ 75	\$ 152	\$ 29	\$ (250)	\$ (206)	\$ -	\$ -	\$ 1,920
Six months ended June 30, 2019										
Premiums and contract charges	\$ 17,188	\$ -	\$ 17,188	\$ 600	\$ 670	\$ 572	\$ 7	\$ -	\$ -	\$ 19,037
Investment insurance premiums and service fees	-	-	-	66	-	-	-	-	(66)	-
Other revenue	366	-	366	95	60	-	-	-	-	521
Claims and claims expense	(11,997)	(5)	(12,002)	(178)	-	-	-	-	4	(12,176)
Contract benefits and interest credited to contractholder funds	-	-	-	-	(572)	(305)	(449)	-	-	(1,326)
Amortization of deferred policy acquisition costs	(2,327)	-	(2,327)	(261)	(57)	(78)	(9)	-	-	(2,726)
Opening costs and expenses	(2,128)	(1)	(2,129)	(309)	(182)	(142)	(15)	(45)	62	(2,709)
Pension and other postretirement remeasurement gains (losses)	-	-	-	-	-	-	-	(140)	-	(140)
Restructuring and related charges	(27)	-	(27)	1	(1)	-	-	-	-	(27)
Amortization of purchased intangibles	(2)	-	(2)	(62)	-	-	-	-	-	(64)
Impairment of purchased intangibles	-	-	-	(55)	-	-	-	-	-	(55)
Interest expense	-	-	-	-	-	-	-	(165)	-	(165)
Underwriting income (loss)	\$ 1,074	\$ (6)	1,067	762	19	252	40	486	31	1,590
Net investment income	-	-	-	753	17	(4)	6	204	10	986
Realized capital gains (losses)	-	-	-	-	-	-	-	3	-	3
Gain on disposition of operations	-	-	-	-	-	-	-	-	-	-
Income tax (expense) benefit	-	-	(537)	15	(32)	(20)	(48)	67	-	(553)
Preferred stock dividends	-	-	-	-	-	-	-	(61)	-	(61)
Net income (loss) applicable to common shareholders	\$ 2,045	\$ (32)	\$ (32)	\$ 134	\$ 73	\$ 185	\$ (93)	\$ (93)	\$ -	\$ 2,092
Realized capital (gains) losses, after-tax	(597)	-	(13)	4	(5)	(161)	(8)	-	-	(780)
Pension and other postretirement remeasurement (gains) losses, after-tax	-	-	-	-	-	-	-	110	-	110
Valuation changes on embedded derivatives not hedged, after-tax	-	-	-	-	-	-	5	-	-	5
DAC and DSI amortization relating to realized capital gains and losses and valuation changes on embedded derivatives not hedged, after-tax	-	-	-	-	3	-	-	-	-	3
Reclassification of periodic settlements and accruals on non-hedge derivative instruments, after-tax	(1)	-	(1)	-	-	-	-	-	-	(1)
Business combination expenses and the amortization of purchased intangibles, after-tax	2	-	49	-	-	-	-	-	-	51
Impairment of purchased intangibles, after-tax	-	-	-	43	-	-	-	-	-	43
Gain on disposition of operations, after-tax	-	-	-	-	-	-	(2)	-	-	(2)
Adjusted net income (loss) *	\$ 1,440	\$ 27	\$ 141	\$ 141	\$ 68	\$ 27	\$ (201)	\$ -	\$ -	\$ 1,511

(*) Adjusted net income is the segment measure used for each business.

The Allstate Corporation
Condensed Consolidated Statements of Financial Position

(\$ in millions)	June 30, 2020	March 31, 2020	Dec. 31, 2019	Sept. 30, 2019	June 30, 2019
Assets					
Investments					
Fixed income securities, at fair value ⁽¹⁾	\$ 64,448	\$ 59,857	\$ 59,044	\$ 59,259	\$ 58,484
Equity securities, at fair value ⁽²⁾	4,212	3,701	8,162	8,206	7,906
Mortgage loans, net	4,774	4,759	4,817	4,684	4,687
Limited partnership interests	6,941	7,067	8,078	7,990	7,818
Short-term, at fair value	5,344	5,671	4,256	5,254	3,740
Other, net	3,918	3,767	4,005	3,904	3,856
Total investments	89,637	84,842	88,362	89,307	86,491
Cash	947	338	338	587	599
Premium installment receivables, net	6,367	6,401	6,472	6,558	6,580
Deferred policy acquisition costs	4,683	4,742	4,699	4,683	4,667
Reinsurance and indemnification recoverables, net	9,290	9,214	9,211	9,363	9,292
Accrued investment income	605	593	600	613	633
Property and equipment, net	1,100	1,123	1,145	1,092	1,058
Goodwill	2,544	2,544	2,545	2,545	2,547
Other assets, net	3,587	3,876	3,534	3,383	3,649
Separate Accounts	2,906	2,434	3,044	2,942	3,058
Total assets	\$ 121,266	\$ 116,107	\$ 119,950	\$ 121,073	\$ 118,374
Liabilities					
Reserve for property and casualty insurance claims and claims expense	\$ 27,426	\$ 27,148	\$ 27,712	\$ 28,076	\$ 28,105
Reserve for life-contingent contract benefits	12,471	12,344	12,300	12,378	12,337
Contractholder funds	17,396	17,404	17,692	17,804	17,964
Unearned premiums	15,448	14,999	15,343	15,343	14,752
Claim payments outstanding	882	892	929	952	915
Deferred income taxes	842	331	1,154	1,079	997
Other liabilities and accrued expenses	10,275	9,949	9,147	9,729	9,142
Long-term debt	6,634	6,633	6,631	6,630	6,628
Separate Accounts	2,906	2,434	3,044	2,942	3,058
Total liabilities	94,280	91,934	93,952	94,933	93,898
Equity					
Preferred stock and additional capital paid-in ⁽³⁾⁽⁴⁾	1,970	1,970	2,248	3,052	1,930
Common stock ⁽⁵⁾	9	9	9	9	9
Additional capital paid-in	3,541	3,519	3,463	3,511	3,477
Retained income	49,380	48,326	48,074	46,527	45,803
Deferred ESOP expense ⁽⁶⁾	-	-	-	(3)	(3)
Treasury stock, at cost ⁽⁶⁾	(30,542)	(30,209)	(29,746)	(29,063)	(28,500)
Accumulated other comprehensive income:					
Unrealized net capital gains and losses	2,602	530	1,887	2,023	1,654
Unrealized foreign currency translation adjustments	(89)	(98)	(59)	(50)	(40)
Unamortized pension and other postretirement prior service credit	115	126	122	134	146
Total accumulated other comprehensive income	2,628	558	1,950	2,107	1,760
Total shareholders' equity	26,986	24,173	25,998	26,140	24,476
Total liabilities and shareholders' equity	\$ 121,266	\$ 116,107	\$ 119,950	\$ 121,073	\$ 118,374

⁽¹⁾ Amortized cost, net was \$60,534, \$58,945, \$56,293, \$56,263 and \$56,008 as of June 30, 2020, March 31, 2020, December 31, 2019, September 30, 2019 and June 30, 2019, respectively.

⁽²⁾ Cost was \$3,817, \$3,631, \$6,568, \$6,930 and \$6,673 as of June 30, 2020, March 31, 2020, December 31, 2019, September 30, 2019 and June 30, 2019, respectively.

⁽³⁾ Preferred shares outstanding were 61.0 thousand at June 30, 2020 and March 31, 2020, 62.5 thousand at December 31, 2019, 125.8 thousand at September 30, 2019 and 79.8 thousand at June 30, 2019.

⁽⁴⁾ On January 15, 2020, we redeemed all 11,500 shares of our Fixed Rate Noncumulative Perpetual Preferred Stock, Series A.

⁽⁵⁾ Common shares outstanding were 312,720, 127,315, 485,956, 318,791, 191,324, 968,765 and 329,903,875 as of June 30, 2020, March 31, 2020, December 31, 2019, September 30, 2019 and June 30, 2019, respectively.

⁽⁶⁾ Treasury shares outstanding were 587 million, 585 million, 581 million, 575 million and 570 million as of June 30, 2020, March 31, 2020, December 31, 2019, September 30, 2019 and June 30, 2019, respectively.

The Allstate Corporation
Book Value per Common Share

(\$ in millions, except per share data)

	June 30, 2020	March 31, 2020	Dec. 31, 2019	Sept. 30, 2019	June 30, 2019	March 31, 2019
Book value per common share						
Numerator:						
Common shareholders' equity ⁽¹⁾	\$ 25,016	\$ 22,203	\$ 23,750	\$ 23,088	\$ 22,546	\$ 21,488
Denominator:						
Common shares outstanding and dilutive potential common shares outstanding	315.8	318.7	324.8	330.6	335.1	337.9
Book value per common share	\$ 79.21	\$ 69.67	\$ 73.12	\$ 69.84	\$ 67.28	\$ 63.59
Book value per common share, excluding the impact of unrealized net capital gains and losses on fixed income securities						
Numerator:						
Common shareholders' equity	\$ 25,016	\$ 22,203	\$ 23,750	\$ 23,088	\$ 22,546	\$ 21,488
Less: Unrealized net capital gains and losses on fixed income securities	2,610	534	1,893	2,028	1,658	975
Adjusted common shareholders' equity	\$ 22,406	\$ 21,669	\$ 21,857	\$ 21,060	\$ 20,888	\$ 20,513
Denominator:						
Common shares outstanding and dilutive potential common shares outstanding	315.8	318.7	324.8	330.6	335.1	337.9
Book value per common share, excluding the impact of unrealized net capital gains and losses on fixed income securities *	\$ 70.95	\$ 67.99	\$ 67.29	\$ 63.70	\$ 62.33	\$ 60.71

⁽¹⁾ Excludes equity related to preferred stock of \$1,970 million at June 30, 2020 and March 31, 2020, \$2,248 million at December 31, 2019, \$3,052 million at September 30, 2019 and \$1,930 million at June 30, 2019 and March 31, 2019.

The Allstate Corporation
Return on Common Shareholders' Equity

(\$ in millions)

	Twelve months ended					
	June 30, 2020	March 31, 2020	Dec. 31, 2019	Sept. 30, 2019	June 30, 2019	March 31, 2019
Return on common shareholders' equity						
Numerator:						
Net income applicable to common shareholders ⁽¹⁾⁽²⁾	\$ 4,333	\$ 3,930	\$ 4,678	\$ 2,386	\$ 2,439	\$ 2,296
Denominator:						
Beginning common shareholders' equity	\$ 22,546	\$ 21,488	\$ 19,382	\$ 21,356	\$ 20,819	\$ 20,970
Ending common shareholders' equity ⁽³⁾	25,016	22,203	23,750	23,088	22,546	21,488
Average common shareholders' equity ⁽⁴⁾	\$ 23,781	\$ 21,846	\$ 21,566	\$ 22,222	\$ 21,683	\$ 21,229
Return on common shareholders' equity	18.2 %	18.0 %	21.7 %	10.7 %	11.2 %	10.8 %
Adjusted net income return on common shareholders' equity						
Numerator:						
Adjusted net income ⁽¹⁾	\$ 3,886	\$ 3,841	\$ 3,477	\$ 3,009	\$ 2,822	\$ 2,797
Denominator:						
Beginning common shareholders' equity	\$ 22,546	\$ 21,488	\$ 19,382	\$ 21,356	\$ 20,819	\$ 20,970
Less: Unrealized net capital gains and losses	1,654	972	(2)	(16)	54	187
Adjusted beginning common shareholders' equity	20,892	20,516	19,384	21,372	20,765	20,783
Ending common shareholders' equity	25,016	22,203	23,750	23,088	22,546	21,488
Less: Unrealized net capital gains and losses	2,602	530	1,887	2,023	1,654	972
Adjusted ending common shareholders' equity	22,414	21,673	21,863	21,065	20,892	20,516
Average adjusted common shareholders' equity ⁽⁴⁾	\$ 21,653	\$ 21,095	\$ 20,624	\$ 21,219	\$ 20,829	\$ 20,650
Adjusted net income return on common shareholders' equity*	17.9 %	18.2 %	16.9 %	14.2 %	13.5 %	13.5 %

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

(2) Includes a \$2 million Tax legislation expense for the period ended September 30, 2019 and \$29 million Tax legislation benefit for the period ended June 30, 2019 and March 31, 2019.

(3) Excludes equity related to preferred stock of \$1,970 million at June 30, 2020 and March 31, 2020, \$2,248 million at December 31, 2019, \$3,052 million at September 30, 2019 and \$1,930 million at June 30, 2019 and March 31, 2019.

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

The Allstate Corporation
Debt to Capital

(\$ in millions)	June 30, 2020	March 31, 2020	Dec. 31, 2019	Sept. 30, 2019	June 30, 2019	March 31, 2019
Debt						
Short-term debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Long-term debt	6,634	6,633	6,631	6,630	6,628	6,453
Total debt	\$ 6,634	\$ 6,633	\$ 6,631	\$ 6,630	\$ 6,628	\$ 6,453
Capital resources						
Debt	\$ 6,634	\$ 6,633	\$ 6,631	\$ 6,630	\$ 6,628	\$ 6,453
Shareholders' equity						
Preferred stock and additional capital paid-in	1,970	1,970	2,248	3,052	1,930	1,930
Common stock	9	9	9	9	9	9
Additional capital paid-in	3,541	3,519	3,463	3,511	3,477	3,291
Retained income	49,380	48,326	48,074	46,527	45,803	45,148
Deferred ESOP expense	-	-	-	(3)	(3)	(3)
Treasury stock	(30,542)	(30,209)	(29,746)	(29,063)	(28,500)	(28,042)
Unrealized net capital gains and losses	2,602	530	1,887	2,023	1,654	972
Unrealized foreign currency translation adjustments	(89)	(98)	(59)	(50)	(40)	(44)
Unamortized pension and other postretirement prior service credit	115	126	122	134	146	157
Total shareholders' equity	26,986	24,173	25,998	26,140	24,476	23,418
Total capital resources	\$ 33,620	\$ 30,806	\$ 32,629	\$ 32,770	\$ 31,104	\$ 29,871
Ratio of debt to shareholders' equity	24.6 %	27.4 %	25.5 %	25.4 %	27.1 %	27.6 %
Ratio of debt to capital resources	19.7 %	21.5 %	20.3 %	20.2 %	21.3 %	21.6 %

The Alstate Corporation
Policies in Force and Other Statistics

	June 30, 2020	March 31, 2020	Dec. 31, 2019	Sept. 30, 2019	June 30, 2019	March 31, 2019
Policies in force statistics (in thousands)⁽¹⁾						
Allstate Protection						
Allstate brand						
Auto	20,464	20,323	20,398	20,339	20,301	20,145
Homeowners	6,294	6,254	6,254	6,237	6,221	6,198
Landlord	649	653	658	663	670	676
Boaters	1,693	1,694	1,693	1,679	1,668	1,655
Condominium	986	976	976	973	970	968
Other	1,339	1,326	1,327	1,326	1,319	1,307
Other personal lines	4,369	4,330	4,344	4,341	4,327	4,306
Commercial lines	221	224	227	228	229	230
Total	31,338	31,140	31,223	31,145	31,078	30,679
Esurance brand						
Auto	1,514	1,503	1,515	1,543	1,548	1,548
Homeowners	107	106	105	104	101	98
Other personal lines	46	46	46	48	48	48
Total	1,667	1,655	1,666	1,695	1,697	1,694
Encopass brand						
Auto	473	485	493	496	497	499
Homeowners	225	220	224	225	226	227
Other personal lines	74	75	76	77	77	78
Total	772	780	803	808	810	814
Allstate Protection policies in force						
	33,777	33,585	33,692	33,648	33,585	33,387
Service Businesses						
Allstate Protection Plans	120,201	107,134	99,632	89,783	83,968	77,866
Allstate Dealer Services	4,101	4,096	4,205	4,204	4,233	4,284
Allstate Roadside Services	562	576	599	617	635	649
Allstate Identity Protection ⁽²⁾	2,312	1,932	1,511	1,218	1,260	1,211
Total	127,276	113,728	105,947	95,842	90,116	84,020
Allstate Life						
	1,892	1,902	1,923	1,906	1,933	1,936
Allstate Benefits						
	4,410	4,309	4,183	4,287	4,296	4,322
Allstate Annuities						
	185	188	192	197	201	206
Total policies in force						
	167,540	153,712	145,937	136,600	130,131	123,871
Agency data⁽³⁾						
Total Allstate agencies ⁽⁴⁾	12,600	12,700	12,900	12,800	12,700	12,700
Licensed sales professionals ⁽⁵⁾	24,700	25,800	27,100	26,800	26,700	26,800
Allstate independent agencies ⁽⁶⁾	4,400	3,800	3,400	3,300	3,200	3,000
Encopass independent agencies	3,000	2,900	2,900	2,800	2,800	2,700

(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.
- Commercial lines FIF for shared economy agreements typically reflect contracts that cover multiple drivers as opposed to individual drivers.
- Non-property products offered by Heritage (insurance agency) and Answer Financial (independent insurance agency) are not included.
- Allstate Roadside Services 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 leasing 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 Life insurance policies and Allstate Annuities in force reflect the number of contracts in force excluding sold blocks of business that remain on the balance sheet due to the dispositions of the business being effected through reinsurance arrangements.
- Allstate Benefits reflects certificate counts as opposed to group counts.

(2) As of June 30, 2020, total customer counts included free services provided to 203 thousand Allstate Identity Protection subscribers for the remainder of 2020 as part of the continued support during the Coronavirus pandemic.

(3) Rounded to the nearest hundred.

(4) Total Allstate agencies represents exclusive Allstate agencies and financial representatives in the United States and employee producers in Canada.

(5) Represents employees of Allstate agencies who are licensed to sell Allstate products.

(6) Includes 948 and 1,102 engaged Allstate independent agencies ("AIAs") as of June 30, 2020 and December 31, 2019, respectively. Engaged AIAs, as currently determined, include those that achieve a minimum number of new policies written.

The Allstate Corporation
Premiums Written for Allstate Protection and Service Businesses

(\$ in millions)	Three months ended							Six months ended		
	June 30, 2020	March 31, 2020	Dec. 31, 2019	Sept. 30, 2019	June 30, 2019	March 31, 2019	June 30, 2020	June 30, 2019	June 30, 2019	
Allstate Protection										
Allstate brand⁽¹⁾										
Auto	\$ 5,572	\$ 5,574	\$ 5,470	\$ 5,599	\$ 5,472	\$ 5,395	\$ 11,146	\$ 10,867		
Homeowners	2,144	1,618	1,861	2,143	2,076	1,565	3,762	3,641		
Landlord	137	125	135	141	134	124	262	238		
Renters	81	71	71	87	78	69	152	147		
Condominium	87	64	70	78	75	62	151	137		
Other	200	151	158	186	181	144	351	335		
Other personal lines	505	411	434	492	478	399	916	877		
Commercial lines	170	221	243	238	236	185	391	421		
Total	8,381	7,824	8,008	8,472	8,262	7,544	16,215	15,906		
Esurance brand										
Auto	482	517	460	525	469	532	999	1,001		
Homeowners	34	27	27	35	32	25	61	57		
Other personal lines	2	2	2	2	2	2	4	4		
Total	518	546	489	562	503	559	1,064	1,062		
Enccompass brand										
Auto	136	118	127	147	146	120	254	266		
Homeowners	106	87	94	110	111	86	193	197		
Other personal lines	21	17	19	21	21	18	38	39		
Total	263	222	240	278	278	224	485	502		
Total Allstate Protection										
Auto	6,190	6,209	6,057	6,271	6,087	6,047	12,399	12,134		
Homeowners	2,284	1,732	1,962	2,288	2,219	1,676	4,016	3,855		
Other personal lines	538	430	455	515	501	419	958	920		
Commercial lines	170	221	243	238	236	185	391	421		
Total	9,172	8,592	8,737	9,312	9,043	8,327	17,764	17,370		
Discontinued Lines and Coverages	-	-	-	-	-	-	-	-		
Total Property-Liability	\$ 9,172	\$ 8,592	\$ 8,737	\$ 9,312	\$ 9,043	\$ 8,327	\$ 17,764	\$ 17,370		
Service Businesses⁽²⁾										
Allstate Protection Plans	\$ 310	\$ 221	\$ 278	\$ 181	\$ 167	\$ 206	\$ 531	\$ 373		
Allstate Dealer Services	113	107	123	126	120	99	220	219		
Allstate Roadside Services	44	51	52	57	63	63	95	126		
Total	467	379	453	364	350	368	846	718		
Total premiums written	\$ 9,639	\$ 8,971	\$ 9,190	\$ 9,676	\$ 9,393	\$ 8,695	\$ 18,610	\$ 18,088		
Non-proprietary premiums										
Vantage ⁽³⁾	\$ 1,926	\$ 1,916	\$ 1,901	\$ 1,871	\$ 1,840	\$ 1,806	\$ 1,926	\$ 1,840		
Answer Financial ⁽⁴⁾	146	144	134	153	150	145	290	295		
Canada premiums included in Allstate brand										
Auto	\$ 297	\$ 239	\$ 253	\$ 291	\$ 287	\$ 205	\$ 536	\$ 492		
Homeowners	57	57	79	93	57	56	144	145		
Other personal lines	35	24	30	32	28	20	59	48		
Total	\$ 429	\$ 320	\$ 362	\$ 416	\$ 402	\$ 285	\$ 739	\$ 685		

(2) There are no premiums written for Arty or Allstate Identity Protection, which are part of the Service Businesses segment. Revenues for Arty and Allstate Identity Protection are primarily reported as intangible service fees and other revenue.

(3) Represents non-proprietary premiums under management as of the end of the period related to personal and commercial line products offered by Vantage when an Allstate product is not available. Fees for the three months ended June 30, 2020, March 31, 2020, December 31, 2019, September 30, 2019, June 30, 2019 and March 31, 2019 were \$44 million, \$39 million, \$41 million, \$45 million, \$45 million and \$37 million, respectively.

(4) Represents non-proprietary premiums written for the period. Commissions earned for the three and six months ended June 30, 2020 were \$17 million and \$35 million, respectively.

The Allstate Corporation
Property-Liability Results

(\$ in millions, except ratios)

	Three months ended				Six months ended		
	June 30, 2020	March 31, 2020	Dec. 31, 2019	Sept. 30, 2019	June 30, 2019	March 31, 2019	June 30, 2019
Premiums written	\$ 9,172	\$ 8,592	\$ 8,737	\$ 9,312	\$ 9,043	\$ 8,327	\$ 17,764
Decrease (increase) in unearned premiums	(349)	370	129	(538)	(384)	179	21
Other	40	(91)	7	8	22	1	(41)
Premiums earned	8,863	8,881	8,873	8,782	8,681	8,507	17,744
Other revenue	182	181	180	195	190	176	363
Claims and claims expense	(5,139)	(5,251)	(5,669)	(5,960)	(6,272)	(5,730)	(10,390)
Shelter-in-Place Payback expense	(738)	(210)	-	-	-	-	(948)
Amortization of deferred policy acquisition costs	(1,149)	(1,167)	(1,155)	(1,167)	(1,163)	(1,164)	(2,316)
Operating costs and expenses	(1,107)	(1,065)	(1,175)	(1,114)	(1,066)	(1,071)	(2,152)
Restructuring and related charges	(8)	(4)	(12)	1	(9)	(18)	(12)
Impairment of purchased intangibles	-	-	(51)	-	-	-	-
Underwriting income ⁽¹⁾	904	1,345	1,000	737	367	700	2,249
Net investment income	178	202	323	448	471	291	380
Income tax expense on operations	(209)	(303)	(270)	(236)	(179)	(202)	(512)
Realized capital gains (losses), after tax	299	(82)	437	127	204	393	217
Net income applicable to common shareholders	\$ 1,172	\$ 1,162	\$ 1,490	\$ 1,076	\$ 863	\$ 1,182	\$ 2,334
Catastrophe losses	\$ 1,186	\$ 211	\$ 295	\$ 510	\$ 1,072	\$ 680	\$ 1,397
Amortization of purchased intangibles	\$ 3	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1	\$ 4
Operating ratios							
Loss ratio	58.0	59.1	63.8	67.9	72.3	67.4	58.5
Expense ratio ⁽²⁾	31.8	23.8	24.9	23.7	23.5	24.4	28.8
Combined ratio	89.8	84.9	88.7	91.6	95.8	91.8	87.3
Loss ratio	58.0	59.1	63.8	67.9	72.3	67.4	58.5
Less: effect of catastrophe losses	13.4	2.4	3.3	5.8	12.3	8.0	7.9
effect of prior year non-catastrophe reserve reestimates	(0.4)	0.3	(0.1)	(0.5)	(0.9)	(0.4)	(0.1)
Underlying loss ratio ⁽³⁾	45.0	56.4	60.6	62.6	60.9	59.8	60.3
Reconciliation of combined ratio to underlying combined ratio							
Combined ratio	89.8	84.9	88.7	91.6	95.8	91.8	87.3
Effect of catastrophe losses	(13.4)	(2.4)	(3.3)	(5.8)	(12.3)	(8.0)	(7.9)
Effect of prior year non-catastrophe reserve reestimates	0.4	(0.3)	0.1	0.5	0.9	0.4	0.1
Effect of impairment of purchased intangibles	-	-	(0.6)	-	-	-	-
Underlying combined ratio ⁽³⁾	76.8	82.2	84.9	86.3	84.4	84.2	79.5
Effect of restructuring and related charges on combined ratio	0.1	-	0.1	-	0.1	0.2	0.1
Effect of Discontinued Lines and Coverages on combined ratio	-	0.1	-	1.1	0.1	0.1	-
Effect of Shelter-in-Place Payback expense on combined and expense ratios	8.3	2.4	-	-	-	-	5.3
⁽¹⁾ Underwriting income (loss)							
Allstate brand	\$ 829	\$ 1,314	\$ 1,024	\$ 858	\$ 367	\$ 702	\$ 2,143
Esurance brand	72	19	(37)	(6)	(3)	3	91
Esurance brand	6	14	17	(15)	7	(2)	20
Answer Financial	-	1	(1)	(1)	(1)	-	1
Total underwriting income for Allstate Protection	907	1,348	1,003	836	370	703	2,255
Discontinued Lines and Coverages	(3)	(2)	(3)	(99)	(3)	(3)	(6)
Total underwriting income for Property-Liability	\$ 904	\$ 1,345	\$ 1,000	\$ 737	\$ 367	\$ 700	\$ 2,249

⁽²⁾ Other revenue is deducted from other costs and expenses in the expense ratio calculation.

The Allstate Corporation
Property-Liability Catastrophe Losses

(\$ in millions, except ratios)

	Three months ended				Six months ended			
	June 30, 2020	March 31, 2020	Dec. 31, 2019	Sept. 30, 2019	June 30, 2019	March 31, 2019	June 30, 2020	June 30, 2019
Allstate Protection								
Allstate brand								
Auto	\$ 124	\$ 12	\$ 2	\$ 130	\$ 179	\$ 68	\$ 136	\$ 247
Homeowners ⁽¹⁾	890	170 ⁽²⁾	253 ⁽³⁾	292	781	511	1,060	1,292
Other personal lines	86	12	19	23	57	64	98	121
Commercial lines	9	2	5	2	4	1	11	5
Total	<u>1,109</u>	<u>196</u>	<u>279</u>	<u>447</u>	<u>1,021</u>	<u>644</u>	<u>1,305</u>	<u>1,665</u>
Esurance brand								
Auto	7	1	2	9	10	3	8	13
Homeowners	11	2	2	7	15	3	13	18
Total	<u>18</u>	<u>3</u>	<u>4</u>	<u>16</u>	<u>25</u>	<u>6</u>	<u>21</u>	<u>31</u>
Encompass brand								
Auto	4	-	-	4	3	3	4	6
Homeowners	52	11	12	41	22	25	63	47
Other personal lines	3	1	-	2	1	2	4	3
Total	<u>59</u>	<u>12</u>	<u>12</u>	<u>47</u>	<u>26</u>	<u>30</u>	<u>71</u>	<u>56</u>
Allstate Protection								
Auto	135	13	4	143	192	74	148	266
Homeowners	953	183	267	340	818	539	1,136	1,357
Other personal lines	89	13	19	25	58	66	102	124
Commercial lines	9	2	5	2	4	1	11	5
Total	<u>1,186</u>	<u>211</u>	<u>295</u>	<u>510</u>	<u>1,072</u>	<u>680</u>	<u>1,397</u>	<u>1,752</u>
Discontinued Lines and Coverages	-	-	-	-	-	-	-	-
Total Property-Liability	<u>\$ 1,186</u>	<u>\$ 211</u>	<u>\$ 295</u>	<u>\$ 510</u>	<u>\$ 1,072</u>	<u>\$ 680</u>	<u>\$ 1,397</u>	<u>\$ 1,752</u>
Effect of catastrophe losses on combined ratio ⁽²⁾								
Allstate Protection								
Auto	1.5	0.2	-	1.6	2.2	0.9	0.8	1.6
Homeowners	10.8	2.1	3.0	3.9	9.4	6.3	6.4	7.9
Other personal lines	1.0	0.1	0.2	0.3	0.7	0.8	0.6	0.7
Commercial lines	0.1	-	0.1	-	-	-	0.1	-
Total	<u>13.4</u>	<u>2.4</u>	<u>3.3</u>	<u>5.8</u>	<u>12.3</u>	<u>8.0</u>	<u>7.9</u>	<u>10.2</u>
10-year average effect of catastrophe losses on combined ratio	14.4	6.1	5.9	6.9	14.0	6.8	8.3	8.5

⁽¹⁾ Includes \$8 million and \$7 million of reduction of reinsurance premiums for the three months ended December 31, 2019 and September 30, 2019, respectively, and \$5 million and \$15 million of reinstatement reinsurance premiums for the three months ended June 30, 2019 and March 31, 2019, respectively, related to the 2018 Camp Fire.

⁽²⁾ Calculated using the total premiums earned for Allstate Protection for the respective period. Discontinued Lines and Coverages does not have premiums earned.

⁽³⁾ Includes \$1 million and \$12 million for Texas Windstorm Insurance Association assessments related to Hurricane Harvey which occurred in third quarter 2017 for the three months ended March 31, 2020 and December 31, 2019, respectively.

The Allstate Corporation
Property-Liability Prior Year Reserve Reestimates

(\$ in millions, except ratios)

	Three months ended				Six months ended			
	June 30, 2020	March 31, 2020	Dec. 31, 2019	Sept. 30, 2019	June 30, 2019	March 31, 2019	June 30, 2020	June 30, 2019
Prior year reserve reestimates ⁽¹⁾								
Allstate Protection								
Allstate brand								
Auto	\$ (54)	\$ 9	\$ (11)	\$ (152)	\$ (94)	\$ (58)	\$ (45)	\$ (152)
Homeowners	23	(4)	5	(1)	(1)	46	19	45
Other personal lines	(2)	(4)	(9)	10	(1)	10	(6)	9
Commercial lines	21	6	-	-	13	4	27	17
Total	<u>(12)</u>	<u>7</u>	<u>(15)</u>	<u>(143)</u>	<u>(83)</u>	<u>2</u>	<u>(5)</u>	<u>(81)</u>
Esurance brand								
Auto	1	3	(1)	-	(1)	4	4	3
Homeowners	-	(2)	1	-	1	(1)	(2)	-
Other personal lines	-	-	-	-	-	-	-	-
Total	<u>1</u>	<u>1</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3</u>	<u>2</u>	<u>3</u>
Encompass brand								
Auto	(1)	1	-	(1)	(9)	-	-	(9)
Homeowners	-	(1)	-	3	4	8	(1)	12
Other personal lines	-	(2)	-	(1)	2	(3)	(2)	(1)
Total	<u>(1)</u>	<u>(2)</u>	<u>-</u>	<u>1</u>	<u>(3)</u>	<u>5</u>	<u>(3)</u>	<u>2</u>
Total Allstate Protection	(54)	13	(12)	(153)	(104)	(54)	(41)	(158)
Auto	23	(7)	6	2	4	53	16	57
Homeowners	(2)	(6)	(9)	9	1	7	(8)	8
Other personal lines	-	-	-	-	-	-	-	-
Commercial lines	21	6	-	-	13	4	27	17
Total	<u>(12)</u>	<u>6</u>	<u>(15)</u>	<u>(142)</u>	<u>(86)</u>	<u>10</u>	<u>(6)</u>	<u>(70)</u>
Discontinued Lines and Coverages	2	2	2	98	3	2	4	5
Total Property-Liability	<u>\$ (10)</u>	<u>\$ 8</u>	<u>\$ (13)</u>	<u>\$ (44)</u>	<u>\$ (83)</u>	<u>\$ 12</u>	<u>\$ (2)</u>	<u>\$ (71)</u>
Effect of prior year reserve reestimates on combined ratio ⁽¹⁾⁽²⁾								
Allstate Protection								
Auto	(0.6)	0.2	(0.2)	(1.7)	(1.2)	(0.6)	(0.3)	(0.9)
Homeowners	0.3	(0.1)	0.1	-	-	0.6	0.1	0.4
Other personal lines	-	(0.1)	(0.1)	0.1	-	-	-	-
Commercial lines	0.2	0.1	-	-	0.2	-	0.1	0.1
Total	<u>(0.1)</u>	<u>0.1</u>	<u>(0.2)</u>	<u>(1.6)</u>	<u>(1.0)</u>	<u>0.1</u>	<u>(0.1)</u>	<u>(0.4)</u>
Discontinued Lines and Coverages	-	-	-	1.1	0.1	0.1	-	-
Total Property-Liability	<u>(0.1)</u>	<u>0.1</u>	<u>(0.2)</u>	<u>(0.5)</u>	<u>(0.9)</u>	<u>0.2</u>	<u>(0.1)</u>	<u>(0.4)</u>
Allstate Protection by brand								
Allstate brand	(0.1)	0.1	(0.2)	(1.6)	(1.0)	-	(0.1)	(0.4)
Esurance brand	-	-	-	-	-	-	-	-
Encompass brand	-	-	-	-	-	0.1	-	-
Total	<u>(0.1)</u>	<u>0.1</u>	<u>(0.2)</u>	<u>(1.6)</u>	<u>(1.0)</u>	<u>0.1</u>	<u>(0.1)</u>	<u>(0.4)</u>

⁽¹⁾ Favorable reserve reestimates are shown in parentheses.

⁽²⁾ Calculated using the total premiums earned for Allstate Protection for the respective period. Discontinued Lines and Coverages does not have premiums earned.

The Allstate Corporation
Property-Liability Catastrophe Losses included in Prior Year Reserve Reestimates

(\$ in millions, except ratios)

	Three months ended				Six months ended			
	June 30, 2020	March 31, 2020	Dec. 31, 2019	Sept. 30, 2019	June 30, 2019	March 31, 2019	June 30, 2020	June 30, 2019
Allstate Protection⁽¹⁾								
Allstate brand								
Auto	\$ (6)	\$ (8)	\$ (8)	\$ (1)	\$ (7)	\$ (1)	\$ (14)	\$ (8)
Homeowners ⁽²⁾	27	(7) ⁽⁴⁾	8 ⁽⁴⁾	(1)	6	42	20	48
Other personal lines	2	(4)	(4)	(1)	(3)	9	(2)	6
Commercial lines	2	1	-	(1)	1	(1)	3	-
Total	<u>25</u>	<u>(18)</u>	<u>(4)</u>	<u>(4)</u>	<u>(3)</u>	<u>49</u>	<u>7</u>	<u>46</u>
Esurance brand								
Auto	-	-	-	(1)	1	-	-	1
Homeowners	-	-	-	-	1	-	-	1
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1)</u>	<u>2</u>	<u>-</u>	<u>-</u>	<u>2</u>
Encompass brand								
Auto	-	(1)	-	-	-	-	(1)	-
Homeowners	-	(1)	(1)	3	4	4	(1)	8
Other personal lines	-	-	-	(1)	-	-	-	-
Total	<u>-</u>	<u>(2)</u>	<u>(1)</u>	<u>2</u>	<u>4</u>	<u>4</u>	<u>(2)</u>	<u>8</u>
Total Allstate Protection	(6)	(9)	(8)	(2)	(6)	(1)	(15)	(7)
Auto	27	(8)	7	2	11	46	19	57
Homeowners	2	(4)	(4)	(2)	(3)	9	(2)	6
Other personal lines	2	1	-	(1)	1	(1)	3	-
Commercial lines	25	(20)	(5)	(3)	3	53	5	56
Total	<u>25</u>	<u>(20)</u>	<u>(5)</u>	<u>(3)</u>	<u>3</u>	<u>53</u>	<u>5</u>	<u>56</u>
Discontinued Lines and Coverages	-	-	-	-	-	-	-	-
Total Property-Liability	<u>\$ 25</u>	<u>\$ (20)</u>	<u>\$ (5)</u>	<u>\$ (3)</u>	<u>\$ 3</u>	<u>\$ 53</u>	<u>\$ 5</u>	<u>\$ 56</u>
Effect of catastrophe losses included in prior year reserve reestimates on combined ratio⁽³⁾⁽⁴⁾								
Allstate Protection								
Auto	-	(0.1)	(0.1)	-	(0.1)	-	(0.1)	-
Homeowners	0.3	(0.1)	0.1	-	0.1	0.5	0.1	0.3
Other personal lines	-	-	(0.1)	-	-	0.1	-	-
Commercial lines	-	-	-	-	-	-	-	-
Total	<u>0.3</u>	<u>(0.2)</u>	<u>(0.1)</u>	<u>-</u>	<u>-</u>	<u>0.6</u>	<u>-</u>	<u>0.3</u>
Allstate Protection by brand								
Allstate brand	0.3	(0.2)	(0.1)	-	-	0.6	-	0.3
Esurance brand	-	-	-	-	-	-	-	-
Encompass brand	-	-	-	-	-	-	-	-
Total	<u>0.3</u>	<u>(0.2)</u>	<u>(0.1)</u>	<u>-</u>	<u>-</u>	<u>0.6</u>	<u>-</u>	<u>0.3</u>

⁽¹⁾ Favourable reserve reestimates are shown in parentheses.

⁽²⁾ Includes \$8 million and \$7 million reduction of reinsurance premiums for the three months ended December 31, 2019 and September 30, 2019, respectively, and \$5 million and \$15 million of reinstatement reinsurance premiums incurred for the three months ended June 30, 2019 and March 31, 2019, respectively, related to the 2018 Camp Fire.

⁽³⁾ Calculated using the total premiums earned for Allstate Protection for the respective period. Discontinued Lines and Coverages does not have premiums earned or catastrophe losses.

⁽⁴⁾ Includes \$1 million and \$12 million for Texas Windstorm Insurance Association assessments related to Hurricane Harvey which occurred in third quarter 2017 for the three months ended March 31, 2020 and December 31, 2019, respectively.

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

	Three months ended June 30, 2020 ⁽¹⁾			Three months ended March 31, 2020			Three months ended December 31, 2019		
	Number of locations ⁽²⁾	Total brand (%) ⁽³⁾	Location specific (%) ⁽⁷⁾	Number of locations	Total brand (%)	Location specific (%)	Number of locations	Total brand (%)	Location specific (%)
Allstate brand									
Auto ⁽⁵⁾	14	0.1	0.4	16	0.4	6.5	26	0.8	2.6
Homeowners ⁽⁴⁾	5	0.1	3.4	15	1.3	4.1	12	0.7	4.9
Esurance brand									
Auto	1	0.1	6.6	10	2.6	7.2	12	0.9	5.2
Homeowners	-	-	-	-	-	-	-	-	-
Encompass brand									
Auto	2	(0.1)	(1.9)	5	-	(0.2)	9	0.7	4.4
Homeowners	6	0.7	6.3	6	1.8	11.9	8	2.9	15.2
	Three months ended September 30, 2019			Three months ended June 30, 2019			Three months ended March 31, 2019		
	Number of locations	Total brand (%)	Location specific (%)	Number of locations	Total brand (%)	Location specific (%)	Number of locations	Total brand (%)	Location specific (%)
Allstate brand									
Auto	24	0.5	3.1	20	0.8	3.4	19	0.6	3.4
Homeowners	12	0.3	3.5	4	0.1	5.1	20	2.1	5.5
Esurance brand									
Auto	15	1.1	2.8	6	2.4	5.3	9	0.6	4.1
Homeowners	1	-	(3.0)	2	2.7	19.9	2	2.0	18.2
Encompass brand									
Auto	6	0.3	2.4	1	-	3.6	3	0.5	4.5
Homeowners	11	3.5	9.4	8	1.4	6.5	4	1.4	10.8

⁽¹⁾ Rate changes include changes approved based on our net cost of reinsurance. These rate changes do not reflect initial rates filed for insurance subsidiaries initially writing business. Based on historical premiums written in 50 states, the District of Columbia and Canadian provinces, rate changes approved for Allstate brand, Esurance brand and Encompass brand for the three month period ending June 30, 2020 are estimated to total \$42 million. Rate changes do not include rating plan enhancements, including the introduction of discounts and surcharges that result in no change in the overall rate level in a location.

⁽²⁾ Impacts of Allstate brand auto effective rate changes as a percentage of total brand prior year-end premiums written were 0.2%, 0.4%, 0.9%, 0.4%, 0.9% and 0.6% for the three months ended June 30, 2020, March 31, 2020, December 31, 2019, September 30, 2019, June 30, 2019 and March 31, 2019, respectively. Rate changes are included in the effective calculations in the period the rate change is effective for renewal contracts.

⁽³⁾ Allstate brand auto rate changes were 1.6%, 2.6%, 2.7%, 2.2%, 1.7% and 1.4% for the trailing twelve months ended June 30, 2020, March 31, 2020, December 31, 2019, September 30, 2019, June 30, 2019 and March 31, 2019, respectively.

⁽⁴⁾ Impacts of Allstate brand homeowners effective rate changes as a percentage of total brand prior year-end premiums written were 0.7%, 1.2%, 0.2%, 0.8% and 2.3% for the three months ended June 30, 2020, March 31, 2020, December 31, 2019, September 30, 2019, June 30, 2019 and March 31, 2019, respectively.

⁽⁵⁾ Allstate brand operates in 50 states, the District of Columbia, and 5 Canadian provinces. Esurance brand operates in 43 states. Encompass operates in 40 states and the District of Columbia.

⁽⁶⁾ Represents the impact in the states, the District of Columbia and Canadian provinces where rate changes were approved during the period as a percentage of total brand prior year-end premiums written.

⁽⁷⁾ Represents the impact in the states, the District of Columbia and Canadian provinces where rate changes were approved during the period as a percentage of its respective total prior year-end premiums written in those same locations.

The Allstate Corporation
Allstate Brand Profitability Measures

(\$ in millions, except ratios)

	Three months ended				Six months ended			
	June 30, 2020	March 31, 2020	Dec. 31, 2019	Sept. 30, 2019	June 30, 2019	March 31, 2019	June 30, 2020	June 30, 2019
Net premiums written	\$ 8,391	\$ 7,824	\$ 8,008	\$ 8,472	\$ 8,262	\$ 7,544	\$ 16,215	\$ 15,806
Net premiums earned								
Auto	\$ 5,547	\$ 5,332	\$ 5,509	\$ 5,446	\$ 5,404	\$ 5,321	\$ 11,079	\$ 10,725
Homeowners	1,924	1,907	1,892	1,868	1,832	1,811	3,631	3,643
Other personal lines	437	448	448	447	440	437	946	877
Commercial lines	159	218	237	236	183	183	377	409
Total	\$ 8,067	\$ 8,106	\$ 8,087	\$ 7,997	\$ 7,962	\$ 7,752	\$ 16,193	\$ 15,654
Other revenue								
Auto	\$ 48	\$ 58	\$ 58	\$ 57	\$ 57	\$ 57	\$ 106	\$ 114
Homeowners	10	11	11	12	11	11	21	22
Other personal lines	36	29	31	37	35	28	65	63
Commercial lines	2	1	2	1	2	1	3	3
Other business lines ⁽¹⁾	45	40	42	46	46	38	85	84
Total	\$ 141	\$ 139	\$ 144	\$ 153	\$ 151	\$ 153	\$ 280	\$ 286
Incurred losses								
Auto	\$ 2,643	\$ 3,378	\$ 3,712	\$ 3,689	\$ 3,698	\$ 3,485	\$ 6,021	\$ 7,183
Homeowners	1,636	927	958	1,082	1,508	1,254	2,553	2,762
Other personal lines	291	243	225	277	291	292	534	373
Commercial lines	125	171	185	197	196	139	296	335
Total	\$ 4,695	\$ 4,719	\$ 5,080	\$ 5,245	\$ 5,693	\$ 5,170	\$ 9,404	\$ 10,653
Expenses								
Auto	\$ 2,058	\$ 1,560	\$ 1,456	\$ 1,385	\$ 1,376	\$ 1,381	\$ 3,618	\$ 2,757
Homeowners	426	436	459	437	414	426	862	840
Other personal lines	154	147	159	156	146	143	301	289
Commercial lines	47	43	41	39	39	38	90	77
Other business lines ⁽¹⁾	29	26	12	30	28	27	55	55
Total	\$ 2,714	\$ 2,212	\$ 2,127	\$ 2,047	\$ 2,003	\$ 2,015	\$ 4,926	\$ 4,018
Underwriting income (loss)								
Auto	\$ 894	\$ 652	\$ 399	\$ 429	\$ 387	\$ 512	\$ 1,546	\$ 899
Homeowners	(118)	535	486	361	(79)	142	437	63
Other personal lines	48	88	96	51	48	30	136	78
Commercial lines	(11)	5	13	1	(7)	7	(6)	-
Other business lines	16	14	39	48	18	11	39	29
Total	\$ 829	\$ 1,314	\$ 1,034	\$ 850	\$ 367	\$ 702	\$ 2,144	\$ 1,000
Loss ratio	57.9	58.2	62.8	65.6	71.9	66.7	58.1	69.3
Expense ratio ⁽²⁾	31.8	25.6	24.5	23.7	23.5	24.2	28.7	23.9
Combined ratio	89.7	83.8	87.3	89.3	95.4	90.9	86.8	93.2
Loss ratio	57.9	58.2	62.8	65.6	71.9	66.7	58.1	69.3
Less: effect of catastrophe losses	13.7	2.4	3.4	5.6	13.0	8.3	8.1	10.7
Effect of prior year non-catastrophe reserve reestimates	(0.5)	0.3	(0.1)	(1.7)	(1.0)	(0.6)	(0.1)	(0.8)
Underlying loss ratio*	44.7	55.5	55.5	61.7	50.9	50.0	50.1	58.4
Reconciliation of combined ratio to underlying combined ratio								
Combined ratio	89.7	83.8	87.3	89.3	95.4	90.9	86.8	93.2
Effect of catastrophe losses	(13.7)	(2.4)	(3.4)	(5.6)	(13.0)	(8.3)	(8.1)	(10.7)
Effect of prior year non-catastrophe reserve reestimates	0.5	(0.3)	0.1	1.7	1.0	0.6	0.1	0.8
Underlying combined ratio*	76.5	81.1	84.0	85.4	83.4	83.2	78.8	83.3
Effect of prior year reserve reestimates on combined ratio	(0.2)	0.1	(0.2)	(1.8)	(1.0)	-	-	(0.5)
Effect of advertising expenses on combined ratio	2.2	2.0	2.9	2.1	1.9	1.9	2.1	1.9
Effect of Shelter-in-Place Payback expense on combined and expense ratios	8.2	2.3	-	-	-	-	5.3	-

(1) Other business lines primarily represent commissions earned and other costs and expenses for brokerage.
(2) Other revenue is deducted from other costs and expenses in the expense ratio calculation.

The Allstate Corporation
Allstate Brand Statistics ⁽¹⁾

	Three months ended				Six months ended			
	June 30, 2020	March 31, 2020	Dec. 31, 2019	Sept. 30, 2019	June 30, 2019	March 31, 2019	June 30, 2020	June 30, 2019
New issued applications (in thousands) ⁽²⁾								
Auto	751	751	694	753	755	740	1,502	1,495
Homeowners	224	199	196	226	229	197	423	426
Average premium - gross written (\$) ⁽³⁾								
Auto	594	598	595	589	581	578	596	579
Homeowners	1,328	1,314	1,304	1,308	1,295	1,267	1,322	1,283
Average premium - net earned (\$) ⁽⁴⁾								
Auto	545	543	541	537	535	530	544	532
Homeowners	1,221	1,213	1,209	1,191	1,174	1,166	1,217	1,170
Annualized average premium (\$) ⁽⁵⁾								
Auto	1,084	1,089	1,080	1,071	1,065	1,057	1,083	1,057
Homeowners	1,225	1,220	1,210	1,198	1,178	1,169	1,219	1,171
Average underlying loss (incurred pure premium) and expense * (\$) ⁽⁶⁾								
Auto	895	955	1,003	991	970	953	921	958
Homeowners	736	754	739	779	732	745	744	737
Renewal ratio (%) ⁽⁷⁾								
Auto	88.1	88.0	88.1	88.6	88.6	88.8	88.1	88.8
Homeowners	87.3	87.6	88.2	88.4	88.2	88.4	87.5	88.3
Auto property damage (% change year-over-year)								
Gross claim frequency ⁽⁸⁾	(46.4)	(12.0)	(2.2)	2.0	(0.8)	(1.6)	(29.4)	(1.2)
Paid claim frequency ⁽⁹⁾	(37.8)	(3.8)	(4.0)	0.2	(1.5)	(3.6)	(20.6)	(2.5)
Paid claim severity ⁽¹⁰⁾	20.1	7.7	6.0	5.1	8.8	6.1	12.7	7.4
Bodily injury (% change year-over-year)								
Gross claim frequency ⁽⁸⁾	(49.2)	(11.2)	(3.2)	(0.5)	(2.1)	(1.2)	(30.5)	(1.6)
Homeowners excluding catastrophe losses (% change year-over-year)								
Gross claim frequency ⁽⁸⁾	(8.7)	(13.1)	(11.2)	(8.8)	(2.8)	(0.2)	(10.8)	(1.5)
Paid claim frequency ⁽⁹⁾	(12.4)	(10.7)	(11.6)	(6.4)	(6.7)	1.1	(11.6)	(3.1)
Paid claim severity ⁽¹⁰⁾	9.4	16.1	23.2	13.2	11.7	0.5	12.8	6.2

(1) Statistics presented for Allstate brand exclude excess and surplus lines.

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

(3) 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 6 months for auto and 12 months for homeowners.

(4) Average premium - net earned: Earned premium divided by average policies in force for the period. Earned premium includes the impacts from mid-term premium adjustments and ceded reinsurance, but does not include impacts of premium refund accruals. Average premiums represent the appropriate policy term for each line, which is 6 months for auto and 12 months for homeowners.

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

(6) Average underlying loss (incurred pure premium) and expense is calculated as the underlying combined ratio multiplied by the annualized average premium.

(7) Renewal ratio: Renewal policies issued during the period, based on contract effective dates, divided by the total policies issued 6 months prior for auto or 12 months prior for homeowners.

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

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

The Allstate Corporation
Esurance Brand Profitability Measures and Statistics

(\$ in millions, except ratios)

	Three months ended				Six months ended			
	June 30, 2020	March 31, 2020	Dec. 31, 2019	Sept. 30, 2019	June 30, 2019	March 31, 2019	June 30, 2020	June 30, 2019
Net premiums written	\$ 518	\$ 546	\$ 489	\$ 562	\$ 503	\$ 559	\$ 1,064	\$ 1,062
Net premiums earned								
Auto	\$ 491	\$ 487	\$ 500	\$ 498	\$ 496	\$ 475	\$ 978	\$ 971
Homeowners	30	30	30	28	27	25	60	52
Other personal lines	2	2	2	2	2	2	4	4
Total	\$ 523	\$ 519	\$ 532	\$ 528	\$ 525	\$ 502	\$ 1,042	\$ 1,027
Other revenue								
Auto	\$ 23	\$ 23	\$ 20	\$ 23	\$ 20	\$ 20	\$ 46	\$ 40
Total	\$ 23	\$ 23	\$ 20	\$ 23	\$ 20	\$ 20	\$ 46	\$ 40
Incurred losses								
Auto	\$ 272	\$ 309	\$ 405	\$ 404	\$ 387	\$ 367	\$ 631	\$ 754
Homeowners	25	13	16	20	31	15	38	46
Other personal lines	1	1	2	2	2	2	2	3
Total	\$ 298	\$ 323	\$ 423	\$ 426	\$ 419	\$ 384	\$ 671	\$ 803
Expenses								
Auto	\$ 169	\$ 145	\$ 160	\$ 126	\$ 121	\$ 129	\$ 314	\$ 250
Homeowners	6	5	6	7	7	6	11	13
Other personal lines	1	-	-	-	1	-	1	1
Total	\$ 176	\$ 150	\$ 166	\$ 133	\$ 129	\$ 135	\$ 326	\$ 264
Underwriting income (loss)								
Auto	\$ 73	\$ 6	\$ 143	\$ 69	\$ 8	\$ (1)	\$ 79	\$ 7
Homeowners	(1)	12	8	1	(11)	4	11	(7)
Other personal lines	-	1	2	2	-	-	1	-
Total	\$ 72	\$ 19	\$ 153	\$ 72	\$ 10	\$ 3	\$ 91	\$ -
Less: into	57.0	71.8	79.5	80.3	79.8	76.5	64.4	78.2
Expense ratio ⁽¹⁾	29.2	24.5	27.5	20.8	20.0	22.9	20.9	21.8
Combined ratio	86.2	96.3	107.0	101.1	99.8	99.4	85.3	100.0
Less: into	57.0	71.8	79.5	80.3	79.8	76.5	64.4	78.2
Less: effect of catastrophe losses	3.4	0.6	0.8	3.0	4.8	1.2	2.0	3.0
effect of prior year non-catastrophe reserve reestimates	0.2	0.1	-	0.2	(0.5)	0.6	0.2	0.1
Underlying loss ratio	63.4	71.1	78.7	77.1	75.4	74.7	62.2	75.1
Reconciliation of combined ratio to underlying combined ratio								
Combined ratio	86.2	96.3	107.0	101.1	99.8	99.4	85.3	100.0
Effect of catastrophe losses	(2.4)	(0.8)	(0.8)	(2.0)	(4.0)	(1.2)	(2.0)	(2.0)
Effect of prior year non-catastrophe reserve reestimates	(0.2)	(0.1)	-	(0.2)	0.4	(0.6)	(0.2)	(0.1)
Effect of amortization of purchased intangibles	(0.2)	-	(0.2)	-	-	(0.2)	(0.1)	(0.1)
Effect of impairment of purchased intangibles	-	-	(0.6)	-	-	-	-	-
Underlying combined ratio⁽¹⁾	82.4	95.6	96.4	97.9	96.2	97.4	89.0	96.8
Effect of prior year reserve reestimates on combined ratio	0.2	0.1	-	-	-	0.6	0.2	0.3
Effect of advertising expenses on combined ratio	5.9	8.5	4.7	8.0	7.4	8.2	7.2	7.8
Effect of Shelter-in-Place Payback expense on combined and expense ratios	11.1	3.3	-	-	-	-	7.2	-
Policy in force (in thousands)								
Auto	1,514	1,503	1,515	1,543	1,548	1,548	1,514	1,548
Homeowners	107	106	105	104	108	98	107	101
Other personal lines	46	46	46	46	48	48	46	48
Total	1,667	1,655	1,666	1,693	1,699	1,694	1,667	1,697
New issued applications (in thousands)								
Auto	117	130	119	149	145	180	247	325
Homeowners	6	5	6	9	7	7	11	14
Average premium - gross written (\$)								
Auto (6-month policy)	653	632	619	626	611	625	642	619
Homeowners (12-month policy)	1,093	1,081	1,047	1,082	1,063	1,016	1,088	1,045
Renewal ratio (%)								
Auto	83.4	82.0	81.8	81.9	81.0	83.9	82.7	84.0
Homeowners	84.7	83.9	83.2	84.1	84.8	84.8	84.3	85.2

⁽¹⁾ Other revenue is deducted from other costs and expenses in the expense ratio calculation.

The Allstate Corporation
Encompass Brand Profitability Measures and Statistics

(\$ in millions, except ratios)

	Three months ended				Six months ended			
	June 30, 2020	March 31, 2020	Dec. 31, 2019	Sept. 30, 2019	June 30, 2019	March 31, 2019	June 30, 2020	June 30, 2019
Net premiums written	\$ 263	\$ 222	\$ 260	\$ 278	\$ 278	\$ 224	\$ 485	\$ 502
Net premiums earned								
Auto	\$ 135	\$ 135	\$ 134	\$ 136	\$ 135	\$ 134	\$ 270	\$ 269
Homeowners	99	101	100	101	99	99	200	198
Other personal lines	19	20	20	20	20	20	39	40
Total	\$ 253	\$ 256	\$ 254	\$ 257	\$ 254	\$ 253	\$ 509	\$ 507
Other revenue								
Auto	\$ -	\$ 1	\$ -	\$ 2	\$ -	\$ 1	\$ 1	\$ 1
Homeowners	1	-	1	-	-	-	1	1
Total	\$ 1	\$ 1	\$ 1	\$ 2	\$ 1	\$ 1	\$ 2	\$ 2
Incurred losses								
Auto	\$ 46	\$ 90	\$ 88	\$ 94	\$ 87	\$ 91	\$ 136	\$ 178
Homeowners	90	55	52	82	66	72	145	138
Other personal lines	18	12	15	17	14	11	30	25
Total	\$ 154	\$ 157	\$ 155	\$ 193	\$ 167	\$ 174	\$ 311	\$ 341
Expenses								
Auto	\$ 37	\$ 48	\$ 44	\$ 43	\$ 42	\$ 45	\$ 105	\$ 87
Homeowners	31	32	32	32	31	31	63	63
Other personal lines	6	6	7	6	7	6	12	13
Total	\$ 74	\$ 86	\$ 83	\$ 81	\$ 80	\$ 82	\$ 180	\$ 163
Underwriting income (loss)								
Auto	\$ 32	\$ (2)	\$ 2	\$ 1	\$ 6	\$ (1)	\$ 30	\$ 5
Homeowners	(21)	14	17	(13)	2	(4)	(7)	(2)
Other personal lines	(5)	2	(2)	(3)	(1)	3	(3)	2
Total	\$ 6	\$ 14	\$ 17	\$ (15)	\$ 7	\$ (2)	\$ 20	\$ 5
Loss ratio	60.9	61.3	61.0	75.1	65.7	68.8	61.1	67.3
Expense ratio	28.7	38.7	32.3	29.7	27.5	37.0	35.4	31.7
Combined ratio	89.6	100.0	93.3	104.8	93.2	105.8	96.5	99.0
Loss ratio	60.9	61.3	61.0	75.1	65.7	68.8	61.1	67.3
Less: effect of catastrophe losses	23.3	4.7	4.7	18.3	10.2	11.9	13.9	11.0
effect of prior year non-catastrophe reserve reestimates	(0.4)	-	0.4	(0.4)	(2.8)	0.4	(0.1)	(1.2)
Underlying loss ratio *	37.2	56.6	55.9	37.2	53.3	56.3	47.1	55.1
Reconciliation of combined ratio to underlying combined ratio								
Combined ratio	89.6	100.0	93.3	104.8	93.2	105.8	96.5	99.0
Effect of catastrophe losses	(23.3)	(4.7)	(4.7)	(18.3)	(10.2)	(11.9)	(13.9)	(11.0)
Effect of prior year non-catastrophe reserve reestimates	0.4	-	(0.4)	0.4	2.8	(0.4)	0.1	1.2
Underlying combined ratio *	66.7	95.3	88.2	86.9	85.8	93.5	82.7	89.2
Effect of prior year reserve reestimates on combined ratio	(0.4)	(0.8)	-	0.4	(1.2)	2.0	(0.5)	0.4
Effect of change on Place Payback expense on combined and expense ratios	6.3	2.0	-	-	-	-	4.1	-
Policies in force (in thousands)								
Auto	473	485	493	496	497	499	473	497
Homeowners	225	230	234	235	236	237	225	238
Other personal lines	74	75	76	77	77	78	74	77
Total	772	790	803	808	810	814	772	810
New issued applications (in thousands)								
Auto	14	16	19	21	22	20	30	42
Homeowners	8	8	9	12	12	9	16	21
Average premium - gross written (\$)								
Auto (12-month policy)	1,166	1,162	1,134	1,137	1,130	1,134	1,164	1,132
Homeowners (12-month policy)	1,901	1,880	1,823	1,807	1,782	1,768	1,891	1,775
Renewal ratio (%)								
Auto	76.5	77.5	77.8	78.9	78.1	77.7	76.9	77.9
Homeowners	80.5	81.9	82.1	83.0	82.5	82.1	81.1	82.3

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

The Allstate Corporation
Auto Profitability Measures by Brand

(In millions, except ratios)

	Three months ended				Six months ended		
	June 30, 2020	March 31, 2020	Dec. 31, 2019	Sept. 30, 2019	June 30, 2019	March 31, 2019	June 30, 2019
Allstate brand auto							
Net premiums written	\$ 5,572	\$ 5,374	\$ 5,470	\$ 5,599	\$ 5,472	\$ 5,395	\$ 11,166
Net premiums earned	\$ 5,547	\$ 5,532	\$ 5,509	\$ 5,446	\$ 5,404	\$ 5,321	\$ 11,079
Other revenue	48	36	36	37	37	37	146
Incurred losses	(2,643)	(3,379)	(3,712)	(3,089)	(3,090)	(3,403)	(6,021)
Expenses	(2,058)	(1,560)	(1,456)	(1,385)	(1,376)	(1,381)	(3,018)
Underwriting income	\$ 884	\$ 652	\$ 399	\$ 429	\$ 307	\$ 312	\$ 1,296
Loss ratio	47.7	61.1	67.4	67.7	68.4	65.5	54.3
Less: effect of catastrophe losses	2.2	0.2	-	2.4	3.3	1.3	1.3
effect of prior year non-catastrophe reserve adjustments	(0.8)	0.3	-	(0.8)	(1.6)	11.1	(0.2)
Underlying loss ratio *	46.3	60.6	67.4	68.1	69.7	65.3	53.4
Expense ratio ⁽¹⁾	36.2	27.1	25.4	24.4	24.4	24.9	31.7
Combined ratio	83.9	88.2	92.8	92.1	92.8	90.4	86.0
Effect of catastrophe losses	(2.2)	(0.2)	-	(2.4)	(3.3)	(1.3)	(1.3)
Effect of prior year non-catastrophe reserve adjustments	0.8	(0.3)	-	0.8	1.6	(1.1)	0.3
Underlying combined ratio *	82.3	87.7	92.8	92.5	91.1	90.2	85.1
Effect of Share-in-Place Payback expense on combined and expense ratios	11.9	3.4	-	-	-	-	7.7
Esurance brand auto							
Net premiums written	\$ 482	\$ 517	\$ 469	\$ 525	\$ 469	\$ 532	\$ 999
Net premiums earned	\$ 481	\$ 487	\$ 500	\$ 498	\$ 486	\$ 475	\$ 978
Other revenue	23	23	20	23	20	20	46
Incurred losses	(272)	(208)	(440)	(444)	(387)	(370)	(831)
Expenses	(169)	(145)	(169)	(126)	(121)	(120)	(314)
Underwriting income (loss)	\$ 73	\$ 6	\$ (45)	\$ (9)	\$ 8	\$ (1)	\$ 79
Loss ratio	55.4	73.7	81.0	81.1	78.0	77.3	64.5
Less: effect of catastrophe losses	1.4	0.2	0.4	1.8	2.0	0.6	0.8
effect of prior year non-catastrophe reserve adjustments	(0.2)	0.7	(0.2)	0.2	(0.4)	0.9	0.4
Underlying loss ratio *	53.8	72.8	80.8	79.1	78.4	77.8	63.3
Expense ratio ⁽¹⁾	29.7	25.1	28.0	20.7	20.4	22.9	27.4
Combined ratio	85.1	98.8	109.0	101.8	98.4	100.2	91.9
Effect of catastrophe losses	(1.4)	(0.2)	(0.4)	(1.8)	(2.0)	(0.6)	(0.8)
Effect of prior year non-catastrophe reserve adjustments	(0.2)	0.7	(0.2)	0.2	(0.4)	0.9	0.4
Effect of amortization of purchased intangibles	(0.2)	-	(0.2)	-	-	(0.2)	(0.1)
Effect of impairment of purchased intangibles	-	-	(10.2)	-	-	-	-
Underlying combined ratio *	83.1	97.9	98.1	99.8	96.8	98.5	90.6
Effect of Share-in-Place Payback expense on combined and expense ratios	11.8	3.5	-	-	-	-	7.7
Encore brand auto							
Net premiums written	\$ 136	\$ 118	\$ 127	\$ 147	\$ 146	\$ 120	\$ 254
Net premiums earned	\$ 135	\$ 135	\$ 134	\$ 136	\$ 135	\$ 134	\$ 270
Other revenue	1	1	-	2	1	1	1
Incurred losses	(49)	(90)	(89)	(94)	(87)	(91)	(176)
Expenses	(57)	(48)	(44)	(49)	(42)	(45)	(87)
Underwriting income (loss)	\$ 35	\$ (2)	\$ 2	\$ 3	\$ 6	\$ (1)	\$ 26
Loss ratio	34.1	66.7	65.7	69.1	64.5	67.9	66.2
Less: effect of catastrophe losses	3.0	-	-	2.9	2.2	1.5	2.2
effect of prior year non-catastrophe reserve adjustments	(0.8)	1.5	-	(0.7)	(6.0)	-	0.4
Underlying loss ratio *	31.9	65.2	65.7	66.9	68.9	65.7	64.5
Expense ratio ⁽¹⁾	42.2	34.8	32.8	30.2	31.1	32.8	38.5
Combined ratio	76.3	101.5	98.5	99.3	95.6	100.7	98.9
Effect of catastrophe losses	(3.0)	-	-	(2.9)	(2.2)	(1.5)	(2.2)
Effect of prior year non-catastrophe reserve adjustments	0.8	(1.5)	-	(0.7)	(6.0)	-	(0.4)
Underlying combined ratio *	74.1	100.0	98.5	97.1	100.0	98.5	97.0
Effect of Share-in-Place Payback expense on combined and expense ratios	11.9	3.7	-	-	-	-	7.8

⁽¹⁾ Other revenue is deducted from other costs and expenses in the expense ratio calculation.

The Allstate Corporation
Homeowners Profitability Measures by Brand

(\$ in millions, except ratios)

	Three months ended							
	June 30, 2020	March 31, 2020	Dec. 31, 2019	Sept. 30, 2019	June 30, 2019	March 31, 2019	June 30, 2020	June 30, 2019
Allstate brand homeowners								
Net premiums written	\$ 2,144	\$ 1,618	\$ 1,861	\$ 2,143	\$ 2,076	\$ 1,565	\$ 3,762	\$ 3,641
Net premiums earned	\$ 1,924	\$ 1,907	\$ 1,892	\$ 1,968	\$ 1,832	\$ 1,811	\$ 3,831	\$ 3,643
Incurred losses	10	11	11	12	11	11	21	22
Expenses	(426)	(436)	(459)	(437)	(416)	(426)	(862)	(840)
Underwriting income (loss)	\$ (110)	\$ 355	\$ 406	\$ 361	\$ (79)	\$ 142	\$ 437	\$ 63
Loss ratio	84.5	46.6	50.6	57.9	82.3	69.3	66.6	75.8
Less: effect of catastrophe losses	46.3	6.9	13.4	13.7	42.6	28.2	27.7	32.5
effect of prior year non-catastrophe reserve reestimates	(0.3)	0.2	(0.2)	—	(0.4)	0.3	(0.1)	(0.1)
Underlying loss ratio⁽¹⁾	38.5	39.5	37.4	42.2	40.1	40.8	39.0	40.1
Expense ratio ⁽¹⁾	21.6	22.3	23.7	22.8	22.0	22.9	22.0	22.5
Combined ratio	106.1	70.9	74.3	80.7	104.3	92.2	88.6	98.3
Effect of catastrophe losses	(46.3)	(6.9)	(13.4)	(13.7)	(42.6)	(28.2)	(27.7)	(32.5)
Effect of prior year non-catastrophe reserve reestimates	0.3	(0.2)	0.2	—	0.4	(0.3)	0.1	0.1
Underlying combined ratio⁽¹⁾	60.1	61.8	61.1	65.0	62.1	63.7	61.0	62.9
Esurance brand homeowners								
Net premiums written	\$ 34	\$ 27	\$ 27	\$ 35	\$ 32	\$ 25	\$ 61	\$ 57
Net premiums earned	\$ 30	\$ 30	\$ 30	\$ 28	\$ 27	\$ 25	\$ 60	\$ 52
Incurred losses	(25)	(13)	(16)	(20)	(31)	(15)	(38)	(46)
Expenses	(6)	(5)	(6)	(7)	(7)	(6)	(11)	(13)
Underwriting income (loss)	\$ (1)	\$ 12	\$ 8	\$ 1	\$ (11)	\$ 4	\$ 11	\$ (7)
Loss ratio	83.3	43.3	53.3	71.4	118.8	60.0	63.4	88.5
Less: effect of catastrophe losses	36.6	6.7	6.7	23.0	35.5	12.0	21.7	34.6
effect of prior year non-catastrophe reserve reestimates	—	(6.7)	3.3	—	—	(4.0)	(3.3)	(1.9)
Underlying loss ratio⁽¹⁾	46.7	43.3	43.3	48.4	59.3	52.0	45.0	51.1
Expense ratio ⁽¹⁾	20.0	16.7	20.0	25.0	25.9	24.0	18.3	25.0
Combined ratio	103.3	60.0	73.3	96.4	140.7	84.0	81.7	113.5
Effect of catastrophe losses	(36.6)	(6.7)	(6.7)	(23.0)	(35.5)	(12.0)	(21.7)	(34.6)
Effect of prior year non-catastrophe reserve reestimates	—	6.7	(3.3)	—	—	4.0	3.3	1.9
Underlying combined ratio⁽¹⁾	66.7	60.0	63.3	71.4	85.2	76.0	63.3	80.8
Encompass brand homeowners								
Net premiums written	\$ 106	\$ 87	\$ 94	\$ 110	\$ 111	\$ 86	\$ 193	\$ 197
Net premiums earned	\$ 99	\$ 101	\$ 100	\$ 101	\$ 99	\$ 99	\$ 200	\$ 198
Other revenue	1	—	1	—	1	—	1	1
Incurred losses	(60)	(55)	(52)	(82)	(66)	(72)	(145)	(138)
Expenses	(31)	(32)	(32)	(32)	(32)	(31)	(62)	(62)
Underwriting income (loss)	\$ (21)	\$ 14	\$ 17	\$ (13)	\$ (22)	\$ (4)	\$ (7)	\$ (2)
Loss ratio	90.9	54.4	52.0	81.2	66.7	72.7	72.5	69.7
Less: effect of catastrophe losses	52.5	10.9	12.0	40.6	22.2	25.3	31.5	23.7
effect of prior year non-catastrophe reserve reestimates	—	—	1.0	—	—	4.0	—	2.3
Underlying loss ratio⁽¹⁾	38.4	43.5	39.0	40.6	44.5	43.4	41.0	44.0
Expense ratio ⁽¹⁾	30.3	31.7	31.0	31.7	31.3	31.3	31.0	31.3
Combined ratio	121.2	86.1	83.0	112.9	98.0	104.0	103.5	101.0
Effect of catastrophe losses	(52.5)	(10.9)	(12.0)	(40.6)	(22.2)	(25.3)	(31.5)	(23.7)
Effect of prior year non-catastrophe reserve reestimates	—	—	(1.0)	—	—	(4.0)	—	(2.0)
Underlying combined ratio⁽¹⁾	68.7	75.2	70.0	72.3	75.8	74.7	72.0	75.3

⁽¹⁾ Other revenue is deducted from other costs and expenses in the expense ratio calculation.

The Allstate Corporation
Other Personal Lines Profitability Measures by Brand⁽¹⁾

(\$ in millions, except ratios)

	Three months ended				Six months ended			
	June 30, 2020	March 31, 2020	Dec. 31, 2019	Sept. 30, 2019	June 30, 2019	March 31, 2019	June 30, 2020	June 30, 2019
Allstate brand other personal lines								
Net premiums written	\$ 505	\$ 411	\$ 434	\$ 492	\$ 478	\$ 399	\$ 916	\$ 877
Net premiums earned	\$ 457	\$ 449	\$ 449	\$ 447	\$ 440	\$ 437	\$ 906	\$ 877
Other revenue	36	29	31	37	35	28	65	63
Incurred losses	(291)	(243)	(225)	(277)	(281)	(292)	(534)	(573)
Expenses	(154)	(147)	(159)	(156)	(146)	(143)	(301)	(289)
Underwriting income	\$ 48	\$ 88	\$ 96	\$ 51	\$ 48	\$ 30	\$ 136	\$ 78
Loss ratio	63.7	54.1	50.1	62.0	63.9	66.8	58.9	65.3
Less: effect of catastrophe losses	18.8	2.7	4.2	5.1	13.0	14.6	10.8	13.8
effect of prior year non-catastrophe reserve reestimates	(0.9)	-	(1.1)	2.5	0.4	0.2	(0.4)	0.3
Underlying loss ratio *	45.8	51.4	47.0	54.4	50.5	52.0	48.3	51.2
Expense ratio ⁽²⁾	25.8	26.3	28.5	26.6	25.2	26.3	26.1	25.8
Combined ratio	89.5	80.4	78.6	88.6	89.1	93.1	85.0	91.1
Effect of catastrophe losses	(18.8)	(2.7)	(4.2)	(5.1)	(13.0)	(14.6)	(10.8)	(13.8)
Effect of prior year non-catastrophe reserve reestimates	0.9	-	1.1	(2.5)	(0.4)	(0.2)	0.4	(0.3)
Underlying combined ratio *	71.6	77.7	75.5	81.0	75.7	78.3	74.6	77.0
Esurance brand other personal lines								
Net premiums written	\$ 2	\$ 2	\$ 2	\$ 2	\$ 2	\$ 2	\$ 4	\$ 4
Net premiums earned	\$ 2	\$ 2	\$ 2	\$ 2	\$ 2	\$ 2	\$ 4	\$ 4
Incurred losses	(1)	(1)	(2)	-	(1)	(2)	(2)	(3)
Expenses	(1)	-	-	-	(1)	-	(1)	(1)
Underwriting income	\$ -	\$ 1	\$ -	\$ 2	\$ -	\$ -	\$ 1	\$ -
Encompass brand other personal lines								
Net premiums written	\$ 21	\$ 17	\$ 19	\$ 21	\$ 21	\$ 18	\$ 38	\$ 39
Net premiums earned	\$ 19	\$ 20	\$ 20	\$ 20	\$ 20	\$ 20	\$ 39	\$ 40
Incurred losses	(18)	(12)	(15)	(17)	(14)	(11)	(30)	(25)
Expenses	(6)	(6)	(7)	(6)	(7)	(6)	(12)	(13)
Underwriting income (loss)	\$ (5)	\$ 2	\$ (2)	\$ (3)	\$ (1)	\$ 3	\$ (3)	\$ 2
Loss ratio	94.7	60.0	75.0	85.0	70.0	55.0	76.9	62.5
Less: effect of catastrophe losses	15.8	5.0	-	10.0	5.0	10.0	10.2	7.5
effect of prior year non-catastrophe reserve reestimates	-	(10.0)	-	-	10.0	(15.0)	(5.1)	(2.5)
Underlying loss ratio *	78.9	65.0	75.0	75.0	55.0	60.0	71.8	57.5
Expense ratio ⁽²⁾	31.6	30.0	35.0	30.0	35.0	30.0	30.8	32.5
Combined ratio	126.3	90.0	110.0	115.0	105.0	85.0	107.7	95.0
Effect of catastrophe losses	(15.8)	(5.0)	-	(10.0)	(5.0)	(10.0)	(10.2)	(7.5)
Effect of prior year non-catastrophe reserve reestimates	-	10.0	-	-	10.0	15.0	5.1	2.5
Underlying combined ratio *	110.5	95.0	110.0	105.0	90.0	90.0	102.6	90.0

⁽¹⁾ Other personal lines include renters, condominium, landlord and other personal lines products in Allstate Protection.

⁽²⁾ Other revenue is deducted from other costs and expenses in the expense ratio calculation.

The Allstate Corporation
Commercial Lines Profitability Measures ⁽¹⁾

(\$ in millions, except ratios)

	Three months ended				Six months ended			
	June 30, 2020	March 31, 2020	Dec. 31, 2019	Sept. 30, 2019	June 30, 2019	March 31, 2019	June 30, 2020	June 30, 2019
Net premiums written	\$ 170	\$ 221	\$ 243	\$ 238	\$ 236	\$ 185	\$ 391	\$ 421
Net premiums earned	\$ 159	\$ 218	\$ 237	\$ 236	\$ 226	\$ 183	\$ 377	\$ 409
Other revenue	2	1	2	1	2	1	3	3
Incurred losses	(125)	(171)	(185)	(197)	(196)	(139)	(296)	(335)
Expenses	(47)	(43)	(41)	(39)	(39)	(30)	(90)	(77)
Underwriting income (loss)	<u>\$ (11)</u>	<u>\$ 5</u>	<u>\$ 13</u>	<u>\$ 1</u>	<u>\$ (7)</u>	<u>\$ 7</u>	<u>\$ (6)</u>	<u>\$ -</u>
Loss ratio	78.6	78.4	78.1	83.5	86.7	76.0	78.5	81.9
Expense ratio ⁽²⁾	28.3	19.3	16.4	16.1	16.4	20.2	23.1	18.1
Combined ratio	<u>106.9</u>	<u>97.7</u>	<u>94.5</u>	<u>99.6</u>	<u>103.1</u>	<u>96.2</u>	<u>101.6</u>	<u>100.0</u>
Reconciliation of combined ratio to underlying combined ratio								
Combined ratio	106.9	97.7	94.5	99.6	103.1	96.2	101.6	100.0
Effect of catastrophe losses	(5.7)	(0.9)	(2.1)	(0.9)	(1.8)	(0.5)	(2.9)	(1.2)
Effect of prior year non-catastrophe reserve reestimates	(11.9)	(2.3)	-	(0.4)	(5.3)	(2.8)	(6.4)	(4.2)
Underlying combined ratio *	<u>89.3</u>	<u>94.5</u>	<u>92.4</u>	<u>98.3</u>	<u>96.0</u>	<u>92.9</u>	<u>92.3</u>	<u>94.6</u>
Effect of prior year reserve reestimates on combined ratio	13.2	2.8	-	-	5.7	2.2	7.2	4.2
Effect of catastrophe losses included in prior year reserve reestimates on combined ratio	1.3	0.5	-	(0.4)	0.4	(0.6)	0.8	-
Effect of Shelter-in-Place Payback expense on combined and expense ratios	2.5	-	-	-	-	-	1.1	-

⁽¹⁾ Commercial lines are all Allstate brand products and includes our shared economy business.

⁽²⁾ Other revenue is deducted from other costs and expenses in the expense ratio calculation.

The Allstate Corporation
Discontinued Lines and Coverages Reserves

(\$ in millions)	These months ended		Twelve months ended December 31,				
	June 30, 2020	March 31, 2020	2019	2018	2017	2016	2015
(net of reinsurance)							
Asbestos							
Beginning reserves	\$ 790	\$ 810	\$ 866	\$ 884	\$ 912	\$ 960	\$ 1,014
Incurred claims and claims expense	-	-	28	44	61	67	39
Claims and claims expense paid	(11)	(20)	(84)	(62)	(89)	(115)	(93)
Ending reserves	<u>\$ 779</u>	<u>\$ 790</u>	<u>\$ 810</u>	<u>\$ 866</u>	<u>\$ 884</u>	<u>\$ 912</u>	<u>\$ 960</u>
Claims and claims expense paid as a percent of ending reserves	1.4 %	2.5 %	10.4 %	7.2 %	10.1 %	12.6 %	9.7 %
Environmental							
Beginning reserves	\$ 175	\$ 179	\$ 170	\$ 166	\$ 179	\$ 179	\$ 203
Incurred claims and claims expense	-	-	36	20	10	23	1
Claims and claims expense paid	(4)	(4)	(27)	(16)	(23)	(23)	(25)
Ending reserves	<u>\$ 171</u>	<u>\$ 175</u>	<u>\$ 179</u>	<u>\$ 170</u>	<u>\$ 166</u>	<u>\$ 179</u>	<u>\$ 179</u>
Claims and claims expense paid as a percent of ending reserves	2.3 %	2.3 %	15.1 %	9.4 %	13.9 %	12.8 %	14.0 %
Other ⁽¹⁾							
Beginning reserves	\$ 370	\$ 376	\$ 355	\$ 357	\$ 354	\$ 377	\$ 395
Incurred claims and claims expense	2	2	41	23	25	15	13
Claims and claims expense paid	(2)	(8)	(20)	(25)	(22)	(38)	(31)
Ending reserves	<u>\$ 370</u>	<u>\$ 370</u>	<u>\$ 376</u>	<u>\$ 355</u>	<u>\$ 357</u>	<u>\$ 354</u>	<u>\$ 377</u>
Claims and claims expense paid as a percent of ending reserves	0.5 %	2.2 %	5.3 %	7.0 %	6.2 %	10.7 %	8.2 %
Total ⁽²⁾							
Beginning reserves	\$ 1,335	\$ 1,365	\$ 1,391	\$ 1,407	\$ 1,445	\$ 1,516	\$ 1,612
Incurred claims and claims expense	2	2	105	87	96	105	53
Claims and claims expense paid	(17)	(32)	(131)	(103)	(134)	(176)	(149)
Ending reserves	<u>\$ 1,320</u>	<u>\$ 1,335</u>	<u>\$ 1,365</u>	<u>\$ 1,391</u>	<u>\$ 1,407</u>	<u>\$ 1,445</u>	<u>\$ 1,516</u>
Claims and claims expense paid as a percent of ending reserves	1.3 %	2.4 %	9.6 %	7.4 %	9.5 %	12.2 %	9.8 %

(1) Other includes other mass torts, workers' compensation, commercial and other.

(2) The 3-year survival ratio for the combined asbestos, environmental and other claims was 11.9, 11.1, 10.1, 9.2, 9.2 and 10.6 for the annualized six months of 2020 and twelve months ended 2019, 2018, 2017, 2016 and 2015, respectively. The 3-year survival ratio is calculated by taking the ending reserves divided by average net payments made during the 3-year period. For the annualized six months calculation, average net payments are calculated using the annualized 2020 net payments plus the preceding two-year periods.

The Allstate Corporation
Service Businesses Segment Results ⁽¹⁾

(\$ in millions)

	Three months ended				Six months ended			
	June 30, 2020	March 31, 2020	Dec. 31, 2019	Sept. 30, 2019	June 30, 2020	March 31, 2020	June 30, 2019	June 30, 2019
Service Businesses								
Net premiums written	\$ 467	\$ 379	\$ 453	\$ 364	\$ 350	\$ 368	\$ 846	\$ 718
Net premiums ceded	\$ 360	\$ 354	\$ 321	\$ 312	\$ 305	\$ 295	\$ 714	\$ 600
Other revenue	51	52	46	47	48	47	103	95
Interservice insurance premiums and service fees	35	38	44	44	23	33	73	66
Net investment income	11	10	12	11	10	9	21	19
Realized capital gains (losses)	19	(24)	11	4	9	8	(5)	17
Claims and claims expense	(85)	(92)	(92)	(93)	(86)	(92)	(177)	(178)
Amortization of deferred policy acquisition costs	(160)	(153)	(143)	(139)	(134)	(127)	(313)	(261)
Operating costs and expenses	(163)	(161)	(181)	(171)	(158)	(151)	(334)	(308)
Restructuring and related charges	(3)	-	-	(1)	1	-	(3)	1
Amortization of purchased intangibles	(26)	(27)	(29)	(31)	(31)	(31)	(63)	(62)
Impairment of purchased intangibles	-	-	-	-	(53)	-	-	(53)
Income tax (expense) benefit	(7)	-	(1)	4	12	3	(7)	15
Net loss applicable to common shareholders	\$ 32	\$ (3)	\$ (13)	\$ (13)	\$ (46)	\$ (6)	\$ 29	\$ (52)
Realized capital (gains) losses, after-tax	(15)	19	(8)	(4)	(6)	(7)	4	(13)
Amortization of purchased intangibles, after-tax	21	21	23	25	25	24	42	49
Impairment of purchased intangibles, after-tax	-	-	-	-	43	-	-	43
Adjusted net income	\$ 38	\$ 37	\$ 3	\$ 8	\$ 10	\$ 11	\$ 75	\$ 27
Allstate Dealer Services								
Net premiums written	\$ 113	\$ 107	\$ 123	\$ 126	\$ 120	\$ 99	\$ 220	\$ 219
Total revenue ⁽²⁾	\$ 128	\$ 112	\$ 121	\$ 115	\$ 114	\$ 107	\$ 240	\$ 221
Claims and claims expense	(10)	(11)	(12)	(12)	(12)	(11)	(21)	(23)
Other costs and expenses ⁽³⁾	(96)	(97)	(95)	(93)	(90)	(88)	(195)	(178)
Income tax expense	(4)	(1)	(3)	(2)	(3)	(1)	(5)	(4)
Net income applicable to common shareholders	\$ 16	\$ 3	\$ 11	\$ 8	\$ 9	\$ 7	\$ 19	\$ 16
Realized capital (gains) losses, after-tax	(8)	4	(1)	(2)	(2)	(1)	(4)	(3)
Adjusted net loss	\$ 8	\$ 7	\$ 7	\$ 6	\$ 7	\$ 6	\$ 15	\$ 13
Arly ⁽⁴⁾								
Other revenue ⁽⁵⁾	\$ 1	\$ -	\$ -	\$ 1	\$ 1	\$ -	\$ 1	\$ 1
Interservice service fees	25	30	35	34	24	24	55	48
Other costs and expenses ⁽³⁾	(29)	(34)	(39)	(38)	(26)	(27)	(63)	(53)
Income tax benefit	-	1	1	-	-	-	1	1
Net loss applicable to common shareholders	\$ (3)	\$ (3)	\$ (3)	\$ (1)	\$ (1)	\$ (2)	\$ (6)	\$ (3)
Adjusted net loss	\$ (3)	\$ (3)	\$ (3)	\$ (1)	\$ (1)	\$ (2)	\$ (6)	\$ (3)
Allstate Identity Protection								
Other revenue	\$ 27	\$ 28	\$ 24	\$ 22	\$ 23	\$ 24	\$ 55	\$ 47
Interservice service fees	1	-	-	1	-	-	1	-
Other costs and expenses ⁽⁶⁾	(46)	(43)	(48)	(47)	(44)	(38)	(89)	(82)
Income tax benefit	5	3	3	6	5	3	8	8
Net loss applicable to common shareholders	\$ (13)	\$ (12)	\$ (21)	\$ (18)	\$ (16)	\$ (11)	\$ (23)	\$ (27)
Amortization of purchased intangibles, after-tax	9	9	9	11	10	10	18	20
Adjusted net loss	\$ (6)	\$ (3)	\$ (12)	\$ (7)	\$ (6)	\$ (1)	\$ (7)	\$ (7)
Allstate Roadside Services								
Net premiums written	\$ 44	\$ 51	\$ 52	\$ 57	\$ 63	\$ 63	\$ 95	\$ 126
Total revenue ⁽²⁾	\$ 53	\$ 60	\$ 65	\$ 68	\$ 73	\$ 73	\$ 113	\$ 146
Claims and claims expense	(19)	(20)	(21)	(20)	(17)	(16)	(45)	(73)
Other costs and expenses ⁽³⁾	(32)	(31)	(35)	(39)	(40)	(43)	(63)	(83)
Income tax (expense) benefit	-	(1)	-	1	1	2	(1)	2
Net income (loss) applicable to common shareholders	\$ 2	\$ 2	\$ (1)	\$ (5)	\$ (3)	\$ (6)	\$ 4	\$ (9)
Adjusted net income (loss)	\$ 2	\$ 2	\$ (1)	\$ (5)	\$ (3)	\$ (6)	\$ 4	\$ (9)

⁽¹⁾ Service Businesses results also include Allstate Protection Plans; results are on the next page.

⁽²⁾ Total revenue may include net premiums earned, interservice insurance premiums and service fees, other revenue, net investment income and realized capital gains and losses.

⁽³⁾ Other costs and expenses may include amortization of deferred policy acquisition costs, operating costs and expenses, and restructuring and related charges.

⁽⁴⁾ Arly user connections were 22.5 million and 16.8 million as of June 30, 2020 and June 30, 2019, respectively.

⁽⁵⁾ Reflects revenue earned from external customers.

⁽⁶⁾ Includes investments in growing the business and integration into Allstate.

The Allstate Corporation
Allstate Protection Plans Results

(\$ in millions)

As of or for the three months ended

As of or for the
six months ended

	As of or for the three months ended				As of or for the six months ended			
	June 30, 2020	March 31, 2020	Dec. 31, 2019	Sept. 30, 2019	June 30, 2019	March 31, 2019	June 30, 2020	June 30, 2019
Net premiums written	\$ 310	\$ 221	\$ 278	\$ 181	\$ 167	\$ 206	\$ 531	\$ 373
Net premiums earned	\$ 219	\$ 206	\$ 172	\$ 163	\$ 153	\$ 145	\$ 425	\$ 298
Other revenue	8	8	6	7	7	8	16	15
Net investment income	5	5	6	5	4	4	10	8
Realized capital gains (losses)	9	(19)	5	2	6	7	(10)	13
Claims and claims expense	(56)	(55)	(49)	(46)	(37)	(43)	(111)	(80)
Amortization of deferred policy acquisition costs	(75)	(70)	(62)	(60)	(56)	(53)	(145)	(109)
Other costs and expenses	(57)	(50)	(56)	(49)	(48)	(42)	(107)	(80)
Amortization of purchased intangibles	(15)	(16)	(18)	(18)	(18)	(18)	(31)	(36)
Income tax (expense) benefit	-	-	-	-	(55)	-	-	(55)
Income tax (expense) benefit	(8)	(2)	(2)	(1)	9	(2)	(10)	7
Net income (loss) applicable to common shareholders	\$ 30	\$ 7	\$ 2	\$ 3	\$ (35)	\$ 6	\$ 37	\$ (29)
Realized capital (gains) losses, after-tax	(7)	15	(4)	(2)	(4)	(6)	8	(10)
Amortization of purchased intangibles, after-tax	12	12	14	14	15	14	24	29
Impairment of purchased intangibles, after-tax	-	-	-	-	43	-	-	43
Adjusted net income	\$ 35	\$ 34	\$ 12	\$ 15	\$ 19	\$ 14	\$ 69	\$ 33
Protection plans in force (in thousands) ⁽¹⁾	120,301	107,124	99,632	89,783	83,968	77,866	120,301	83,968
New issued protection plans (in thousands)	18,051	12,561	16,515	10,086	9,754	13,500	30,612	23,254

⁽¹⁾ Protection plan terms generally range between one and five years with an average term of three years.

The Allstate Corporation
Allstate Life Segment Results and Other Statistics

(\$ in millions)	As of or for the three months ended				As of or for the six months ended			
	June 30, 2020	March 31, 2020	Dec. 31, 2019	Sept. 30, 2019	June 30, 2019	March 31, 2019	June 30, 2020	June 30, 2019
Premiums	\$ 165	\$ 153	\$ 166	\$ 155	\$ 157	\$ 154	\$ 318	\$ 311
Contract charges	174	180	176	176	176	183	354	359
Other revenue ⁽¹⁾	24	32	34	31	33	27	56	60
Net investment income	123	128	134	128	125	127	251	252
Contract benefits	(238)	(212)	(223)	(202)	(216)	(214)	(450)	(430)
Interest credited to contractholder funds	(71)	(70)	(73)	(73)	(70)	(72)	(141)	(142)
Amortization of deferred policy acquisition costs	(16)	(39)	(29)	(85)	(27)	(26)	(48)	(53)
Operating costs and expenses	(75)	(84)	(95)	(77)	(91)	(91)	(159)	(182)
Restructuring and related charges	(2)	(1)	(1)	-	(1)	-	(3)	(1)
Income tax expense on operations	(10)	(16)	(13)	(9)	(18)	(15)	(26)	(33)
Adjusted net income	<u>72</u>	<u>80</u>	<u>76</u>	<u>44</u>	<u>68</u>	<u>73</u>	<u>152</u>	<u>141</u>
Realized capital gains (losses), after-tax	16	(25)	-	4	-	(4)	(9)	(4)
Valuation changes on embedded derivatives not hedged, after-tax	(35)	12	-	(9)	-	-	(23)	-
DAC and DSI amortization related to realized capital gains and losses and valuation changes on embedded derivatives not hedged, after-tax	11	(3)	(3)	1	(1)	(2)	8	(3)
Net income applicable to common shareholders	<u>\$ 64</u>	<u>\$ 64</u>	<u>\$ 73</u>	<u>\$ 40</u>	<u>\$ 67</u>	<u>\$ 67</u>	<u>\$ 128</u>	<u>\$ 134</u>
Premiums and contract charges by product								
Traditional life insurance premiums	\$ 164	\$ 153	\$ 165	\$ 155	\$ 156	\$ 154	\$ 317	\$ 310
Accident and health insurance premiums	1	-	1	-	1	-	1	1
Interest-sensitive life insurance contract charges	174	180	176	176	176	183	354	359
Total	<u>\$ 339</u>	<u>\$ 333</u>	<u>\$ 342</u>	<u>\$ 331</u>	<u>\$ 333</u>	<u>\$ 337</u>	<u>\$ 672</u>	<u>\$ 670</u>
Benefit spread								
Premiums	\$ 165	\$ 153	\$ 166	\$ 155	\$ 157	\$ 154	\$ 318	\$ 311
Cost of insurance contract charges	126	128	124	123	123	129	254	252
Contract benefits	(238)	(212)	(223)	(202)	(216)	(214)	(450)	(430)
Total benefit spread	<u>\$ 33</u>	<u>\$ 93</u>	<u>\$ 97</u>	<u>\$ 76</u>	<u>\$ 64</u>	<u>\$ 69</u>	<u>\$ 122</u>	<u>\$ 133</u>
Investment spread								
Net investment income	\$ 123	\$ 128	\$ 134	\$ 128	\$ 125	\$ 127	\$ 251	\$ 252
Interest credited to contractholder funds	(114)	(56)	(72)	(85)	(70)	(72)	(170)	(142)
Total investment spread	<u>\$ 9</u>	<u>\$ 72</u>	<u>\$ 62</u>	<u>\$ 43</u>	<u>\$ 55</u>	<u>\$ 55</u>	<u>\$ 81</u>	<u>\$ 110</u>
Proprietary life issued policies ⁽²⁾	<u>17,232</u>	<u>20,169</u>	<u>34,927</u>	<u>31,031</u>	<u>33,105</u>	<u>28,425</u>	<u>37,401</u>	<u>61,530</u>
Policies in force (in thousands) ⁽³⁾								
Life insurance	1,789	1,797	1,816	1,818	1,822	1,823	1,789	1,822
Allstate agencies	101	103	105	106	109	111	101	109
Closed channels	2	2	2	2	2	2	2	2
Accident and health insurance	2	2	2	2	2	2	2	2
Total	<u>1,892</u>	<u>1,902</u>	<u>1,923</u>	<u>1,926</u>	<u>1,933</u>	<u>1,936</u>	<u>1,892</u>	<u>1,933</u>

⁽¹⁾ Includes gross dealer concessions received in connection with Allstate exclusive agencies and exclusive financial specialists' sales of non-proprietary products, including mutual funds, fixed and variable annuities, disability insurance and long-term care insurance.
⁽²⁾ Policies issued during the period.
⁽³⁾ Reflects the number of contracts in force.

The Allstate Corporation
Allstate Life Return on Equity

(\$ in millions)

Twelve months ended

	June 30, 2020	March 31, 2020	Dec. 31, 2019	Sept. 30, 2019	June 30, 2019	March 31, 2019
Return on equity						
Numerator:						
Net income applicable to common shareholders ⁽¹⁾⁽²⁾	\$ 241	\$ 244	\$ 247	\$ 237	\$ 252	\$ 260
Denominator:						
Beginning equity	\$ 2,744	\$ 2,657	\$ 2,474	\$ 2,528	\$ 2,587	\$ 2,542
Ending equity	3,037	2,842	2,944	2,863	2,744	2,657
Average equity ⁽³⁾	\$ 2,891	\$ 2,750	\$ 2,709	\$ 2,696	\$ 2,666	\$ 2,600
Return on equity	8.3 %	8.9 %	9.1 %	8.8 %	9.5 %	10.0 %
Adjusted net income return on adjusted equity						
Numerator:						
Adjusted net income ⁽¹⁾	\$ 272	\$ 268	\$ 261	\$ 254	\$ 285	\$ 297
Denominator:						
Beginning equity	\$ 2,744	\$ 2,657	\$ 2,474	\$ 2,528	\$ 2,587	\$ 2,542
Less: Unrealized net capital gains and losses	271	168	52	75	89	142
Goodwill	175	175	175	175	175	175
Adjusted beginning equity	\$ 2,298	\$ 2,314	\$ 2,247	\$ 2,278	\$ 2,323	\$ 2,225
Ending equity	\$ 3,037	\$ 2,842	\$ 2,944	\$ 2,863	\$ 2,744	\$ 2,657
Less: Unrealized net capital gains and losses	433	183	328	350	271	168
Goodwill	175	175	175	175	175	175
Adjusted ending equity	\$ 2,429	\$ 2,484	\$ 2,441	\$ 2,338	\$ 2,298	\$ 2,314
Average adjusted equity ⁽³⁾	\$ 2,364	\$ 2,399	\$ 2,344	\$ 2,308	\$ 2,311	\$ 2,270
Adjusted net income return on adjusted equity *	11.5 %	11.2 %	11.1 %	11.0 %	12.3 %	13.1 %

⁽¹⁾ Net income applicable to common shareholders and adjusted net income reflect a trailing twelve-month period.

⁽²⁾ Includes a \$16 million Tax Legislation expense for the periods ended June 30, 2019 and March 31, 2019.

⁽³⁾ Average equity and average adjusted equity are determined using a two-point average, with the beginning and ending equity and adjusted equity, respectively, for the twelve-month period as data points.

The Allstate Corporation
Allstate Benefits Segment Results and Other Statistics

(\$ in millions)	As of or for the three months ended				As of or for the six months ended			
	June 30, 2020	March 31, 2020	Dec. 31, 2019	Sept. 30, 2019	June 30, 2019	March 31, 2019	June 30, 2020	June 30, 2019
Premiums	\$ 237	\$ 253	\$ 254	\$ 262	\$ 256	\$ 259	\$ 490	\$ 515
Contract charges	26	29	28	29	28	29	55	57
Net investment income	20	20	22	21	21	19	40	40
Contract benefits	(123)	(141)	(152)	(161)	(143)	(145)	(264)	(288)
Interest credited to contractholder funds	(9)	(9)	(8)	(9)	(6)	(9)	(18)	(17)
Amortization of deferred policy acquisition costs	(35)	(45)	(50)	(33)	(35)	(43)	(80)	(78)
Operating costs and expenses	(110) ⁽⁵⁾	(75)	(74)	(69)	(71)	(71)	(185)	(142)
Income tax expense on operations	-	-	-	-	-	-	(3)	-
Adjusted net income	5	24	16	31	37	31	29	68
Realized capital gains (losses), after-tax	7	(10)	2	2	2	3	(3)	5
Net income applicable to common shareholders	\$ 12	\$ 14	\$ 18	\$ 33	\$ 39	\$ 34	\$ 26	\$ 73
Benefit ratio ⁽¹⁾	46.8	50.0	53.9	55.3	50.4	50.3	48.4	50.3
Operating expense ratio ⁽²⁾	41.8	26.6	26.2	23.7	25.0	24.7	33.9	24.8
Premiums and contract charges by product								
Life	\$ 38	\$ 38	\$ 40	\$ 41	\$ 38	\$ 38	\$ 76	\$ 76
Accident	69	73	72	76	74	76	142	150
Critical illness	115	122	116	121	120	122	237	242
Short-term disability	17	20	27	27	27	26	37	53
Other health	24	29	27	26	25	26	53	51
Total	\$ 263	\$ 282	\$ 282	\$ 291	\$ 284	\$ 288	\$ 545	\$ 572
New annualized premium sales by product ⁽³⁾								
Life	\$ 4	\$ 6	\$ 19	\$ 9	\$ 9	\$ 8	\$ 10	\$ 17
Accident	13	17	43	20	20	21	30	41
Critical illness	17	21	61	23	22	24	38	46
Short-term disability	3	5	11	7	9	8	8	17
Other health	9	8	24	10	13	11	17	24
Total	\$ 46	\$ 57	\$ 158	\$ 69	\$ 73	\$ 72	\$ 103	\$ 145
Annualized premium in force ⁽⁴⁾	\$ 1,257	\$ 1,233	\$ 1,195	\$ 1,248	\$ 1,249	\$ 1,251	\$ 1,257	\$ 1,249

⁽¹⁾ Benefit ratio is contract benefits divided by premiums and contract charges.

⁽²⁾ Operating expense ratio is operating costs and expenses divided by premiums and contract charges.

⁽³⁾ New annualized premium sales reflects annualized premiums at initial customer enrollment (including new accounts and new employees or policies of existing accounts). A significant portion of Allstate Benefits business is seasonally written in the fourth quarter during many clients' annual employee benefits enrollment.

⁽⁴⁾ Premium amount paid annually for all active policies, which have not been cancelled.

⁽⁵⁾ Includes \$41 million, pre-tax, write-off of capitalized software costs associated with a billing system.

The Allstate Corporation
Allstate Benefits Return on Equity

(\$ in millions)

	Twelve months ended					
	June 30, 2020	March 31, 2020	Dec. 31, 2019	Sept. 30, 2019	June 30, 2019	March 31, 2019
Return on equity						
Numerator:						
Net income applicable to common shareholders ⁽¹⁾	\$ 77	\$ 104	\$ 124	\$ 126	\$ 128	\$ 125
Denominator:						
Beginning equity	\$ 969	\$ 906	\$ 842	\$ 883	\$ 848	\$ 824
Ending equity	1,004	923	949	1,010	969	906
Average equity ⁽²⁾	\$ 987	\$ 915	\$ 896	\$ 947	\$ 909	\$ 865
Return on equity	7.8 %	11.4 %	13.8 %	13.3 %	14.1 %	14.5 %
Adjusted net income return on adjusted equity						
Numerator:						
Adjusted net income ⁽¹⁾	\$ 76	\$ 108	\$ 115	\$ 125	\$ 127	\$ 126
Denominator:						
Beginning equity	\$ 969	\$ 906	\$ 842	\$ 883	\$ 848	\$ 824
Less: Unrealized net capital gains and losses	44	21	(10)	(4)	(4)	8
Goodwill	96	96	96	96	96	96
Adjusted beginning equity	\$ 829	\$ 789	\$ 756	\$ 791	\$ 756	\$ 720
Ending equity	\$ 1,004	\$ 923	\$ 949	\$ 1,010	\$ 969	\$ 906
Less: Unrealized net capital gains and losses	77	14	53	52	44	21
Goodwill	96	96	96	96	96	96
Adjusted ending equity	\$ 831	\$ 813	\$ 800	\$ 862	\$ 829	\$ 789
Average adjusted equity ⁽²⁾	\$ 830	\$ 801	\$ 778	\$ 827	\$ 793	\$ 755
Adjusted net income return on adjusted equity *	9.2 %	13.5 %	14.8 %	15.1 %	16.0 %	16.7 %

⁽¹⁾ Net income applicable to common shareholders and adjusted net income reflect a trailing twelve-month period.

⁽²⁾ Average equity and average adjusted equity are determined using a two-point average, with the beginning and ending equity and adjusted equity, respectively, for the twelve-month period as data points.

The Allstate Corporation
Allstate Annuities Segment Results and Other Statistics

(\$ in millions)

As of or for the three months ended

As of or for the
six months ended

	June 30, 2020	March 31, 2020	Dec. 31, 2019	Sept. 30, 2019	June 30, 2019	March 31, 2019	June 30, 2020	June 30, 2019
Contract charges	\$ 2	\$ 2	\$ 3	\$ 3	\$ 4	\$ 3	\$ 4	\$ 7
Net investment income ⁽¹⁾	66	47	180	251	296	190	113	486
Periodic settlements and accruals on non-hedge derivative instruments	-	-	-	(1)	1	-	-	1
Contract benefits	(136)	(148)	(143)	(150)	(152)	(138)	(284)	(290)
Interest credited to contractholder funds	(69)	(70)	(73)	(73)	(75)	(78)	(139)	(153)
Amortization of deferred policy acquisition costs	(1)	(2)	(2)	(2)	(1)	(2)	(3)	(3)
Operating costs and expenses	(7)	(6)	(7)	(7)	(8)	(7)	(13)	(15)
Restructuring and related charges	-	-	(1)	-	-	-	-	-
Income tax (expense) benefit on operations	34	38	10	(5)	(13)	7	72	(6)
Adjusted net income (loss)	(111)	(139)	(33)	16	52	(25)	(250)	27
Realized capital gains (losses), after-tax	194	(213)	97	16	37	124	(19)	161
Valuation changes on embedded derivatives not hedged, after-tax	(6)	2	-	(1)	(3)	(3)	(4)	(5)
Gain on disposition of operations, after-tax	1	1	2	-	1	1	2	2
Net income (loss) applicable to common shareholders	\$ 78	\$ (349)	\$ 66	\$ 31	\$ 88	\$ 97	\$ (271)	\$ 185
Benefit spread								
Cost of insurance contract charges	\$ 1	\$ 2	\$ 3	\$ 2	\$ 2	\$ 2	\$ 3	\$ 4
Contract benefits excluding the implied interest on immediate annuities with life contingencies	(21)	(30)	(24)	(30)	(33)	(17)	(51)	(50)
Total benefit spread	\$ (20)	\$ (28)	\$ (21)	\$ (28)	\$ (31)	\$ (15)	\$ (48)	\$ (46)
Investment spread								
Net investment income	\$ 66	\$ 47	\$ 180	\$ 251	\$ 296	\$ 190	\$ 113	\$ 486
Implied interest on immediate annuities with life contingencies	(115)	(118)	(119)	(120)	(119)	(121)	(233)	(240)
Interest credited to contractholder funds excluding valuation changes on embedded derivatives not hedged	(77)	(67)	(73)	(75)	(78)	(81)	(144)	(159)
Total investment spread	\$ (126)	\$ (138)	\$ (12)	\$ 56	\$ 99	\$ (12)	\$ (264)	\$ 87
⁽¹⁾ Performance-based net investment income, a component of net investment income	\$ (101)	\$ (122)	\$ (5)	\$ 68	\$ 106	\$ 1	\$ (223)	\$ 107

The Allstate Corporation
Allstate Annuities Return on Equity

(\$ in millions)

	Twelve months ended					
	June 30, 2020	March 31, 2020	Dec. 31, 2019	Sept. 30, 2019	June 30, 2019	March 31, 2019
Return on equity						
Numerator:						
Net income (loss) applicable to common shareholders ⁽¹⁾⁽²⁾	\$ (174)	\$ (164)	\$ 282	\$ 94	\$ 194	\$ 156
Denominator:						
Beginning equity	\$ 5,437	\$ 5,278	\$ 4,949	\$ 5,119	\$ 5,029	\$ 5,009
Ending equity	5,496	4,926	5,625	5,552	5,437	5,278
Average equity ⁽³⁾	\$ 5,467	\$ 5,102	\$ 5,287	\$ 5,336	\$ 5,233	\$ 5,144
Return on equity	(3.2) %	(3.2) %	5.3 %	1.8 %	3.7 %	3.0 %
Adjusted net income return on adjusted equity						
Numerator:						
Adjusted net income (loss) ⁽¹⁾	\$ (267)	\$ (104)	\$ 10	\$ 75	\$ 79	\$ 71
Denominator:						
Beginning equity	\$ 5,437	\$ 5,278	\$ 4,949	\$ 5,119	\$ 5,029	\$ 5,009
Less: Unrealized net capital gains and losses	502	428	193	241	272	279
Adjusted beginning equity	\$ 4,935	\$ 4,850	\$ 4,756	\$ 4,878	\$ 4,757	\$ 4,730
Ending equity	\$ 5,496	\$ 4,926	\$ 5,625	\$ 5,552	\$ 5,437	\$ 5,278
Less: Unrealized net capital gains and losses	661	277	604	585	502	428
Adjusted ending equity	\$ 4,835	\$ 4,649	\$ 5,021	\$ 4,967	\$ 4,935	\$ 4,850
Average adjusted equity ⁽³⁾	\$ 4,885	\$ 4,750	\$ 4,889	\$ 4,923	\$ 4,846	\$ 4,790
Adjusted net income (loss) return on adjusted equity *	(5.5) %	(2.2) %	0.2 %	1.5 %	1.6 %	1.5 %
Adjusted net income (loss) return on adjusted equity by product:						
Deferred annuities	12.2 %	15.1 %	14.5 %	14.2 %	13.2 %	11.7 %
Immediate annuities	(7.1) %	(3.7) %	(1.1) %	0.3 %	0.5 %	0.4 %

⁽¹⁾ Net income applicable to common shareholders and adjusted net income reflect a trailing twelve-month period.

⁽²⁾ Includes a \$69 million Tax Legislation benefit for the periods ended June 30, 2019 and March 31, 2019.

⁽³⁾ Average equity and average adjusted equity are determined using a two-point average, with the beginning and ending equity and adjusted equity, respectively, for the twelve-month period as data points.

The Allstate Corporation
Corporate and Other Segment Results

(\$ in millions)

	Three months ended				Six months ended			
	June 30, 2020	March 31, 2020	Dec. 31, 2019	Sept. 30, 2019	June 30, 2019	March 31, 2019	June 30, 2020	June 30, 2019
Net investment income	\$ 11	\$ 14	\$ 18	\$ 21	\$ 19	\$ 12	\$ 25	\$ 31
Operating costs and expenses	(25)	(25)	(27)	(19)	(24)	(21)	(50)	(45)
Interest expense	(79)	(81)	(81)	(80)	(82)	(83)	(160)	(165)
Income tax benefit on operations	20	21	20	19	19	20	41	39
Preferred stock dividends	(26)	(36)	(66)	(42)	(30)	(31)	(62)	(61)
Adjusted net loss	(99)	(107)	(136)	(101)	(98)	(103)	(206)	(201)
Realized capital gains (losses), after-tax	23	(17)	9	2	7	1	6	8
Pension and other postretirement rereasurement gains (losses), after-tax	(58)	(251)	199	(179)	(99)	(11)	(309)	(110)
Net income (loss) applicable to common shareholders	\$ (134)	\$ (375)	\$ 72	\$ (278)	\$ (190)	\$ (113)	\$ (509)	\$ (303)

The Allstate Corporation
Investment Position

(\$ in millions)	June 30, 2020	March 31, 2020	Dec. 31, 2019	Sept. 30, 2019	June 30, 2019	March 31, 2019
Consolidated Investments						
Fixed income securities, at fair value	\$ 64,448	\$ 59,857	\$ 59,044	\$ 59,259	\$ 58,484	\$ 58,202
Equity securities ⁽¹⁾	4,212	3,701	8,162	8,206	7,906	5,802
Mortgage loans, net	4,774	4,759	4,817	4,694	4,687	4,681
Limited partnership interests ⁽²⁾	6,941	7,087	8,078	7,990	7,818	7,493
Short-term, at fair value	5,344	5,671	4,256	5,254	3,740	4,157
Other investments, net	3,918	3,767	4,005	3,904	3,856	3,786
Total	\$ 89,637	\$ 84,842	\$ 88,362	\$ 89,307	\$ 86,491	\$ 84,121
Fixed income securities, at amortized cost, net ⁽³⁾	\$ 60,534	\$ 58,945	\$ 56,293	\$ 56,263	\$ 56,008	\$ 56,831
Ratio of fair value to amortized cost	106.5 %	101.5 %	104.9 %	105.3 %	104.4 %	102.4 %
Short-term, at amortized cost	\$ 5,343	\$ 5,671	\$ 4,256	\$ 5,254	\$ 3,740	\$ 4,157

	June 30, 2020 - By Segment						Total
	Property- Liability	Service Businesses	Allstate Life	Allstate Benefits	Allstate Annuities	Corporate and Other	
Fixed income securities, at fair value	\$ 37,866	\$ 1,549	\$ 8,336	\$ 1,383	\$ 14,078	\$ 1,236	\$ 64,448
Equity securities	2,093	132	172	73	1,402	340	4,212
Mortgage loans, net	604	-	1,797	201	2,172	-	4,774
Limited partnership interests	4,692	-	-	-	2,848	1	6,941
Short-term, at fair value	1,868	89	441	73	763	2,110	5,344
Other investments, net	1,648	-	1,326	299	643	2	3,918
Total	\$ 48,171	\$ 1,770	\$ 12,072	\$ 2,029	\$ 21,906	\$ 3,689	\$ 89,637
Fixed income securities, at amortized cost, net	\$ 36,189	\$ 1,460	\$ 7,517	\$ 1,282	\$ 12,907	\$ 1,179	\$ 60,534
Ratio of fair value to amortized cost	104.6 %	106.1 %	110.9 %	107.9 %	109.1 %	104.8 %	106.5 %
Short-term, at amortized cost	\$ 1,867	\$ 89	\$ 441	\$ 73	\$ 763	\$ 2,110	\$ 5,343
Fixed income securities portfolio duration (in years) ⁽⁴⁾	5.08	4.89	6.77	5.21	4.94	3.21	5.23

⁽¹⁾ As of June 30, 2020, equity securities include \$1.36 billion of investments in exchange traded and mutual funds whose underlying investments are fixed income securities.

⁽²⁾ As of June 30, 2020, we have commitments to invest additional amounts in limited partnership interests totaling \$2.73 billion.

⁽³⁾ Due to the adoption of the measurement of credit losses on financial instruments accounting standard on January 1, 2020, credit losses for fixed income securities are recorded as an allowance.

⁽⁴⁾ Duration measures the price sensitivity of assets and liabilities to changes in interest rates.

The Allstate Corporation
Net Investment Income, Yields and Realized Capital Gains and Losses (Pre-Tax)

(\$ in millions)

	Three months ended								Six months ended			
	June 30, 2020	March 31, 2020	Dec. 31, 2019	Sept. 30, 2019	June 30, 2019	March 31, 2019	June 30, 2020	June 30, 2019				
Net investment income												
Fixed income securities	\$ 531	\$ 525	\$ 548	\$ 546	\$ 543	\$ 538	\$ 1,056	\$ 1,081				
Equity securities	31	6	51	57	68	30	37	98				
Mortgage loans	51	60	59	54	54	53	111	107				
Limited partnership interests ("LPs") ⁽¹⁾	(220)	(192)	11	197	254	9	(412)	263				
Short-term	2	17	22	28	26	26	19	52				
Other	62	63	66	66	67	63	125	128				
Investment income, before expense	457	479	757	948	1,012	719	936	1,731				
Less: Investment expense	(48)	(50)	(68)	(68)	(70)	(71)	(100)	(141)				
Net investment income	\$ 409	\$ 421	\$ 689	\$ 880	\$ 942	\$ 648	\$ 836	\$ 1,590				
Interest-bearing investments ⁽²⁾	\$ 624	\$ 646	\$ 674	\$ 676	\$ 672	\$ 664	\$ 1,270	\$ 1,336				
Equity securities	31	6	51	57	68	30	37	98				
LP and other alternative investments ⁽³⁾	(198)	(173)	32	215	272	25	(371)	297				
Investment income, before expense	\$ 457	\$ 479	\$ 757	\$ 948	\$ 1,012	\$ 719	\$ 936	\$ 1,731				
Pre-tax yields⁽⁴⁾												
Fixed income securities	3.6 %	3.6 %	3.9 %	3.9 %	3.8 %	3.8 %	3.8 %	3.8 %				
Equity securities	3.3	0.3	3.0	3.4	4.7	2.6	1.6	3.7				
Mortgage loans	4.3	4.9	5.0	4.6	4.6	4.6	4.6	4.6				
Limited partnership interests	(12.5)	(10.1)	0.5	10.0	13.3	0.5	(11.2)	6.9				
Total portfolio	2.1	2.2	3.5	4.4	4.8	3.4	2.1	4.1				
Interest-bearing investments	3.4	3.7	3.9	4.0	4.0	3.9	3.6	3.9				
Realized capital gains (losses), pre-tax by transaction type												
Sales ⁽⁵⁾	\$ 179	\$ 388	\$ 216	\$ 147	\$ 117	\$ 95	\$ 567	\$ 212				
Credit losses ⁽⁶⁾	(10)	(79)	(4)	(14)	(15)	(14)	(89)	(29)				
Valuation of equity investments	517	(859)	521	34	200	627	(242)	827				
Valuation and settlements of derivative instruments	18	88	(31)	40	22	(46)	106	(24)				
Total	\$ 704	\$ (462)	\$ 702	\$ 197	\$ 324	\$ 662	\$ 242	\$ 886				
Total return on investment portfolio⁽⁷⁾												
Net investment income	0.5 %	0.5 %	0.8 %	1.0 %	1.1 %	0.8 %	1.0 %	1.9 %				
Valuation interest-bearing	3.9	(1.9)	(0.1)	0.8	1.5	1.7	2.0	3.2				
Valuation-equity investments	0.6	(1.0)	0.6	0.1	0.2	0.8	(0.4)	1.0				
Total	5.0 %	(2.4) %	1.3 %	1.9 %	2.8 %	3.3 %	2.6 %	6.1 %				
Average investment balances (in billions)⁽⁸⁾	\$ 84.6	\$ 83.0	\$ 84.5	\$ 83.9	\$ 82.2	\$ 81.2	\$ 84.4	\$ 81.7				
Investment expense												
Investee level expenses ⁽⁹⁾	\$ (14)	\$ (13)	\$ (22)	\$ (19)	\$ (20)	\$ (20)	\$ (27)	\$ (40)				
Securities lending expense	-	(6)	(8)	(10)	(11)	(11)	(6)	(22)				
Other expenses	(34)	(28)	(38)	(38)	(39)	(40)	(73)	(78)				
Total investment expense	\$ (48)	\$ (50)	\$ (68)	\$ (68)	\$ (70)	\$ (71)	\$ (100)	\$ (141)				

⁽¹⁾ Income from equity method of accounting LP is generally recognized on a three-month delay due to the availability of the related financial statements from investees.

⁽²⁾ Comprise fixed income securities, mortgage loans, short-term investments, and other investments including bank and agent loans and derivatives.

⁽³⁾ Comprise limited partnership interests and other alternative investments, including real estate investments classified as other investments.

⁽⁴⁾ 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 consolidated investments is net of investee level expenses (asset level operating expenses reported in investment expense). Beginning January 1, 2020, depreciation previously included in investee level expenses is reported as realized capital gains or losses. Fixed income securities investment balances exclude unrealized capital gains and losses. Equity securities investment balances use cost in the calculation.

⁽⁵⁾ Beginning January 1, 2020, depreciation previously included in investee level expenses is reported as realized capital gains or losses.

⁽⁶⁾ Due to the adoption of the measurement of credit losses on financial instruments accounting standard on January 1, 2020, realized capital losses previously reported as other-than-temporary impairment write-downs are presented as credit losses.

⁽⁷⁾ Total return on investment portfolio is calculated from GAAP results, including the total of net investment income, realized capital gains and losses, the change in unrealized net capital gains and losses, and the change in the difference between fair value and carrying value of mortgage loans, bank loans and agent loans divided by the average fair value balances.

⁽⁸⁾ Average investment balances for the quarter are calculated as the average of the current and prior quarter investment balances. For purposes of the average investment balances calculation, unrealized capital gains and losses on fixed income securities are excluded and equity securities investment balances are at cost.

The Allstate Corporation
Net Investment Income, Yields and Realized Capital Gains and Losses (Pre-Tax) by Segment

(\$ in millions)

	Three months ended June 30, 2020						Total
	Property- Liability	Service Businesses	Allstate Life	Allstate Benefits	Allstate Annuities	Corporate and Other	
Net Investment Income							
Fixed income securities	\$ 275	\$ 10	\$ 87	\$ 13	\$ 138	\$ 8	\$ 531
Equity securities	16	1	1	1	9	3	31
Mortgage loans	6	-	20	2	23	-	51
Limited partnership interests ("LP")	(117)	-	-	-	(103)	-	(220)
Short-term	2	-	-	-	-	-	2
Other	25	-	19	5	12	1	62
Investment income, before expense	207	11	127	21	79	12	457
Less: Investment expense	(29)	-	(4)	(1)	(13)	(1)	(48)
Net investment income	\$ 178	\$ 11	\$ 123	\$ 20	\$ 66	\$ 11	\$ 409
Net investment income, after-tax	\$ 153	\$ 9	\$ 103	\$ 15	\$ 51	\$ 9	\$ 340
Interest bearing investments ⁽¹⁾	\$ 294	\$ 10	\$ 126	\$ 20	\$ 165	\$ 9	\$ 624
Equity securities	16	1	1	1	9	3	31
LP and other alternative investments ⁽²⁾	(103)	-	-	-	(95)	-	(198)
Investment income, before expense	\$ 207	\$ 11	\$ 127	\$ 21	\$ 79	\$ 12	\$ 457
Pre-Tax Yields ⁽³⁾							
Fixed income securities	3.1 %	2.8 %	4.6 %	4.1 %	4.3 %	2.7 %	3.6 %
Equity securities	3.3	4.3	3.5	3.2	3.1	3.3	3.3
Mortgage loans	3.9	-	4.5	4.3	4.3	-	4.3
Limited partnership interests	(11.2)	-	-	-	(14.4)	-	(12.5)
Total portfolio	1.7	2.8	4.5	4.3	1.4	1.4	2.1
Interest-bearing investments	3.0	2.7	4.5	4.3	4.1	1.2	3.4
Realized capital gains (losses), pre-tax by transaction type							
Sales ⁽⁴⁾	\$ 150	\$ 9	\$ 4	\$ -	\$ 15	\$ 1	\$ 179
Credit losses ⁽⁵⁾	-	-	(1)	1	(10)	-	(10)
Valuation of equity investments	218	10	16	10	236	27	517
Valuation and settlements of derivative instruments	14	-	-	-	4	-	18
Total	\$ 382	\$ 19	\$ 19	\$ 11	\$ 245	\$ 28	\$ 704

⁽¹⁾ Comprised of fixed income securities, mortgage loans, short-term investments, and other investments including bank and agent loans and derivatives.

⁽²⁾ Comprised of limited partnership interests and other alternative investments, including real estate investments classified as other investments.

⁽³⁾ Quarterly pre-tax yield is calculated as annualized quarterly investment income, before investment expense divided by the average of the current and prior quarter investment balances. For the purposes of the pre-tax yield calculation, income for directly held real estate and other consolidated investments is net of investee level expenses (asset level operating expenses reported in investment expense). Beginning January 1, 2020, depreciation previously included in investee level expenses is reported as realized capital gains or losses. Fixed income securities investment balances exclude unrealized capital gains and losses. Equity securities investment balances use cost in the calculation.

⁽⁴⁾ Beginning January 1, 2020, depreciation previously included in investee level expenses is reported as realized capital gains or losses.

⁽⁵⁾ Due to the adoption of the measurement of credit losses on financial instruments accounting standard on January 1, 2020, realized capital losses previously reported as other-than-temporary impairment write-downs are presented as credit losses.

The Allstate Corporation
Net Investment Income, Yields and Realized Capital Gains and Losses (Pre-Tax) by Segment

(\$ in millions)

	Six months ended June 30, 2020						Total
	Property-Liability	Service Businesses	Allstate Life	Allstate Benefits	Allstate Annuities	Corporate and Other	
Net Investment Income							
Fixed income securities	\$ 542	\$ 18	\$ 173	\$ 26	\$ 279	\$ 18	\$ 1,056
Equity securities	22	3	2	1	4	5	37
Mortgage loans	12	-	44	5	50	-	111
Limited partnership interests ("LP")	(194)	-	-	-	(218)	-	(412)
Short-term	11	-	2	-	4	2	19
Other	50	-	39	9	24	3	125
Investment income, before expense	443	21	260	41	143	28	936
Less: Investment expense	(63)	-	(9)	(1)	(30)	(3)	(106)
Net investment income	\$ 380	\$ 21	\$ 251	\$ 40	\$ 113	\$ 25	\$ 830
Net investment income, after tax	\$ 324	\$ 17	\$ 209	\$ 31	\$ 89	\$ 20	\$ 690
Interest-bearing investments ⁽¹⁾	\$ 589	\$ 18	\$ 258	\$ 40	\$ 342	\$ 23	\$ 1,270
Equity securities	22	3	2	1	4	5	37
LP and other alternative investments ⁽²⁾	(168)	-	-	-	(203)	-	(371)
Investment income, before expense	\$ 443	\$ 21	\$ 260	\$ 41	\$ 143	\$ 28	\$ 936
Pre-Tax Yields ⁽³⁾							
Fixed income securities	3.2 %	2.7 %	4.6 %	4.1 %	4.3 %	3.1 %	3.6 %
Equity securities	1.6	3.3	2.7	2.1	0.7	2.7	1.6
Mortgage loans	4.0	-	4.8	4.7	4.6	-	4.6
Limited partnership interests	(8.9)	-	-	-	(14.5)	-	(11.2)
Total portfolio	1.8	2.7	4.6	4.3	1.3	1.8	2.1
Interest-bearing investments	3.1	2.6	4.6	4.4	4.2	1.7	3.6
Realized capital gains (losses), pre-tax by transaction type							
Sales ⁽⁴⁾	\$ 516	\$ 23	\$ -	\$ -	\$ 19	\$ 9	\$ 567
Credit losses ⁽⁵⁾	(35)	-	(17)	(1)	(36)	-	(89)
Valuation of equity investments	(294)	(28)	5	(2)	(21)	(2)	(342)
Valuation and settlements of derivative instruments	92	-	-	-	14	-	106
Total	\$ 279	\$ (5)	\$ (12)	\$ (3)	\$ (24)	\$ 7	\$ 242

⁽¹⁾ Comprised of fixed income securities, mortgage loans, short-term investments, and other investments, including bank and agent loans and derivatives.

⁽²⁾ Comprised of limited partnership interests and other alternative investments, including real estate investments classified as other investments.

⁽³⁾ 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 consolidated investments is net of investee level expenses (asset level operating expenses reported in investment expense). Beginning January 1, 2020, depreciation previously included in investee level expenses is reported as realized capital gains or losses. Fixed income securities investment balances exclude unrealized capital gains and losses. Equity securities investment balances use cost in the calculation.

⁽⁴⁾ Beginning January 1, 2020, depreciation previously included in investee level expenses is reported as realized capital gains or losses.

⁽⁵⁾ Due to the adoption of the measurement of credit losses on financial instruments accounting standard on January 1, 2020, realized capital losses previously reported as other-than-temporary impairment write-downs are presented as credit losses.

The Allstate Corporation
Investment Position and Results by Strategy and Segment

(\$ in millions)	As of or for the three months ended June 30, 2020						As of or for the three months ended June 30, 2019	
	Property-Liability	Service Businesses	Allstate Life	Allstate Benefits	Allstate Annuities	Corporate and Other	Total	Total
Market-based⁽¹⁾								
Investment position								
Interest-bearing investments	\$ 41,121	\$ 1,639	\$ 11,899	\$ 1,956	\$ 17,287	\$ 3,346	\$ 77,248	\$ 69,694
Equity securities ⁽²⁾	1,850	131	173	73	1,318	341	3,886	7,678
LP and other alternative investments ⁽³⁾	180	-	-	-	120	-	300	873
Total	\$ 43,151	\$ 1,770	\$ 12,072	\$ 2,029	\$ 18,725	\$ 3,687	\$ 81,434	\$ 78,245
Investment income								
Interest-bearing investments	\$ 292	\$ 10	\$ 126	\$ 20	\$ 165	\$ 9	\$ 622	\$ 668
Equity securities	15	1	1	1	10	3	31	62
LP and other alternative investments	2	-	-	-	-	-	2	3
Investment income, before expense	309	11	127	21	175	12	655	733
Investee level expenses ⁽⁴⁾	(1)	-	-	-	-	-	(1)	(2)
Income for yield calculation	\$ 308	\$ 11	\$ 127	\$ 21	\$ 175	\$ 12	\$ 654	\$ 731
Market-based pre-tax yield	3.0 %	2.8 %	4.5 %	4.3 %	4.1 %	1.4 %	3.4 %	3.9 %
Realized capital gains (losses), pre-tax by transaction type								
Sales	\$ 155	\$ 9	\$ 4	\$ -	\$ 18	\$ 1	\$ 187	\$ 86
Credit losses ⁽⁵⁾	2	-	(1)	1	(7)	-	(5)	(13)
Valuation of equity investments	212	10	16	10	210	27	485	186
Valuation and settlements of derivative	17	-	-	-	6	-	23	16
Total	\$ 386	\$ 19	\$ 19	\$ 11	\$ 227	\$ 28	\$ 660	\$ 287
Performance-based⁽⁶⁾								
Investment position								
Interest-bearing investments	\$ 121	\$ -	\$ -	\$ -	\$ 29	\$ -	\$ 150	\$ 139
Equity securities	242	-	-	-	84	-	326	328
LP and other alternative investments	4,657	-	-	-	3,068	2	7,727	7,879
Total	\$ 5,020	\$ -	\$ -	\$ -	\$ 3,181	\$ 2	\$ 8,203	\$ 8,246
Investment income								
Interest-bearing investments	\$ 2	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2	\$ 4
Equity securities	1	-	-	-	(1)	-	-	6
LP and other alternative investments	(105)	-	-	-	(95)	-	(200)	269
Investment income, before expense	(102)	-	-	-	(96)	-	(198)	279
Investee level expenses	(8)	-	-	-	(5)	-	(13)	(16)
Income for yield calculation	\$ (110)	\$ -	\$ -	\$ -	\$ (101)	\$ -	\$ (211)	\$ 261
Performance-based pre-tax yield	(8.7) %	NA	NA	NA	(12.5) %	- %	(10.2) %	12.9 %
Realized capital gains (losses), pre-tax by transaction type								
Sales	\$ (5)	\$ -	\$ -	\$ -	\$ (3)	\$ -	\$ (8)	\$ 31
Credit losses	(2)	-	-	-	(3)	-	(5)	(2)
Valuation of equity investments	6	-	-	-	26	-	32	2
Valuation and settlements of derivative	(3)	-	-	-	(2)	-	(5)	6
Total	\$ (4)	\$ -	\$ -	\$ -	\$ 18	\$ -	\$ 14	\$ 37

⁽¹⁾ 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.

⁽²⁾ Equity securities include investments in exchange traded and mutual funds whose underlying investments are fixed income securities.

⁽³⁾ Market-based investments include publicly traded equity securities classified as limited partnership.

⁽⁴⁾ When calculating the pre-tax yields, investee level expenses are netted against income for directly held real estate and other consolidated investments.

⁽⁵⁾ Due to the adoption of the measurement of credit losses on financial instruments accounting standard on January 1, 2020, realized capital losses previously reported as other-than-temporary impairment write-downs are presented as credit losses.

⁽⁶⁾ Performance-based strategy seeks to deliver attractive risk-adjusted returns and supplement market risk with idiosyncratic risk primarily through investments in private equity and real estate.

The Allstate Corporation
Investment Position and Results by Strategy and Segment

(\$ in millions)	As of or for the six months ended June 30, 2020						As of or for the six months ended June 30, 2019	
	Property-Liability	Service Businesses	Allstate Life	Allstate Benefits	Allstate Annuities	Corporate and Other	Total	Total
Market-based ⁽¹⁾								
Investment position								
Interest-bearing investments	\$ 41,121	\$ 1,639	\$ 11,899	\$ 1,956	\$ 17,287	\$ 3,346	\$ 77,248	\$ 69,694
Equity securities ⁽²⁾	1,850	131	173	73	1,318	341	3,886	7,678
LP and other alternative investments ⁽³⁾	180	-	-	-	120	-	300	873
Total	\$ 43,151	\$ 1,770	\$ 12,072	\$ 2,029	\$ 18,725	\$ 3,687	\$ 81,434	\$ 78,245
Investment income								
Interest-bearing investments	\$ 596	\$ 18	\$ 258	\$ 40	\$ 342	\$ 23	\$ 1,267	\$ 1,331
Equity securities	35	3	2	1	14	5	60	92
LP and other alternative investments	3	-	-	-	-	-	3	5
Investment income, before expense	634	21	260	41	356	28	1,530	1,428
Investee level expenses ⁽⁴⁾	(2)	-	-	-	-	-	(2)	(4)
Income for yield calculation	\$ 632	\$ 21	\$ 260	\$ 41	\$ 356	\$ 28	\$ 1,528	\$ 1,424
Market-based pre-tax yield	3.0 %	2.7 %	4.6 %	4.3 %	4.1 %	1.8 %	3.5 %	3.9 %
Realized capital gains (losses), pre-tax by transaction type								
Sales	\$ 508	\$ 23	\$ -	\$ -	\$ 25	\$ 9	\$ 565	\$ (26)
Credit losses ⁽⁵⁾	(27)	-	(17)	(1)	(31)	-	(76)	152
Valuation of equity investments	(253)	(28)	5	(2)	(47)	(2)	(367)	800
Valuation and settlements of derivative	70	-	-	-	5	-	75	(34)
Total	\$ 258	\$ (5)	\$ (12)	\$ (3)	\$ (48)	\$ 7	\$ 197	\$ 892
Performance-based ⁽⁶⁾								
Investment position								
Interest-bearing investments	\$ 121	\$ -	\$ -	\$ -	\$ 29	\$ -	\$ 150	\$ 139
Equity securities	242	-	-	-	84	-	326	228
LP and other alternative investments	4,637	-	-	-	3,068	2	7,727	7,879
Total	\$ 5,000	\$ -	\$ -	\$ -	\$ 3,181	\$ 2	\$ 8,203	\$ 8,246
Investment income								
Interest-bearing investments	\$ 3	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3	\$ 5
Equity securities	(13)	-	-	-	(19)	-	(32)	6
LP and other alternative investments	(173)	-	-	-	(203)	-	(376)	292
Investment income, before expense	(183)	-	-	-	(222)	-	(405)	303
Investee level expenses	(15)	-	-	-	(19)	-	(34)	(36)
Income for yield calculation	\$ (198)	\$ -	\$ -	\$ -	\$ (241)	\$ -	\$ (439)	\$ 267
Performance-based pre-tax yield	(7.7) %	NA	NA	NA	(13.4) %	- %	(9.9) %	6.6 %
Realized capital gains (losses), pre-tax by transaction type								
Sales	\$ 8	\$ -	\$ -	\$ -	\$ (6)	\$ -	\$ 2	\$ (3)
Credit losses	(8)	-	-	-	(5)	-	(13)	60
Valuation of equity investments	(1)	-	-	-	26	-	25	27
Valuation and settlements of derivative	22	-	-	-	9	-	31	10
Total	\$ 21	\$ -	\$ -	\$ -	\$ 24	\$ -	\$ 45	\$ 94

⁽¹⁾ 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.

⁽²⁾ Equity securities include investments in exchange traded and mutual funds whose underlying investments are fixed income securities.

⁽³⁾ Market-based investments include publicly traded equity securities classified as limited partnerships.

⁽⁴⁾ When calculating the pre-tax yields, investee level expenses are netted against income for directly held real estate and other consolidated investments.

⁽⁵⁾ Due to the adoption of the measurement of credit losses on financial instruments accounting standard on January 1, 2020, realized capital losses previously reported as other-than-temporary impairment write-downs are presented as credit losses.

⁽⁶⁾ Performance-based strategy seeks to deliver attractive risk-adjusted returns and supplement market risk with idiosyncratic risk primarily through investments in private equity and real estate.

The Allstate Corporation
Performance-Based ("PB") Investments

(\$ in millions)

	As of or for the three months ended				As of or for the six months ended			
	June 30, 2020	March 31, 2020	Dec. 31, 2019	Sept. 30, 2019	June 30, 2019	March 31, 2019	June 30, 2020	June 30, 2019
Investment position								
Limited partnerships								
Private equity	\$ 5,575	\$ 5,781	\$ 6,131	\$ 6,162	\$ 5,922	\$ 5,786	\$ 5,575	\$ 5,952
Real estate	1,112	1,090	1,041	1,008	1,033	984	1,112	1,033
PB - limited partnerships	6,687	6,871	7,172	7,170	6,955	6,770	6,687	6,985
Non-LP								
Private equity	395	404	409	407	355	331	395	355
Real estate	1,121	1,106	1,128	1,017	906	898	1,121	906
PB - non-LP	1,516	1,510	1,537	1,424	1,261	1,129	1,516	1,261
Total								
Private equity	5,970	6,185	6,540	6,569	6,307	6,117	5,970	6,307
Real estate	2,233	2,196	2,169	2,025	1,939	1,792	2,233	1,929
Total PB	<u>\$ 8,203</u>	<u>\$ 8,381</u>	<u>\$ 8,709</u>	<u>\$ 8,594</u>	<u>\$ 8,246</u>	<u>\$ 7,909</u>	<u>\$ 8,203</u>	<u>\$ 8,236</u>
Investment income								
Limited partnerships								
Private equity	\$ (213)	\$ (199)	\$ (6)	\$ 125	\$ 216	\$ (5)	\$ (412)	\$ 211
Real estate	(72)	7	17	71	39	12	-	50
PB - limited partnerships	(220)	(192)	11	196	254	7	(412)	261
Non-LP								
Private equity	4	(21)	(9)	5	10	3	(17)	13
Real estate	18	17	18	19	15	14	35	29
PB - non-LP	22	(4)	9	24	25	17	18	42
Total								
Private equity	(209)	(220)	(15)	130	226	(2)	(429)	224
Real estate	11	24	35	90	53	26	35	79
Total PB	<u>\$ (198)</u>	<u>\$ (196)</u>	<u>\$ 20</u>	<u>\$ 220</u>	<u>\$ 279</u>	<u>\$ 24</u>	<u>\$ (394)</u>	<u>\$ 303</u>
Investee level expenses ⁽¹⁾	\$ (13)	\$ (12)	\$ (20)	\$ (18)	\$ (18)	\$ (18)	\$ (25)	\$ (36)
Realized capital gains (losses) ⁽²⁾								
Limited partnerships								
Private equity	\$ (5)	\$ (2)	\$ 42	\$ (1)	\$ (3)	\$ (3)	\$ (7)	\$ (6)
Real estate	-	(3)	(3)	(1)	1	-	(3)	1
PB - limited partnerships	(5)	(5)	39	(1)	(2)	(3)	(10)	(5)
Non-LP								
Private equity	26	15	(13)	17	8	28	41	36
Real estate	(7)	(2)	(11)	10	31	32	14	63
PB - non-LP	19	13	(24)	27	39	60	55	99
Total								
Private equity	21	13	29	16	5	25	34	30
Real estate	(7)	(2)	(14)	19	32	32	11	64
Total PB	<u>\$ 14</u>	<u>\$ 11</u>	<u>\$ 15</u>	<u>\$ 35</u>	<u>\$ 37</u>	<u>\$ 57</u>	<u>\$ 45</u>	<u>\$ 94</u>
Pre-Tax Yield	(10.2) %	(9.7) %	-	9.6 %	12.9 %	0.3 %	(9.9) %	6.6 %
Internal Rate of Return ⁽³⁾								
10 Year	11.3 %	12.1 % ⁽⁴⁾	12.2 %	12.4 %	12.1 %	11.4 %		
5 Year	8.6	10.2 ⁽⁴⁾	10.8	11.2	11.4	11.2		
3 Year	7.5	10.4 ⁽⁴⁾	11.7	12.7	12.7	11.6		
1 Year	(2.2)	6.5 ⁽⁴⁾	7.6	9.7	9.5	6.7		

⁽¹⁾ Beginning January 1, 2020, depreciation previously included in investee level expenses is reported as realized capital gains or losses.

⁽²⁾ The internal rate of return ("IRR") 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 flow paid and received and, until the investment is fully liquidated, the estimated value of investment holdings at the end of the measurement period. The calculated IRR for any measurement period is highly influenced by the values of the portfolio at the beginning and end of the period, which reflect the estimated fair values of the investments as of such dates. As a result, the IRR can vary significantly for different measurement periods based on macroeconomic or other events that impact the estimated beginning or ending portfolio value, such as the global financial crisis. Our IRR calculation method may differ from those used by other investors. The timing of the recognition of income in the financial statements may differ significantly from the cash distributions and changes in the value of these investments.

⁽³⁾ For the three months ended March 31, 2020, IRR excludes decreases of \$347 million that were recorded in consideration of intervening events. Where information was available to enable updated estimates, we recognized current period declines in the value of limited partnership interests. This included updating publicly traded investments held within limited partnerships to their March 31, 2020 values, which reduced income \$52 million. Additionally, \$195 million of valuation increases reported in the fourth quarter 2019 partnership financial statements were excluded from income considering the equity market decline in March.

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 applicable to common shareholders, excluding:

- realized capital gains and losses, after-tax, except for periodic settlements and accruals on non-hedge derivative instruments, which are reported with realized capital gains and losses but included in adjusted net income,
- pension and other postretirement rereasurement gains and losses, after-tax,
- valuation changes on embedded derivatives not hedged, after-tax,
- amortization of deferred policy acquisition costs ("DAC") and deferred sales inducements ("DSI"), to the extent they resulted from the recognition of certain realized capital gains and losses or valuation changes on embedded derivatives not hedged, after-tax,
- business combination expenses and the amortization or impairment of purchased intangibles, after-tax,
- gain (loss) on disposition of operations, after-tax, and
- 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.

Net income 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 service business that may be obscured by the net effect of realized capital gains and losses, pension and other postretirement rereasurement gains and losses, valuation changes on embedded derivatives not hedged, business combination expenses and the amortization or impairment of purchased intangibles, gain (loss) on disposition of operations and adjustments for other significant non-recurring, infrequent or unusual items. Realized capital gains and losses, pension and other postretirement rereasurement gains and losses, valuation changes on embedded derivatives not hedged and gain (loss) on disposition of operations 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. Consistent with our intent to protect results or earn additional income, adjusted net income includes periodic settlements and accruals on certain derivative instruments that are reported in realized capital gains and losses because they do not qualify for hedge accounting or are not designated as hedges for accounting purposes. These instruments are used for economic hedges and to replicate fixed income securities, and by including them in adjusted net income, we are appropriately reflecting their trends in our performance and in a manner consistent with the economically hedged investments, product attributes (e.g. net investment income and interest credited to contractholder funds) or replicated investments. Business combination expenses are excluded because they are non-recurring in nature and the amortization or impairment of purchased intangibles is excluded because it relates to the acquisition purchase price and is not indicative of our underlying business results or trends. Non-recurring items are excluded because, by their nature, they are not indicative of our business or economic trends. Accordingly, adjusted net income excludes the effect of items that tend to be highly variable from period to period and highlights the results from ongoing operations and the underlying profitability of our business. A byproduct of excluding these items to determine adjusted net income is the transparency and understanding of their significance to net income variability and profitability while recognizing these or similar items may recur in subsequent periods. Adjusted net income is used by management along with the other components of net income 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 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 applicable to common shareholders and does not reflect the overall profitability of our business. A reconciliation of adjusted net income to net income applicable to common shareholders is provided in the schedule, "Contribution to Income".

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 income. Amortization or impairment of purchased intangibles relates to the acquisition purchase price and is not indicative of our underlying insurance business results or trends. We believe it is useful for investors to evaluate these components separately and in the aggregate when reviewing our underwriting performance. We also provide it to facilitate a comparison to our outlook on the underlying combined ratio. The most directly comparable GAAP measure is the combined ratio. The underlying combined ratio should not be considered a substitute for the combined ratio and does not reflect the overall underwriting profitability of our business. A reconciliation of the underlying combined ratio to combined ratio is provided in the schedules "Property-Liability Results", "Allstate Brand Profitability Measures", "Esurance Brand Profitability Measures and Statistics", "Encompass Brand Profitability Measures and Statistics", "Auto Profitability Measures by Brand", "Homeowners Profitability Measures by Brand", "Other Personal Lines Profitability Measures by Brand" and "Commercial Lines Profitability Measures".

Average underlying loss (incurred pure premium) and expense is calculated as the underlying combined ratio (a non-GAAP measure) provided on the schedule "Auto Profitability Measures by Brand" and "Homeowners Profitability Measures by Brand" multiplied by average premium calculated using annualized GAAP quarterly earned premium, which is annualized (multiplied by 4), provided on the schedule "Auto Profitability Measures by Brand" and "Homeowners Profitability Measures by Brand", divided by the policies in force provided on the schedule "Policies in Force" ("average 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 combined ratio. The results of these calculations are provided on the schedule "Allstate Brand Statistics".

Definitions of Non-GAAP Measures (continued)

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 Brand Profitability Measures", "Insurance Brand Profitability Measures and Statistics", "Encore Brand Profitability Measures and Statistics", "Auto Profitability Measures by Brand", "Homeowners Profitability Measures by Brand" and "Other Personal Lines Profitability Measures by Brand".

Adjusted net income return on 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 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 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 common shareholders' equity excluding the effect of unrealized net capital gains and losses for the denominator as a representation of common shareholders' equity primarily attributable to the Company'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 applicable to common shareholders and return on common shareholders' equity because it excludes the effect of items that tend to be highly volatile 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 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 common shareholders' equity from return on 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 occur in subsequent periods. We use adjusted measures of adjusted net income return on common shareholders' equity in incentive compensation. Therefore, we believe it is useful for investors to have adjusted net income return on common shareholders' equity and return on 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 common shareholders' equity should not be considered a substitute for return on common shareholders' equity and does not reflect the overall profitability of our business. A reconciliation of return on common shareholders' equity and adjusted net income return on common shareholders' equity can be found in the schedule, "Return on Common Shareholders' Equity".

Adjusted net income return on adjusted 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 equity at the beginning and at the end of the 12-months, after excluding the effect of unrealized net capital gains and losses and goodwill. Return on equity is the most directly comparable GAAP measure. We use average equity excluding the effect of unrealized net capital gains and losses and goodwill for the denominator as a representation of equity primarily attributable to the Company's earned and realized business operations. Unrealized net capital gains and losses are excluded because they 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. Goodwill is excluded because it relates to the acquisition purchase price and is not indicative of our underlying business results. We believe it is useful for investors to have adjusted net income return on adjusted equity when evaluating our performance as it represents a reliable, representative and consistent measurement of the company and management's utilization of capital. Adjusted net income return on adjusted equity should not be considered a substitute for return on equity and does not reflect the overall profitability of our business. A reconciliation of return on equity and adjusted net income return on adjusted equity can be found in the schedules, "Allstate Life Return on Equity", "Allstate Benefits Return on Equity" and "Allstate Annuities Return on 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 common shareholders' equity after excluding the impact of unrealized net capital gains and losses on fixed income securities and related DAC, DSI and life insurance reserves by total common shares outstanding plus dilutive potential common shares outstanding. We use the trend in book value per common share, excluding the impact of unrealized net capital gains and losses on fixed income securities, in conjunction with book value per common share to identify and analyze the change in net worth attributable 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".

